

# **BROOKFIELD WATER POLLUTION CONTROL AUTHORITY**

Tuesday, August 25, 2015 Room 133 10:00 a.m.

## **SPECIAL MEETING APPROVED MINUTES**

1. **Convene Meeting/Introductions** – The meeting started at 10:00 am with the following people in attendance: Irv Agard, Nelson Malwitz, Tulio Lopez, Phil Kurtz, Roger Prinz, Kristi McPadden, Paul Malmrose, Tighe & Bond and Lesley Eckert, Tighe & Bond
2. **Review and discussion of Tighe & Bond Study**

On August 25, 2015, a special meeting was held at the Brookfield Town Hall to discuss the Sewer Rate Structure Study. The following are discussion items from this meeting.

1. The updated data analysis was discussed.
  - a. The data analysis previously presented was revised to include the appropriate number of sewer connections based on data provided by the WPCA.
    - i. The percentage of residential sewer customers that are Aquarion Water Company (Aquarion) customers increased significantly. The percent of residential sewer customers that have Aquarion water is 60%.
    - ii. The percent of commercial sewer customers that are Aquarion customers is 36%, which is much less than for residential customers.
2. The water usage analysis was presented.
  - a. Tighe & Bond analyzed water usage by sewer customers with connections to Aquarion and determined typical usage for one, two, and three bedroom residential customers.
    - i. As expected, average 4<sup>th</sup> quarter water consumption for sewer customers with one bedroom (93 gal/day) was less than consumption for customers with two bedrooms (111 gal/day) based on 2014 data. The data showed that consumption did not increase significantly as the number of bedrooms increased for customers with more than two bedrooms.
3. Revenue from metered sewer customers was analyzed to determine if the current unit assignment is equitable.
  - a. Total revenue was analyzed to determine the average revenue from 1,000 gallons.
  - b. An analysis of total revenue from residential and sewer customers showed that commercial customers are paying approximately \$52,000 per year more than the equitable amount.
  - c. The analysis also showed that the current unit assignment for commercial customers does not accurately reflect usage for many customers.
    - i. Based on these results, the WPCA indicated that they would like to put water meters on commercial accounts so that all commercial customers can be billed based on usage, which would be more equitable.

- ii. An issue was raised that there are some property owners with multiple commercial tenants that only have one water meter that serves multiple tenants. In this case, the WPCA could bill the property owner for total usage, and it would be the responsibility of the property owner to charge the individual tenants.
4. The revised rate models were presented. The following revisions were made to the rate models:
  - a. FYE 2016 financial data from the WPCA Operating, Restricted, and Capital Budgets for the Year Ended June 30, 2016 was added to the rate model.
  - b. A 3% rate of increase for expenses other than Danbury Fees was used.
  - c. The number of sewer customers was increased by 10% for FYE 2016.
  - d. The number of residential customers and bedrooms for 5 Nabby Rd and other developments was revised based on data provided by the WPCA.
  - e. The number of sewer and water connections at Rollingwood Condos, Sandy Lane Village, and Silvermine Manor was revised based on data provided by the WPCA.
5. A new alternative rate model was presented. The rate model was based on the following:
  - a. Residential usage based on number of bedrooms.
  - b. Commercial customers charged based on equivalent dwelling unit.
    - i. Equivalent dwelling unit was calculated by dividing water usage by the median water usage for a residential customer.
  - c. The WPCA noted that only 30% of the commercial bill should be based on the equivalent dwelling unit.
6. Tighe & Bond submitted the following two Excel rate models to the WPCA on September 10, 2015:
  - a. Existing rate structure
    - i. Residential and commercial customers charged based on number of units.
  - b. Alternative Rate Structure A
    - i. Residential customers charged based on the number of bedrooms and commercial customers charged according to the existing billing system.
      1. The split between user charges for customers with 1 bedroom versus 2 or more bedrooms is based on the water usage analysis results, which indicated that there was not a significant difference in water uses between 2 bedrooms and more than 2 bedrooms.
    - ii. The WPCA favored this alternative rate structure, but eventually the Authority would prefer to charge commercial customers based on water use when either they are required to install water meters or Aquarion provides water meters.

- iii. The Authority will also consider billing only property owners that have one water meter that serves multiple commercial tenants. It would then be the responsibility of the property owner to charge the individual tenants
  - iv. The split between revenue from residential and commercial customers in Alternative Rate Structure A is approximately the same as the existing rate structure.
- c. The following variables can be adjusted in the rate models:
- i. Billable quantities
  - ii. Pricing schedule
  - iii. Rate of increase of revenue from other sources
  - iv. Danbury fees
  - v. Rate of increase of other expenditures including employee costs, operations costs, administration costs, and contribution to capital costs.
  - vi. The budget summary sheet will automatically update when these variables are adjusted.
7. Tighe & Bond will submit the Technical Memorandum summarizing the Sewer Rate Structure Study to the WPCA within approximately two weeks.
3. **Adjournment** – The meeting adjourned at 12:00 p.m.