

Quarterly Report of the Independent Consumer Advocate (“ICA” or “Consumer Advocate”)

for the Metropolitan District of Hartford County (MDC)

(October 1, 2022 – December 31, 2022)

Introduction

This report summarizes my work as ICA during the fourth quarter of the 2022 calendar year. The majority of my work focused on examining the proposed FY 2023 budget materials and submitting limited recommendations about these materials. I also continued my efforts in trying to assist various individual customers in resolving billing, reimbursement, property damage, and other service issues. Finally, I conducted the ICA’s 2022 Annual Forum in early October.

2023 Budget

The proposed budget for MDC’s fiscal year 2023 was made available to the Consumer Advocate during this quarter. Beginning in September and continuing to December 5, 2022, numerous meetings concerning the budget were held by the Board of Finance, District Board, Water Bureau, Bureau of Public Works, and Government Committee, and I attended most of them. Separate from these meetings, the ICA also attended the statutorily mandated public hearing on the proposed 2023 budget, held by the District Board on November 7, 2022. In addition to attending these meetings, I spent a considerable amount of time during this quarter examining the proposed budget materials. Seeing as this was my first budget season serving as ICA, I also spent some time examining budget materials from past years in order to identify trends. In conjunction with my review of the 2023 budget materials, I not only examined relevant Charter provisions, but I also examined some of the relevant Ordinances, especially seeing as there were amendments and additions to these that were proposed as part of the budget adoption process. I also examined the MDC’s 2022 GO Bond Statement.

There were no rate-related items in the proposed budget that appeared to be substantially concerning except for more perennial issues that my predecessor and other members of the public had identified during prior budget discussions.¹ Notably, it remains to be seen how the economic development rate has incentivized water consumption since its implementation in April 2020. As a member of the public pointed out during the November 7th public hearing, the one MDC customer who can take advantage of this rate had--between April 2020 and September 2022—received a collective discount of over \$1,033,570 in its Economic Development Water Used (§W1a) and CWP §S12x Special Sewer Service Charges (a \$320,205 discount between April and December 2020; a \$369,510 discount in 2021; and a \$343,855 between January and September of 2022).

¹ For example, some of the comments made by ICA Silverstone with respect to past budgets from 2018-2021 still may warrant further consideration during this and future budget cycles. Also, as my predecessor pointed out in the past and as another member of the public pointed out during this budget cycle, the manner in which the discount rate for MDC’s largest water customer has an impact—or lack thereof—on revenue is perplexing and may require further investigation.

During this same time period, the billing data for this high-volume water customer provided by MDC staff showed that this customer's average monthly water consumption was 30,626.08 CCF for April to December of 2020; 31,798 CCF for 2021; and 33,648 CCF from January to September of 2022. In the last several months of each of the prior several calendar years, however, this customer's average monthly water consumption typically dropped and so—although data was unavailable at the time—it is safe to estimate that this customer's monthly average consumption rate for the entire 2022 calendar year was probably lower than 33,648 CCF. In weighing the relatively insignificant increases in average monthly water consumption rates against the sizeable rate discounts this customer received from the MDC between 2020 and 2022, it is evident that in future years, the rate may need to be reconsidered.²

In addition to the rates, some of the ordinance amendments proposed in the 2023 budget process also caught the ICA's attention. I shared some of Mayor Bronin's concerns shared during the public hearing about the New or Modified Storm Water (Inflow) Connections (§S2w) Sewer Ordinance. While the Consumer Advocate is sensitive to many of the issues raised by MDC Officers, Commissioners, and Staff and is in agreement with them on some issues concerning stormwater maintenance in the City, I think that the degree of burden that the ordinance amendments appear to place on the City may be counterproductive in the long run. As a general matter, query whether this ordinance might ultimately curb development in the City, thereby detracting from its tax base. This—coupled with the potential for increased costs that may trickle down to the City's existing taxpayers—may be problematic, especially when the same 2022 Moody's Credit Opinion that offered a stable outlook for MDC's financial future pointed to the member city's relatively volatile financial position as a potential for downgrade.

Customer Issues

The Consumer Advocate also devoted some time during this quarter towards addressing customer complaints and inquiries. One Wethersfield customer suspected a leak because his bill increased from \$65 to \$495 from one month to the next, and when staff had come to the property to inspect the lines, no issues were discovered. The customer then sought my assistance in obtaining a leak adjustment, which he ultimately received. Several other customers sought my assistance in avoiding shutoffs. Several other customers in Newington and West Hartford complained of MDC having damaged their driveway or lawn during sewer work and not having repaired it. As is the case with the customers who sought shutoff assistance, the Consumer Advocate is unable to report on the ultimate outcomes of the matters involving the customers who experienced property damage because of lack of information.

