

**OCTOBER 23, 2013 SPECIAL TOWN COUNCIL MEETING  
RESPONSE TO CITIZEN QUESTIONS REGARDING WATER SUPPLY DISCUSSION:**

**1. The letter of intent states that the details of the Town's rights of inspections of EIE Infrastructures are yet to be determined. What are those general rights of inspection? (Pg.3)**

- A. *The Town's right of inspection would allow the Town's designated agent, in coordination with CWC's project personnel, to observe the contractor's field installation and activation of all construction performed within the town of Mansfield. All work would be performed in accordance with the requirements outlined in the town and/ or state excavation permits, as required for all construction within respective rights of way. Any issues and concerns would be conveyed to CWC personnel who would then coordinate with the contractor to address such matters.*

*Whether the Town chooses to perform inspections, CWC on site personnel or their agents would be required to document that the construction was completed in full compliance with any and all permit conditions and DPH rules and general industry standards.*

**2. The Town has a right to observe testing in the construction of the EIE Infrastructure. Does the Town have the right to conduct independent testing or will we only be able to observe? If so, is that the customary practice in the industry? (Section 2 g)**

- A. *While the Town has the right to observe testing it is not customary practice for them to perform independent testing. As such, we would not expect that on this project.*

*Connecticut Water will be responsible to have the EIE Infrastructure constructed and tested in accordance with the DPH requirements as is general industry practices.*

*Normally the contractor retains an approved testing consultant to perform compaction testing in selected areas of excavation along the installation and furnish reports to the respective town or state agency. Pressure testing will be conducted by the contractor and documented for CWC, the Town and DPH. Final water quality testing will be conducted before the line is put in service, with results submitted to DPH and the Town if requested.*

**3. It was mentioned that the federal standard is the “gold” standard for water. On September 10<sup>th</sup> Hydrologist Dr. Carlson stated that Mansfield’s drinking water is some of the best, what is the difference between the federal standard and the current standard of our well water?**

*A. The standards and frequency of testing of public water supplies is far more stringent than for private wells in Connecticut.*

*Without knowing the basis for Dr. Carlson’s comments or the water quality in the wells that were mentioned, it is difficult to make any comparisons.*

*It is clear that the water quality delivered to customers in Mansfield from CWC will meet all state and federal water quality standards set for public health and safety for public water supplies. CWC shall conduct and report water quality testing results to DPH to demonstrate compliance and is subject to DPH enforcement actions if there are any violations of those standards.*

*Information on water quality testing and results will be communicated annually to all customers in the form of an Annual Water Quality Report.*

**4. If the Community Center is sold to someone else in the future what would their water rate be?**

*A. If the Community Center or any other town facility were sold to a private sector entity, that entity would be subject to the CWC rates and charges in effect at that time for the applicable customer class for CWC customers.*

**5. Should CWC be forced into bankruptcy due to a contamination issue do the CDC rules identify the required insurance levels and what would be the ramifications for the Town?**

*A. There are no rules that establish required levels of insurance for water companies set by any government agency.*

*CWC does carry Property and Liability Insurance which is reviewed annually to assure appropriate coverage in conjunction with its assets. Under a contamination*

*incident unless we were the cause of the contamination (unlikely) we would vigorously pursue any entity responsible.*

*The Company as a whole is much larger than the operations in Mansfield, with more than 90,000 customers statewide and significant financial assets. Loss of any single source due to contamination or otherwise, would be far less material in the context of the entire company than if a utility is served exclusively in a single municipality such as Mansfield.*

*If, however, there was any event that resulted in CWC failing to have the financial, managerial or technical resources to serve any community with safe, adequate water supply, there are specific provisions under PURA rules that would allow for an investigation and actions to ensure customers in the community would continue to be served, whether by CWC or another suitable entity.*

**6. Does the Town have the ability to obligate UConn with this document?  
(Section 13 d)**

*A. No, the Town cannot obligate UCONN under this agreement between CWC and Mansfield.*

