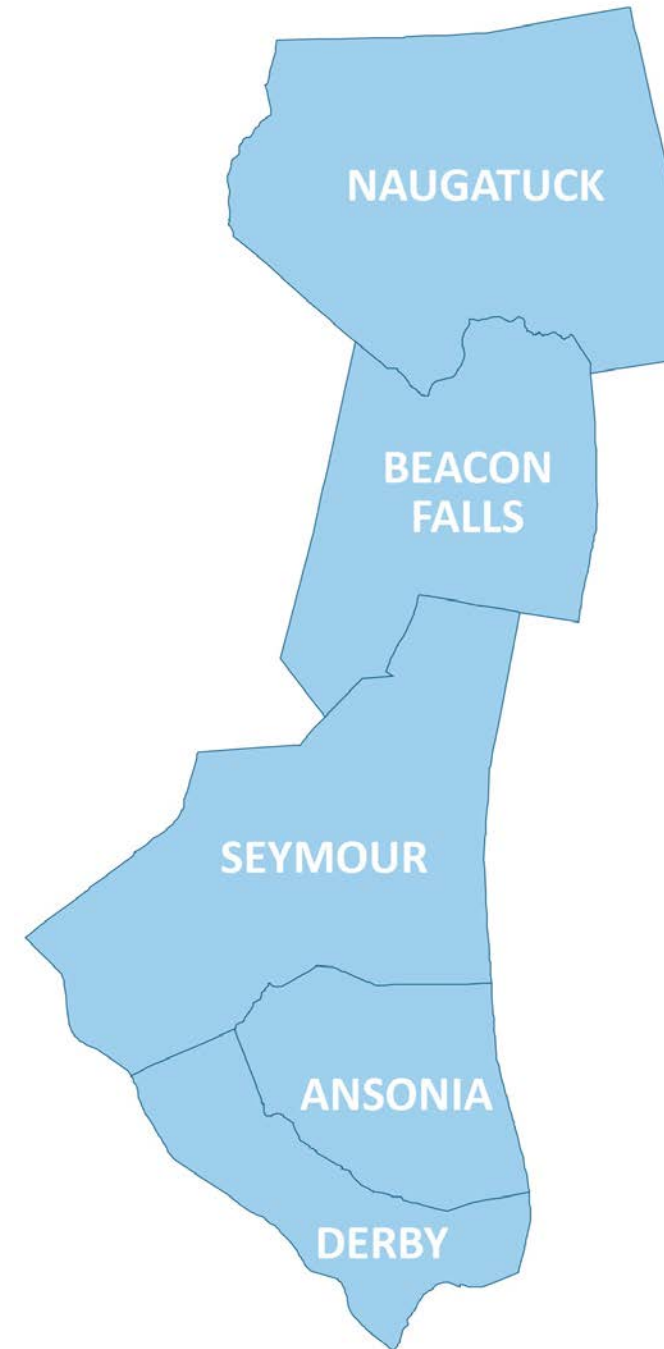


Naugatuck Valley Council of Governments (NVCOG) Regional Wastewater System Study

Governance Modeling Workshop 1

October 15, 2020

EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT
JOHN W. McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES
UNIVERSITY OF MASSACHUSETTS BOSTON



Brief Collins Center History

- Created by the Massachusetts Legislature in 2008 with a public service mission
- Completed 700+ projects for more than 225 municipalities, regional governments, state agencies, and other public entities

Mission Statement

The Collins Center is dedicated to improving the efficiency, effectiveness, governance, responsiveness, and accountability of public sector organizations, with a particular focus on local and state governments.

Our Expertise

- Cross-disciplinary team of consultants with decades of past experience working in municipal, regional, and state governments
- Consult on all aspects of public governance and management
- As a member of the NVCOG team, we bring expertise in
 - Governance structures
 - Legal underpinnings of regional wastewater districts
 - Facilitation of organizational change, from legal to political aspects
 - Sensitivity to local history and control and issues of representation and equity

Our Team



David Colton (Lead) practices in multiple areas including water and sewer operations. David served in various senior management positions in local government and holds a B.S in Public Administration from Bentley University and an MBA from the University of Massachusetts.



Sarah Concannon Sarah Concannon has practiced in the areas of municipal management and finance, operations, government data and analytics, performance management, and program evaluation since 2012. Previously she worked as a Development Research Analyst at Clark University in Worcester and a Research Assistant at the Carl Vinson Institute of Government in Athens, Georgia. She holds a B.A. *Phi Beta Kappa* from Bucknell University and a Master of Public Administration from the University of Georgia.



Marilyn Contreas practices in the areas of government structure and organization and regional service arrangements/operations. She worked with charter commissions, municipal government study committees, and other local officials on questions of structure and organization of local government. She holds a bachelor's degree from Webster College in St. Louis, Missouri and a Master of Public Administration from the State University of New York at Albany.



