



AQUARION
Water Company

Stewards of the Environment

**Testimony on HB-6505 – AAC Streamflow Regulations
Aquarion Water Company of Connecticut
Before the Environment Committee
March 7, 2011**

Aquarion Water Company is providing this testimony in **opposition to HB-6505, An Act Concerning Streamflow Regulations**, which seeks to expand the scope of Streamflow regulations that are to be adopted by the Department of Environmental Protection (DEP) to include restrictions on groundwater withdrawals.

Aquarion is the largest water company in the State, serving approximately 580,000 people in 39 cities and towns in Fairfield, New Haven, Litchfield, Hartford, Middlesex and New London Counties. We operate more than 20 reservoirs and 45 wellfields that will potentially be impacted by the streamflow regulations required to be developed by the Statutes as modified by this Bill. As we have stated in previous testimony on this topic, Aquarion takes pride in our stewardship of the environment and takes our responsibility for conservation and natural resource management very seriously. We recognize that the reservoirs and wellfields that we use to meet the public's water supply needs impact the quantity and variability of flow in the State's streams and that these impacts may affect the stream's ecology. Conversely, the thousands of watershed acres that we preserve and protect help maintain natural stream flow.

CGS 26-141b currently requires DEP to develop regulations to enhance the quantity of flow in the State's streams by requiring releases of water stored in public water supply reservoirs. The Statute requires that the regulations provide for public health, public utilities and water supply. Since the Statute was adopted in 2005 Aquarion has spent considerable time and money working with DEP and others to develop a reservoir release regulation that achieves the required balance between in-stream and public water supply needs. Our fundamental concern with the regulations proposed in response to the Statutes, and twice rejected by the legislature's Regulatory Review Committee, is that they did not adequately provide for public water supply. The proposed regulations would have significantly reduced the available public water supply in the State and resulted in more frequent water supply droughts and water use restrictions. Aquarion continues to work with DEP to develop a streamflow regulation for reservoir releases that provides better balance between public water supply, economic development and in-stream ecological needs. We strongly believe that the problems currently being debated relative to reservoir releases should be fully resolved before adding the much more technically complex, and potentially far reaching, issues related to understanding and regulating the impact of well withdrawals on flow in streams.

In 2009 and 2010 DEP proposed Streamflow regulations in response to CGS 26-141b that included groundwater withdrawal restrictions. The groundwater provisions of those regulations were ultimately rejected by the Regulations Review Committee, in large part



because the Committee felt that DEP did not have the proper statutory authority. HB-6505 would provide that authority and presumably result in regulations similar to those previously proposed. Many water utilities, including Aquarion have noted that the previously proposed groundwater withdrawal restrictions would have resulted in inadequate water supply to meet the State's needs, higher water rates and restrictions on economic development. In Aquarion's case, 12 of 18 wellfields evaluated would have had their usage rates restricted below previous levels, several by more than 75%. To ensure that these significant impacts are worth the ecological benefit gained, it is imperative that CGS 26-141b contain stronger language requiring balance between the State's ecological and public water supply needs. SB-1020, currently being considered by the Commerce Committee, is an attempt to add such balancing language by:

1. Requiring concurrence with the regulations from the State Departments of Public Health (the agency charged with providing the State with adequate public water supply), Public Utility Control, Economic and Community Development and Agriculture.
2. Limiting restrictions to those public water systems that can do so while still providing adequate supply to meet the public health, safety and economic development needs of the State.
3. Providing special conditions or exemptions for systems where development of new water supplies to replace lost capacity is not technically feasible or financially viable.
4. Establishing priorities for compliance with proposed Streamflow regulations based on an analysis of the expected environmental benefits and impacts on economic development, ability to meet the current and future public water supply needs and water rates.
5. Providing for the Department of Public Utility Control to develop a ratemaking mechanism that will allow private water companies to invest in the improvements necessary to comply with future streamflow regulations with reduced impact on other pressing infrastructure investment needs and reduced rate shock to its customers.

These provisions are even more critical to orderly and successful water planning in the State if groundwater withdrawal limits are to be included in the Streamflow regulations.

In conclusion, Aquarion urges the Committee to oppose HB 6505, An Act Concerning Streamflow Regulations. In addition, it is critical to ensure that any Streamflow regulation require proper balance between the State's public water supply, economic development and ecological improvement needs.

Thank you for your consideration. If you have any questions regarding this testimony, please contact George S. Logan, Director of Capital and Planning at (203) 337-5902 or glogan@aquarionwater.com.