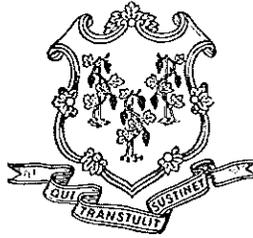


SENATOR BETH BYE

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State of Connecticut
SENATE

Chair
Appropriations Committee

Vice Chair
Childrens Committee

Member
Education Committee
Judiciary Committee
Legislative Management Committee

March 11, 2016

RE: Testimony in Support of SB 422 An Act Concerning Residential Water Rates, Public Drinking Water Supply Emergencies And Sellers Of Bottled Water

Dear Senator Osten, Representative Miller, Senator Linares, Representative Aman, and members of the Planning & Development Committee:

I am Beth Bye; I represent the 5th District Towns of West Hartford, Farmington, Burlington, and Bloomfield. I'm here today on behalf of my constituents, to support SB 422.

My office has been inundated by calls, emails, and letters from constituents concerned about the impact of a large water bottling plant planned for Bloomfield. I have attended numerous public meetings, with hundreds of informed, concerned citizens attending. There is a groundswell of concern about the impact of a huge water bottling plant on our future water supply and about special discounts for one company, while everyday consumers' water rates have skyrocketed. The other concern about the plant is how its development was purposefully hidden from public view until it was virtually a done deal. The combination of a vital public resource and a lack of transparency related to the use of that resource demands a response from this legislature. Two bills before you today address these issues.

SB 422 has 3 parts:

1. It establishes a clear mandate that citizens are considered ahead of private water bottling plants in case of drought.
2. It establishes that companies bottling water to be shipped out of state do not get a rate less than the citizens who have paid to build the infrastructure.
3. It establishes that these companies do not get a discounted sewer rates, lower than consumers.

For Niagra, even without these discounts, the profit margins on bottled water are huge. According to NRDC every \$1.50 bottle of water brings around \$0.50 in profit. The actual cost of the water in the bottle purchased off a store shelf is generally just a fraction of a cent to a few cents. Without the discount, if Niagra bottles as much as it says it will, they make \$900 million dollars in profit from this plant—before a tax abatement or discounted rates. MDC has said that selling water to Niagra will reduce our water rates. Won't they be reduced more if Niagra pays what every day citizens pay? Yet they still have a huge profit margin.

This bill does not address the environmental impact of water bottles, the trucks, the plastics. I am sure you will hear concerns in that area today as well. However, SB 422 is about protecting a vital resource for Connecticut. We have plentiful, clean water. And as of today, MDC does indeed have enough water to accommodate this plant. They have made that case to me. But this huge grab of public water for private profit will have impacts for decades into the future. Plentiful, clean water is a precious resource and gives a competitive advantage to our state. We need a plan to protect that resource long into the future—for our children and grandchildren, and also for industry.

Previous legislation recognized this and set up a water plan for the state, which is due to be out one year from now. Current policy is based on dated research, not giving consideration to huge shifts in weather and water availability seen throughout the country, and the world. Current statutes do not have appropriate oversight over our water agencies as they control this vital state resource. This became obvious through my constituents and their quest through FOI wondering: how did we get here—with a deal affecting almost 3% of all the water MDC pumps out a day—without a public vetting? They have been trying to figure out who has authority over MDC? What oversight do the member towns have over them? MDC is very clear about their governance. The rest of us are confused.

Residents of California wish their legislature had the foresight with their water bottling companies. They have witnessed the kind of devastation that a deal like this can cause. The Guardian writes: “California has now entered its fourth consecutive year of drought, and residents of the state’s cities have been told to cut their consumption by as much as 36% . . . [w]hile . . . Nestle and other companies like Walmart continue to source water for bottling in California, buying at the same rate as residents and selling at one hundred times the profit.”¹ It is our job as legislators, as elected officials held accountable by the electorate, to be the safeguard for our citizens here. It is also important to be fair to everyday citizens who we ask to fund water infrastructure with their taxes. They are asking me: How can you offer a company discounts on their water and sewer rates, but not me? In my testimony you will see an OLR study on water rates and surcharges since 2008.

¹ <http://www.theguardian.com/us-news/2015/may/20/nestle-water-bottling-california-drought>

Table 1: MDC Residential Water Charges Since 2008

| <i>Year</i> | <i>Water Rate (\$ per 100 cubic feet)</i> | <i>Customer Service Charge (\$ per quarter)</i> | <i>Nonmember Town Surcharge (\$ per quarter)</i> |
|-------------------|---|---|--|
| 2008 | \$2.21 | \$14.38 | \$12.39 |
| 2009 | \$2.07 | \$13.47 | \$11.61 |
| 2010 | \$2.12 | \$13.80 | \$11.88 |
| 2011 | \$2.35 | \$15.30 | \$13.17 |
| 2012 | \$2.43 | \$39.30 | \$39.54 |
| 2013 | \$2.50 | \$40.44 | \$105.75 |
| 2014 (revised) | \$2.53 | \$40.44 | \$49.74 |

The World Health Organization and the United Nations have both predicted that the next major global conflict will be over the scarcity of water, and some conflicts have already erupted over this issue. According to the UN, “by 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity, and two-thirds of the world’s population could be living under water stressed conditions.”²

Thank you for your consideration today. I think you will agree—we have to address these issues.

Sincerely,


Beth Bye

² <http://www.un.org/waterforlifedecade/scarcity.shtml>