

Testimony Larry Bingaman On Behalf of the Connecticut Water Works Association (CWWA) Before the Commission on Enhancing Agency Outcomes New Haven, CT April 28, 2009

The Connecticut Water Works Association, Inc. (CWWA) is an association of public water supply utilities serving more than 500,000 customers, or population of about 2½ million people, located throughout Connecticut. Membership in the Association is open to all Connecticut water utilities: investor-owned, municipal and regional authorities. CWWA is committed to working with the state to develop policies that will ensure that Connecticut has a safe, ample supply of water to meet present and future needs.

Thank you for the opportunity to testify before the Commission on Enhancing Agency Outcomes regarding the need to streamline oversight of water resources to improve the delivery of services and reduce costs.

The water industry and various environmental stakeholders have long supported efforts to centralize overlapping agency oversight of water resources under one agency to improve water resources management and better guide the state in making decisions affecting water allocation. Currently, responsibility for water resources is vested in four different agencies: the state Department of Public Health, the state Department of Environmental Protection, the state Department of Public Utility Control and the Office of Policy and Management.

In the last three decades, there have been several studies which have concluded that Connecticut must address concerns with overlapping regulatory oversight of water resources. In 1982, a report by the Water Resources Task Force concluded that Connecticut's programs for water resources planning, management and allocation were broken. Almost twenty years later, the state Department of Environmental Protection issued its own report, which also cited lack of coordination and integration of water resource programs as a major barrier.

In 2002, an <u>interim report</u> of the Water Planning Council again pointed to the lack of coordination between state agencies as an issue that must be addressed. Specifically, the report concluded that, "The legal framework that governs water use and management in Connecticut is complex and fragmented, making it difficult for the general public, the

regulated community, and regulatory agencies to have a clear and comprehensive understanding of all laws and policies that impact water resource management." The report further noted, "There was consensus on the Subcommittee that the allocation process could be more efficient and effective if the regulatory structure was modified and certain interagency responsibilities were merged under a single umbrella." *(Water Resources Subcommittee B Report to the Water Planning Council, August 30, 2002, p 2-*4.)

While the creation of the Water Planning Council in 2001 has provided a mechanism to improve collaboration among stakeholders, define the issues affecting the state's water resources and report on possible strategies for addressing concerns, the Council is not authorized or empowered to make and be held accountable for decisions that cut across the four separate agencies responsible for water policies. The problem remains that these four agencies simply have different objectives, obligations and outcomes that overlap and, at times, conflict with each other. This has continued to undermine the state's ability to develop and implement a comprehensive water resources management and allocation plan.

In 2003, the legislature's Program Review & Investigations Committee prepared a report which included in its findings: "The state's current water resource planning process is spread among several state agencies, primarily focuses on water supply for public drinking water purposes, and does not fully integrate planning for all water uses." (<u>Streamflow</u>, Report of the legislature's Program Review & Investigations Committee, p. 43)

To address this concern, the report recommended that the Water Planning Council establish a working group of various stakeholders to study the issue of increased interagency coordination regarding water resources management and planning and make recommendations for a revised management structure to oversee and coordinate water resources matters. (*Streamflow, Report of the legislature's Program Review & Investigations Committee, p. 55)* To date, no such working group has been convened by the Water Planning Council, although the Office of Policy and Management (OPM) recommends that such a group be convened in its recent, *Report on the Study of Water Resources Planning in the State.*

We believe that if certain agency functions are merged under one entity, such as OPM, Connecticut would be better positioned to develop and implement a comprehensive water resources management and allocation plan as well as eliminate duplicative processes and reduce state costs and costs borne by the regulated community and residents of the state. The following are examples of areas where overlapping oversight of water resources creates issues that impede the development of a water resources management and allocation plan:

1. *Water Supply Plans* – Under current law, certain water utilities are required to prepare and file water supply plans with the state Department of Public Health and the state Department of Public Utility Control, in concurrence with the state Department of Environmental Protection. In addition, copies of the plan must be filed with the Office of Policy and Management. As a result, each agency must devote considerable staff and resources to reviewing water supply plans to determine compliance with discrete statutes affecting water resources. This is clearly inefficient and contributes to a process that results in two and three year delays in approving plans.

2. **Permitting Issues** – Water utilities and other water users are subject to extensive permitting requirements. Under the current regulatory structure, in order to divert more than 50,000 gallons per day, a user must obtain a diversion permit from DEP. DEP bases its approval on an extensive review of several factors, with its primary consideration being the impact of such diversion on the environment and aquatic life. However, it does not fully consider the public's need for a safe and adequate public water supply in its determination, a factor which is squarely within the state Department of Public Health's purview. If responsibility for these activities were vested in a single entity, there would be greater coordination and consistency in the review of permit applications and more predictability in the decision-making process.

3. **Proposed Streamflow Regulations** - The need for greater coordination of water resources is underscored by DEP's recent efforts to promulgate streamflow regulations. Despite clear statutory direction that such regulations should be balanced to reflect the needs of the environment and aquatic life as well as the needs of public health and safety, stakeholders have had to keep reminding agency officials of the importance of ensuring that such regulations do not negatively impact a water utility's safe yield and margin of safety, which would jeopardize the public health and safety of Connecticut's citizens.

4. **Drought Management** – Drought management is also a critical water resources issue which is shared by numerous organizations and agencies. The Office of Policy and Management coordinates state agency drought activities. However, DEP is empowered to regulate diversions, discharges, streamflow regulations, dams and suspend diversion permits when a water supply emergency has been declared by the Governor. At the same time, the state Department of Public Health coordinates drought response actions with local health officials and water utilities and is the lead agency with regard to monitoring public water supplies for drought impact. In addition, the state Department of Public Utility Control is authorized to consider any special emergency regulations which may be necessary to address drought situations in areas served by private water companies regulated by DPUC. Other organizations also have oversight of certain drought related activities, including the CT Office of Emergency Management, the state Department of Agriculture, the Governor and the U.S. Geological Service.

5. **Open Space & Watershed Land Protection** - As part of the grant funding available for the acquisition and protection of open space and watershed land, there is "boiler plate" language in the conservation easement that DEP requires for the parcel that is being acquired by others. The DEP language always states the property has to be made available to the public for passive recreational purposes. However, water utilities have had to request an exemption to ensure that Class I and Class II watershed land is adequately protected.

6. *Management of Fisheries* - The state Department of Environmental Protection is charged with overseeing issues relative to fisheries. However, the state Department of Public Health regulates recreational fishing requirements on public water supply lands.

CWWA would be pleased to provide the committee with more information regarding this issue. Again, thank you for the opportunity to testify on this critical issue.

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The South Central Connecticut Regional Water Authority is a non-profit, public corporation and political subdivision of the State. Within the 20 member towns of our water district, we own and operate a public water system, which includes 18 reservoirs, 4 surface water treatment plants and 7 ground water treatment plants. We serve over 427,000 water consumers approximately 53 million gallons of water per day and provide fire protection throughout our service area. The source of this water is a system of watershed and aquifer areas that cover about 120 square miles within 24 municipalities. Over 27,000 acres of these watershed and aquifer areas are protected as open space as a result of the Authority's efforts while an additional 900 acres are protected with a conservation easement.