Tony Torrisi practices in the areas of Municipal Financial Management, Budgeting, Forecasting, Capital Programs, and Policy Development. He has over 40 years of experience in municipal government. He holds a Bachelor of Arts from Boston College and a Master of Business Administration from Northeastern University.

Our Role

The Collins Center team role is to deliver to the NVCOG:

Recommended governance model(s) for the preferred alternative regional wastewater system(s), including draft by-laws that define the representation model and wholesale rate-setting procedures; and

Cost-benefit analysis that shows capital and operating and maintenance (O&M) costs in the regional model compared with the base case costs for each jurisdiction that is included in the preferred alternative regional wastewater system(s).

To produce these deliverables our workplan includes:

interviews with
appropriate
officials and staff



data
collection



3 workshops



the production
of review drafts



coordination
with NVCOG
and their
engineering
consultant Black
and Veatch

Agenda

Presenter: **David Colton**


Moderator: **Sarah Concannon**

1.	Review of Ownership Models	Time estimate: 15 minutes
2.	Discussion of Strengths & Weaknesses of Each	Time estimate: 15 minutes
3.	Q & A Session	Time estimate: 30 minutes
4.	Summary & Wrap-up	Time estimate: 10 minutes
5.	Preview Next Workshop	Time estimate: 10 minutes

Q&A Logistics

Zoom Meeting

Enter Full Screen



Chat

To: Everyone

Type message here...

Collins Center

Mute Start Video Security Participants 1 Chat Share Screen Record Reactions End

The image shows a Zoom meeting interface with a dark background. At the top left, it says "Zoom Meeting". At the top right, there are window control icons and a button that says "Enter Full Screen". In the center, there is a white "Chat" window with a title bar that says "Chat". Below the title bar, there is a "To:" dropdown menu set to "Everyone" and a text input field that says "Type message here...". To the left of the chat window, there is a yellow arrow pointing from the "Chat" icon in the bottom toolbar to the chat window. Below the chat window, there is another yellow arrow pointing down to the "Chat" icon in the bottom toolbar. In the bottom left corner, there is a label "Collins Center". The bottom toolbar contains several icons: a microphone icon labeled "Mute", a video camera icon labeled "Start Video", a shield icon labeled "Security", a group of people icon labeled "Participants 1", a speech bubble icon labeled "Chat", a green screen icon labeled "Share Screen", a circle icon labeled "Record", and a smiley face icon labeled "Reactions". On the far right of the toolbar is a red button labeled "End".

Ownership Models

Key Decision Point:

Will local ownership of collection systems be maintained or transferred to the regional authority?

