



February 7, 2018

Commissioner of Public Health
Department of Public Health – Drinking Water Section
410 Capitol Avenue
MS#12DWS
Hartford, Connecticut 06134

To whom it may concern:

Norwich Public Utilities (NPU) is a four-service municipal utility providing water service the City of Norwich and portions of the surrounding towns of Bozrah, Franklin, Lebanon, Ledyard, Lisbon, Montville, and Preston, and the Mohegan Tribal Utility Authority. As a community water system, NPU is a participant in the Department of Public Health's (Department's) Safe Drinking Water Primacy Assessment and will contribute approximately \$22,000 this fiscal year.

While we fully support the Department's primacy role, we have several concerns with the proposed implementation plan:

Uncertainty of Cost

- There is significant uncertainty as to the cost impact on water utility customers.
 - The FY2019 invoiced cost per service connection is \$2.57
 - The proposed language indicates an "... amount established by the commissioner, not to exceed five dollars per service connection."
 - The current language capped the fundable assessment at \$2.5M
 - There is no fundable assessment cap in the proposed language
 - The portion of the Drinking Water Section budget funded by the assessment in fiscal year 2019 is 20.81%
 - There is no percentage, staffing, or cost cap included in the proposed language

Based on the proposed language, the assessment could nearly double at any given time, which could have a negative impact on NPU customers.

- The proposed assessment invoicing schedule is not conducive to the fiscal year budget process.
 - "On or before January 1, 2020 and annually thereafter, the department shall issue an invoice ..."

- o Community water systems payment is due March 1 (50%) and May 1 (50%)

Municipal budgets are typically finalized before the end of the prior fiscal year (+/-June 30), at least six months before the Department's charge is known. Receiving a significant and potentially unbudgeted bill six months into a budget year is impractical. The payment schedule also leaves a very short time-frame to bill and collect on a previously unknown expense.

Disproportionate and Inequitable Fee Structure

The proposed fee system does not seem to represent the level of effort proportionate to the system nor is it equitable for all systems. In numerous discussions and presentation by Drinking Water Section (DWS) staff and management, the Section dedicates a disproportionate amount of time on non-community systems compared to community systems. However, the proposed fee structure sets the assessment for non-transient non-community (NTNC) systems at \$125 per year and, starting in 2022, transient non-community (TNC) systems at \$150 to be assessed only the year after a sanitary survey is performed on that system (which can occur each 3 to 5 years). By this reasoning, TNCs could be charged between \$30 to \$50 per year while a small community system with less than 50 connections will be charged \$125 each year.

No incentive to improve efficiency and maintain costs

Proposed language requires the Department to report annually identifying the “resources dedicated to supporting the department’s ability to maintain primacy under the federal Safe Drinking Water Act; the number of full time equivalent positions that performed the required functions to maintain primacy; and quality improvement strategies ... to streamline operations to make efficient and effective use of staff and resources.”

Based on these requirements, there is no incentive to control costs or improve efficiency. The proposal only requires the Department to report but has no measurable goals to improving efficiency nor consequences if efficiency is not improved. It is unreasonable to require the water utility industry to subsidize uncontrolled Department spending or inefficient practices.

Norwich Public Utilities fully supports the Drinking Water Section efforts to maintain primacy under the federal Safe Drinking Water Act. However, we believe tighter controls on eligible costs, an assessment cap and the rate at which changes in the assessment can occur, and the equity of such assessment should be more clearly defined.

We look forward to an opportunity to participate in discussions with the Department to reach a mutually acceptable assessment plan.

Norwich Public Utilities



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