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**Testimony of Connecticut Water Company
Environment Committee
February 13, 2015**

**RE: SB-865 - AN ACT CONCERNING ALLOWABLE COSTS FOR THE INSTALLATION OF
OVERSIZED WATER MAINS AND THE BACKUP WELL SITING REQUIREMENTS FOR
CERTAIN WATER COMPANY DIVERSIONS**

Connecticut Water thanks the Environment Committee for raising SB 865 and supports the concept of revising section 22a-471 to provide for appropriately-sized infrastructure installed under the potable water program.

As a public water utility serving nearly 90,000 customers, or approximately 300,000 people in 56 towns in Connecticut, we work hard to ensure communities have access to an adequate supply of water for domestic, commercial and fire protection purposes.

We concur with the comments submitted by our professional association, Connecticut Water Works Association and believe there is a benefit to the changes proposed in the bill. We will limit our comments to Section 1 that pertains to the funding of water main extensions.

DEEP's Potable Water Program has been beneficial over the years to provide safe drinking water to residents whose wells have been contaminated and there is not a responsible party identified. In determining the best solution to provide these properties with safe water, DEEP considers the alternatives and recommends the most cost effective approach to solve the problem. Often, the most cost-effective and sustainable long-term solution is to extend public water and funding for such extensions can be made available from DEEP to the affected municipality.

We have found there are cases where the community could benefit if the public water system main could be sized to meet needs of the community beyond just the contaminated properties. Increasing the size of the main could allow for needs for fire protection, planned development in the community, or to serve other properties along the route that may benefit from the assurance of safe and reliable water from a public water suppliers.

Unfortunately, the funding provided to a community from DEEP is based on a strict formula that dates back decades. Using that formula, if a community chooses to increase the pipe size, it would actually receive less funding from DEEP that it would otherwise been eligible for, even if the water company or another party is willing to pay the incremental costs to upsize the pipe. It is more cost effective to install a larger pipe initially and avoid additional construction or restoration costs if the large capacity is needed in the future.

We share the position of CWWA that the penalty for increasing the size of the pipe should be removed and concur with the revised language that further clarifies that the incremental costs would be borne by a third party and not considered part of the state funding.

Connecticut Water was involved with the plan to address contamination issues in Haddam, which was cited as an example in CWWA's testimony. Relying on DEEPs funding formula, the amount the town would have received was reduced by 37% or \$2.7M when they sought to increase the size of the pipe from 8 to 12 inches to meet other local needs.

With the revised language provided by CWWA, DEEP's funding obligations would NOT increase from what it would otherwise have been under their program to bring public water to an area of contamination. It would, however, remedy the flaw in the current formula that results in a reduction of funds to a town if the pipe size is increased, even when a third party is to pay the incremental cost to upsize the pipe.

We also find the DEEP practice of imposing connection restrictions on main extensions on route to contaminated areas to be a problem. This is inconsistent with the Building Code and DPH rules which would otherwise require that construction on any property within 200' of an existing water main has to connect to public water supply. It does not seem to be the best use of the state's limited resources to spend funds to extend the water line, and then preclude connections for new construction or existing properties where residents could benefit from access to safe, reliable, public water supply.

We thank the Committee for raising this bill and ask for your support of SB 865. We stand ready to work with the members of the Committee, state agencies, and other stakeholders to revise the language, as appropriate to accomplish the desired goals of the legislation.
