

Cedarhurst Association
PO Box 388
Sandy Hook, CT 06482

June 1, 2015

Jeffrey Gaudiosi, Esq.
Executive Secretary
State of Connecticut
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

Re: Docket No. 14-11-05, PURA and DPH Joint Review of Cedarhurst Association, Inc. Request to Review Economic Viability

Dear Mr. Gaudiosi,

We are in receipt of your letter to Mr. Dave Harlow dated May 20, 2015. Thank you for your response. The purpose of this letter is to request further review of this docket. A number of issues have not been addressed either by the interrogatories issued, or the response to our request.

We are clear that using an outside company to manage our day-to-day operations is a viable short-term alternative. In fact, that is the course we have taken this season since we no longer have the volunteer help to manage it ourselves. We know the route to economic viability for this period is to raise the rates of our water users to cover the cost of that outsourced service.

However, your response does not in any way take into consideration the long-term liability costs and capital improvement costs for water system improvements and upgrades that the state will require in the not too distant future. Listed below are some of our concerns:

1. The reality is that there are only seventeen water users today. Several of those use water as a convenience due to the inexpensive nature of the service and would no longer use it if there were a substantial increase in price.
2. The liability insurance is currently being paid by the entire association, most of whom do not use the water system. The Association will no longer be able to assess and collect fees from non-water users to support this growing expense or to be responsible for the potential liability in the event something happens.
3. Short to mid term costs for capital improvements will exceed what a small group of users can realistically pay on an annual basis.

4. Growing regulatory requirements covering municipal water systems mean growing expense and liability. It's no longer feasible for a small group of water users to comply with ongoing requirements.

Cedarhurst plans to cease and desist operation as a water company in the near future. It is our hope we can find a way to smoothly transition our seasonal water users to a professional water company before we are no longer able to manage this operation. We hope to have a more in depth dialogue with you about the path to accomplish that goal as seamlessly as possible.

Please let us know what the next steps would be. We are open to meeting with you and the DPH team to discuss more of these concerns at your convenience. We understand there is another review that is different from the one we have been considered under and would like to know if that process would be more appropriate as well.

In closing, please update your records to include the point of contact listed below.

Sincerely, on behalf of Cedarhurst Association,

Mary Ann Jacob
Water Committee
Cedarhurst Association
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cc. DPH Commissioner Jewel Mullen, M.D., M.P.H, M.P.A.
Cedarhurst Board Members
Donna Culbert, Newtown Health District