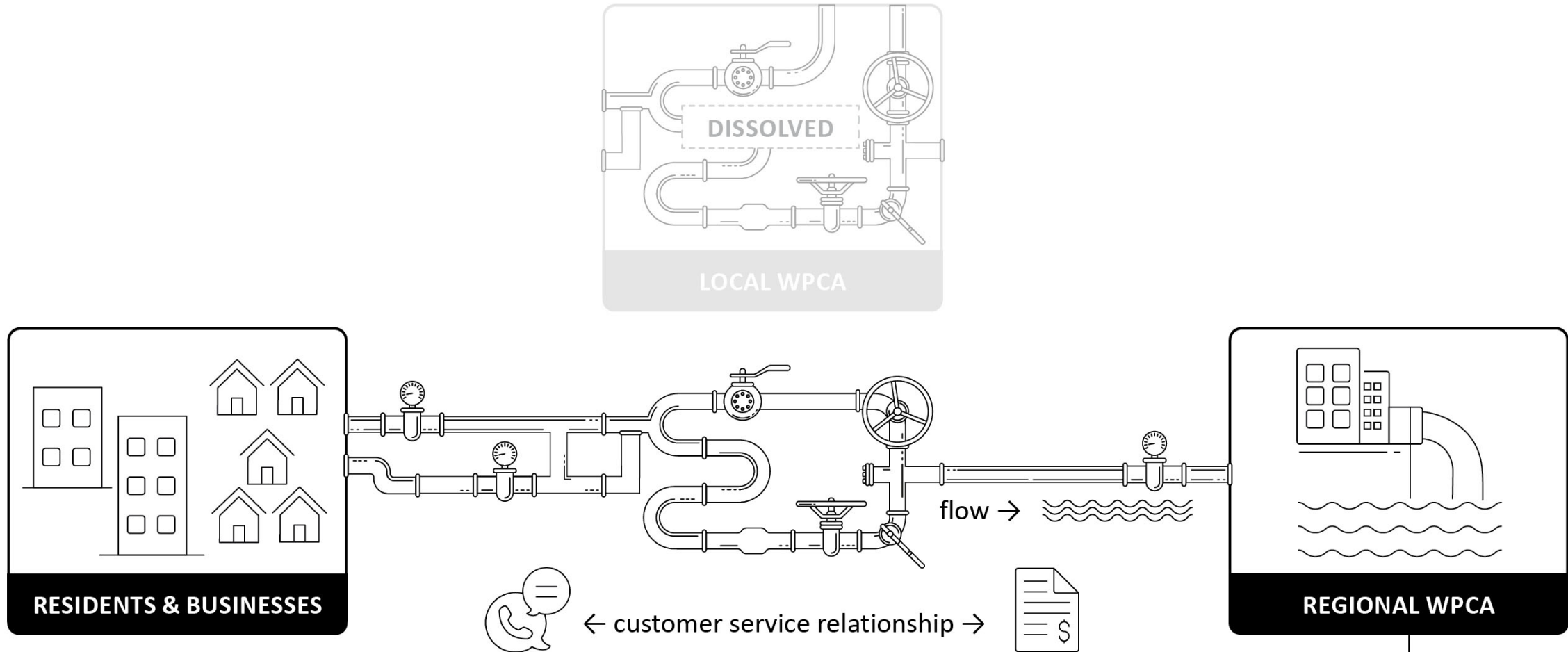


Ownership Models

FULL REGIONAL OWNERSHIP MODEL

Locally-owned wastewater systems are transferred, *in their entirety*, to a newly created regional water pollution control authority that:

- collects, transports, treats, and disposes of all wastewater generated by the member communities;
- develops rates and charges, rules and regulations, and billing systems;
- and provides customer service directly to the end users of the system.



- responsible for setting:
- rules & regulations
 - retail rates

How Full Ownership Works

Ownership Models

FULL REGIONAL OWNERSHIP MODEL EXAMPLES

- Metropolitan District Commission (Hartford Region)
- Greater New Haven Water Pollution Control Authority
- Narragansett Bay Commission (Rhode Island)
- West Warwick Wastewater (Rhode Island)

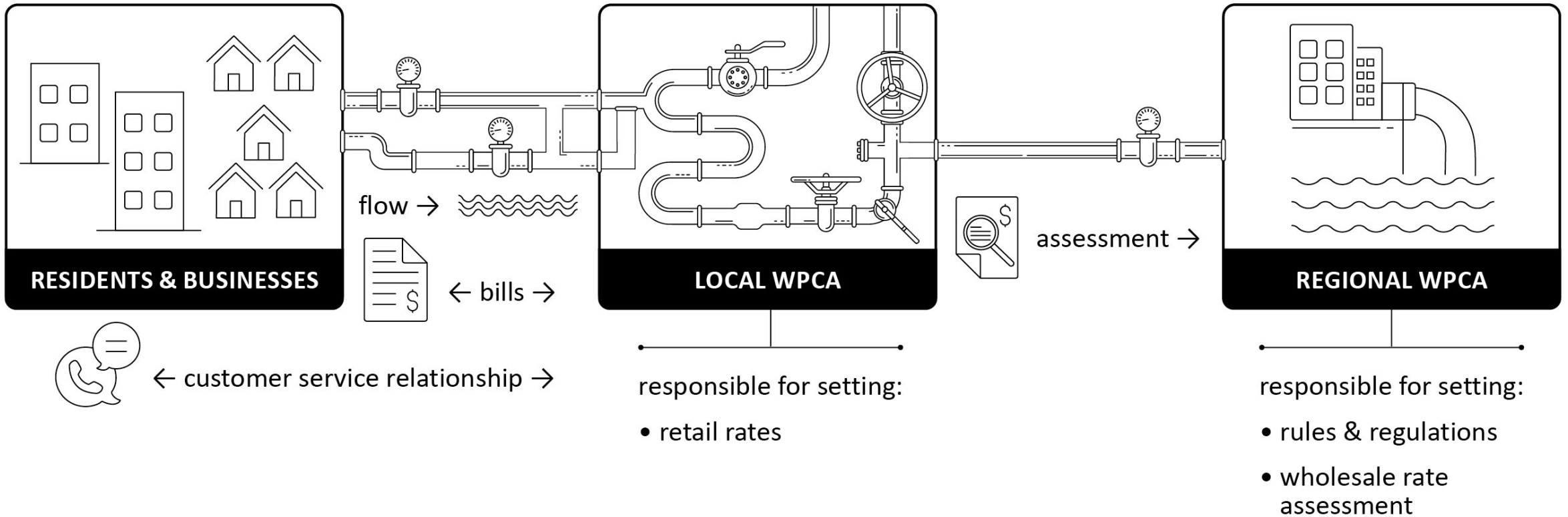
Ownership Models

PARTIAL REGIONAL OWNERSHIP MODEL

The most common form in southern New England. Locally-owned wastewater treatment works are transferred to a newly created regional water pollution control authority that:

- treats and disposes of all wastewater generated by the member communities;
- develops wholesale rates and charges, rules and regulations, and;
- bills the member communities.