A Bloomfield customer submitted complaint to my office about the Septic Tank Reimbursement Program administered by the Utility Services Department. This customer reported that despite her having submitted a Septic Reimbursement Application for having her property's septic tank pumped by a licensed hauler in June 2022, as of November 2022 she still had not received her reimbursement payment. Although the status of this matter and the other matters is still unknown, the Consumer Advocate plans to follow up with these customers to see if he can still be of assistance.

² This is not to mention that this customer already appears to receive property tax abatements from its member municipality through its own legislative body.

Several unit owners and other representatives from an East Hartford condominium complex contacted the Consumer Advocate in order to complain about flooding damage resulting from an MDC main. According to the property manager, in connection with the demolition of buildings on the nearby Goodwin College site two years before the incident, MDC had not capped a line properly and this caused a valve to let go recently, thereby leading to the flooding incident. Several unit owners at the complex suffered extensive flooding damage and were forced to relocate to a hotel. It was reported to the Consumer Advocate that although a mitigation contractor was doing work on site at the time, the unit owners' insurers were denying coverage for relocation because their policies contained flood exclusion language. Per the property manager's report, a total of eight units had been damaged and three of those were unlivable. The complex owners, manager, and representatives sought MDC's intervention to help in covering these customers' relocation and other expenses. As I started to try and coordinate the matter with the MDC Claims Department, however, I eventually communicated with the East Hartford Mayor's Office and confirmed that these owners' claims had been or would be covered, and that where appropriate, they would receive relocation assistance.

Finally, with respect to several of the individual customer complaint matters discussed in the ICA's previous Quarterly Report, during this quarter the ICA learned that the Price Boulevard customer ultimately was able to resolve her property damage claim and that she received reimbursement for the damage costs. The ICA also learned that the Hillcrest Avenue owner's claim had been denied by the paving contractor who had done work in the area. According to the contractor, evidence it had gathered and some evidence which the customer had provided established that the property damage had already started occurring prior to the contractor having performed excavation work on the street. The ICA does not know whether this customer pursued her claim any further.

Internal Audit Committee

Although the ICA's attendance at board and committee meetings during this quarter largely pertained to the 2023 budget, the Consumer Advocate did attend several of the Internal Audit Committee Meetings and monitored its actions. The ICA also reviewed relevant MDC Charter provisions and MDC By-Laws. The Committee did permit the ICA to weigh in on the selection of an Investigative Legal Counsel to perform the investigation of the Sandler & Mara bills matter, but due to timing constraints and other non-MDC-related emergencies he was unable to participate significantly. Nevertheless, the Consumer Advocate approves of the firm that was ultimately selected and holds them in high regard. After the Firm began its work, the Consumer Advocate allowed the investigation to proceed and did not otherwise get involved.

ICA Annual Forum

As is required by statute, the Consumer Advocate held an in-person annual public forum on October 12, 2022 at the MDC's Training Center in Hartford. Remote attendance was allowed but no one appeared to attend in this manner. The forum was not recorded but the Powerpoint presentation I prepared for the forum is published on the ICA's website. Only three to four members of the public attended the forum, but an MDC Commissioner, the District Clerk, and other staff person were in attendance as well. I understand that the forum always has only had a small number of people in attendance. This is an issue that hopefully will improve in future

years and the ICA hopes to improve attendance at the 2023 forum. That said, the ICA is very appreciative to those who attended the 2022 forum. Despite the limited attendance, I found it to be productive. One Bloomfield customer in attendance pointed out that he was concerned about the customer service charge on his bill because no one barely resides at his property as he has to travel outside of the country frequently. The customer shares that he typically shuts off his water for extended periods of time when he travels but he still gets charged for the customer service charge, which has remained stagnant for several years. He urged me to look further into this issue. Another customer who is a Hartford property owner pointed out that the bills need much simpler explanation so that more customers can actually understand the information. Put differently, this customer essentially stated that although the rates may be acceptable, the bills are inexplicable. She urged MDC generally to make enhancements to its billing-related communications with customers, and she also suggested increasing its focus on public relations. Another attendee brought up the need for the sewer charge to be modified to make it more equitable, per the Raftellis study's recommendations. The idea of creating—or, improving—an MDC in-house staff that solely focuses on identifying, applying for, and pursuing federal and state grants was discussed. Another suggestion that was made by someone at the forum is for the MDC to create a grantwriting department, one subset of which could focus on larger grants and another subset of which could focus on smaller ones.

More generally, the following topics were discussed at the forum, in no particular order:

- The Internal Audit Committee;
- Land acquisition and sales;
- Desiccation, gasification, and other technology initiatives;
- Ethics; and
- The environmental initiatives that are associated with the Clean Water Project.

Respectfully submitted,



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Independent Consumer Advocate