*However, the UConn - CWC LOI agreement prevents wheeling charges that arise from CWC's use of the UConn system to serve Mansfield customers. This was a significant issue for CWC in the negotiations with UCONN and the company has no intention or incentive to agree to modify that term.*

*Further, unlike the present circumstance, where UConn unilaterally sets water rates for off-campus customers, under the new arrangement off-campus customer rates will be set by PURA based on proposals by CWC. This is an open and transparent process designed to be fair to all CWC customers. Neither UConn nor CWC will have a unilateral right to impose charges of any kind (wheeling or otherwise) on off-campus customers.*

*Longstanding ratemaking principles in effect at PURA and nationwide would support that during the PURA ratemaking process, costs would be evaluated and rates set considering the company's entire customer base (more than 90,000 customers) so the impact if any additional costs incurred on the small customer base in Mansfield would be minimal.*

## **7. How are WICA rates determined, when and how do they increase?**

A. *Water Conservation and Infrastructure Adjustment (WICA) rates are approved by PURA for eligible infrastructure replacement projects that may be contributing to unacceptable levels of unaccounted for water or are negatively impacting water quality or reliability of service. In addition, WICA can be applied for investments in energy efficient equipment for water company operations; capital improvements necessary to comply with streamflow regulations; and improvements required for a water system acquisition approved by the authority.*

*The WICA charge can be adjusted every 6 months, after a filing with and approval from PURA that the requested projects are eligible and in service for the benefit of customers.*

- *Prior to implementing a WICA surcharge the company must receive approval from the PURA of an Infrastructure Assessment Report (IAR), documenting the age and condition of facilities and the criteria for prioritization of projects.*
- *The WICA charge is applied on customers' bills on a percentage basis of the total bill including the basic service charge and commodity charge. The company must file an Annual Reconciliation Report and make an adjustment the subsequent period if there was an under or over collection of costs associated with approved WICA projects.*
- *The maximum WICA charge is 5% per year or 10% between rate cases. For Connecticut Water, the WICA has typically increased by about 2-3% per year and currently is at a cumulative total of 8.09% after rates went in effect from our 2010 rate case.*
- *Any WICA charges in effect are folded into base rates and reset to zero at the company's next general rate case.*

## **8. Property tax relief was mentioned in the presentation, what is the estimated benefit to the Town?**

A. *CWC would pay property tax on any facilities located in the Town of Mansfield. The current estimate of CWC property taxes based on the current mil rate and the initial estimate of construction costs for the new pipeline would be approximately \$42,500 (to be adjusted for the actual footage and construction costs of the final selected route).*

*Additionally, as existing pipes in the system currently owned by UCONN or the Town are transferred to CWC upon being fully depreciated or replaced, CWC would also pay property taxes on those based on the value of the pipeline replaced.*

**9. The document refers to an EIE, which EIE is this mention referring to?**

*A. The EIE referred to throughout the documents is Environmental Impact Evaluation for University of Connecticut Additional Source(s) of Water Supply, Project No. 901662.*

**10. In their presentation CWC mentioned a standard fire rate; please provide an assessment of what this is.**

*A. Fire protection charges, as approved by PURA, are applied based on a unit cost for hydrants on the distribution system in a Town and a charge per linear foot of pipeline in the system to reflect the benefit to the community of having the additional capacity and supply to meet fire protection needs. The charges are:*

- Mansfield currently pays fire charges for their existing hydrants at the UCONN rate of \$20 per hydrant per month.*
- Hydrants installed on the new pipeline would be subject to the CWC rate for fire charges of \$17.45 per hydrant per month plus a linear foot charge of \$0.08840 per month. It is estimated, subject to the details of the final route, that there will be an additional 20 hydrants installed and approximately 15,000 feet of pipe along the project route for an annual fee of \$21,000.*

*The estimated \$42,500 of annual tax revenues paid by the Company with the new pipeline would far exceed the additional fire charges paid by the Town and the community and its businesses and residents would benefit from the additional fire protection capabilities.*

**11. The letter of intent mentions that CWC will be a “land use partner” what does that mean?**

*A. The language in Section 9b states that:*

*“CWC shall support and assist the Town in implementing zoning, wetland and similar plans of development to mitigate development pressures in targeted areas consistent with the*

OPM approval of the EIE, provided that such support and assistance can be harmonized with CWC's obligations under section 16-20 of the General Statutes."