Member communities maintain customer service relationship with their end users, establish retail rates and charges, and bill users in their community directly.



How Partial Ownership Works

Ownership Models

PARTIAL REGIONAL OWNERSHIP MODEL EXAMPLES

- Mattabassett Regional Water Pollution Control Authority
- Massachusetts Water Resources Authority
- Upper Blackstone Water Pollution District (Worcester MA Region)
- Mansfield, Norton, and Foxboro Region (Massachusetts)
- City of Newport Rhode Island
- South Kingstown Rhode Island

Full Ownership Strengths

DIRECT CONTROL OF ENTIRE SYSTEM

- Reduces need for coordination
- Consolidates regulatory compliance effort
- Produces economies of scale in purchasing and labor
- User fees are consistent across the region

Full Ownership Weaknesses

DIRECT CONTROL OF ENTIRE SYSTEM

- Dilutes local control of wastewater system
- Eliminates local relationship with customers
- Equity—includes costs unrelated to local systems

GREATER FINANCIAL COMPLEXITY

- Equitable valuation of collection systems
- Creation of cross-region subsidies
- Differences in flow measurement accuracy are exacerbated

Partial Ownership Strengths

DIRECT CONTROL OF COLLECTION SYSTEM

- Maintains local oversight of operations and costs
- Continues local relationship with customers
- Greater local ability to influence user fees

LESS FINANCIAL COMPLEXITY

- Valuation issues are limited to treatment works
- Lesser concern for cross-region subsidies
- Differences in usage measurement accuracy are minimized

Partial Ownership Weaknesses

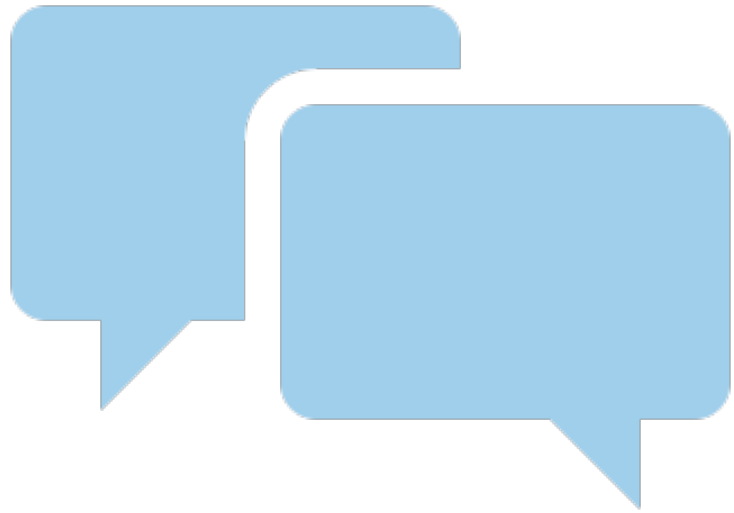
DIRECT CONTROL OF COLLECTION SYSTEM

- Inconsistent application of rules and regulations
- Regulatory compliance requires additional coordination
- Limits economies of scale (can be mitigated with joint purchase agreements)

Ownership Model Implications for Collins Center Scope of Work

DIRECT CONTROL OF COLLECTION SYSTEM

- Rate Structure: Wholesale or Retail
- Methods of flow measurement and cost allocation
- Inter-municipal economic and/or business issues
- Representation model
- Cost/benefit analysis structure



Ownership Models

QUESTIONS AND DISCUSSION

Summary for Discussion

FULL OWNERSHIP

Strengths

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Reaching a Consensus

- Our recommendation for an ownership model will be influenced by:
 - your input and the input of NVCOG,
 - experiences of other similarly situated regions,
 - best practice in southern New England,
 - technical considerations as identified by Black and Veatch, and
 - our evaluation of all these factors.
- This workshop is only one step in that evaluation process.
- The next step will be an on-line survey.
- We have heard your comments today but encourage you to continue to give it thought over the next few days. Next week we will send you a link to an on-line survey designed to capture your preferences.

Next Workshop

- The next workshop will be scheduled for later this fall when we will discuss and obtain your feedback on governance issues.
 - How constituent municipalities might be represented on a regional authority
 - Enabling Legislation, for example, Chapter 446K Sections 22a-501 to 519 of the Connecticut statutes.
 - Special legislation
 - Role of inter-municipal agreements

Thank you!

PLEASE CONTACT WITH ANY QUESTIONS:

David Colton

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