*CWC has experienced staff focused on source protection that regularly work with local officials on land use matters to share best practices and provide consistency for shared goals of source protection and environmentally sound land use development.*

*They regularly review land use applications and comment on local regulations and/or plans of development to promote source protection. They worked closely with officials in Middlebury to develop an overlay zone to limit development in an area where a water main was extended for a specific purpose but there was a desire to limit additional growth in designated conservation areas.*

*Those individuals from CWC would be available to work with the town on implementing local land use measures to mitigate development pressures in targeted areas.*

**12. If the water line is installed in front of a house will the new users be required to connect, if not, will they still have to pay for the connection? What would be the cost of connecting?**

- A. *Existing houses or businesses would not be required to connect to the pipeline or pay an assessment when the water line is installed. Should their existing well fail, they would not be allowed to drill another one but would be required, per state health laws, to connect to the public water supply if the line fronted their property.*

*State building code would require a connection for new construction if the property line is within 200' of a public water supply line. Property owners who elect to connect would pay for the actual cost of excavation, backfill, restoration and installation of the service connection from the water main in street up to and into their premises. Those costs would be site specific.*

**13. Requested the community have access to maps related to the water supply route. Is Rte. 32 part of the plan?**

- A. *Potential pipeline routes were identified in the Water Supply EIE and are depicted on the attached map (Connecticut Water Company Pipeline Route Options) prepared by the Department of Planning and Development. The route options do not include Route 32.*

**14. How complicated is the permitting process for interbasin transfers? Please provide information on the process.**

- A. *OPM approved the Record of Decision for the EIE certifying compliance with the CEPA process. The Company is still obligated to pursue any and all regulatory permits, including the diversion permit required from DEEP under the Diversion Policy Act. The diversion process is a rigorous environmental review which allows for public input.*

*Decisions on all diversion applications, interbasin or otherwise, are required to be based on specific information, including: (1) The effect of the diversion on related needs for public water, safe yield of reservoir systems and reservoir and groundwater development; (2) The effect on existing and planned water uses in the area affected such as public water supplies, relative density of private wells, hydropower, flood management, water-based recreation, wetland habitats, waste assimilation and agriculture; (3) Compatibility with the policies and programs of the state of Connecticut dealing with long-range planning, management, allocation and use of the water resources of the state; (4) The relationship to economic development and the creation of jobs; (5) The effect on the existing water conditions; (6) The effect on fish and wildlife; and (7) The effect on navigation.*

*The permitting process and analyses for interbasin transfers is actually quite similar to, while marginally more complicated than the assessment required for all diversions.*

*Interbasin transfers are defined as any transfer of waters from one subregional drainage basin to another. Because there are 337 such basins in the state, many diversion requests involve an interbasin transfer – especially for activities related to public water supplies, where distribution systems often tend to be geographically extensive. Pursuant to CGS Sec. 22a-369, a diversion request that includes an interbasin transfer of water requires an environmental impact report on the transfer which considers the effect on present and future water uses in the donor basin; includes a plan for meeting water supply needs and demands in the donor basin for a minimum of twenty-five years; and includes an alternatives analysis.*

**15. Is the point of connection referred to the point at which the line is connected to UConn? (Section 13d)**

- A. Yes

**16. What is meant by fire protection charges and how will they impact the Town?**

*A. See response to # 10*

**17. Are there any maps available to the public showing potential water line routes?**

*A. See response to #13.*

# Connecticut Water Company Pipeline Route Options

-  CWC Pipeline Route Options
-  Existing UCONN Water Service
-  Flood Zone
-  Low Density Residential
-  Medium to High Density Age Restricted Residential
-  Medium to High Density Institutional/Mixed Use
-  Medium to High Density Residential
-  Neighborhood Business/Mixed Use
-  Planned Business/Mixed Use
-  Planned Office/Mixed Use

