



Town of Wallingford, Connecticut

NEIL H. AMWAKE, P.E.
GENERAL MANAGER



DEPARTMENT OF PUBLIC UTILITIES
WATER & SEWER DIVISIONS
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February 8, 2019

Mr. Justin Milardo
DPH Drinking Water Section
410 Capital Avenue
MS#12DWS
Hartford, Connecticut 06134

Subject: Proposed Safe Drinking Water Assessment Fee Language

Dear Mr. Milardo:

The Wallingford Water Division (WWD) is writing to express our concerns with the Safe Drinking Water Assessment (Assessment) language as proposed by the Department of Public Health Drinking Water Section (DWS). The WWD's comments are as follows:

- Section 1. (10) – The proposed language relies on 'Service connections' as the means to determine the basis for the assessment for community water systems. We recommend that the Assessment language utilize the term 'customer connection' and explicitly omit fire services from being included in the number of service connections (customer connections). This terminology better links the assessment to the billing system and will provide consistency for WWD's Business Office and our customers.
- Section 1. (b) – The DWS should state the data source as well as the revision date for the associated number of service connections (customer connections) for each community water system (CWS) or systems.
- Section 1. (b) – WWD recommends a manner to provide comments or a formal appeal if a CWS disagrees with the number of customer connections listed in the DWS's records. The current language provides no means to clarify or revise the number of connections, i.e., there is no feedback loop.
- Section 1. (c) – The costs to support the DWS's ability to maintain primacy under the Safe Drinking Water Act, which costs shall constitute the safe drinking water primacy assessment for the State's current fiscal year, should be less (net) funding received from state or federal sources.
- Section 1. (d) – The proposed cap of \$5.00 per service connection is too high, essentially doubling the current \$2.57 assessment per service connection.

- The Assessment language should include a maximum dollar value or percentage increase per fiscal year as compared to the prior year's assessment per service connection. Additionally, there should be an established mechanism for review by the legislature (not DWS, DPH or OPM) of the proposed increase for each fiscal year to ensure that any annual increase is based on documented financial needs (labor and benefit costs) based on staffing and resources requirements to preserve the department's primacy role reflective of state and federal funding received.
- Section 1. (d) – There no longer is a cap on the total dollars authorized under the Assessment (presently \$2.5M). Additionally, the proposed language does not provide any methodology or certainty regarding what percentage of the DWS staff is being funded through the assessments collected, and consequently what the anticipated financial burden will be on CWS's.
- Section 1.(d)(2) – The payment schedule as proposed is nonsensical and financially illogical for water utilities. To request payment for 50% of the assessment due on March 1 and then request payment of the remaining 50% assessment due two months later results in much time, effort and energy for each CWS to track and reconcile their financial balance sheets to meet the imbalanced payment schedule proposed.
 - The DWS should be cognizant of the business operations of municipal, regional and investor owned water utilities and structure the assessment payments so that the two payments of 50% each are due six months apart (similar to real estate taxes), or request one payment for 100% of the assessment due on one date at (near) the end of the state's fiscal year.
 - It is suggested that the DWS develop the assessment due based on actual budget numbers from the state's prior fiscal year which closes June 30th each year; i.e., in arrears. This schedule will allow the DWS to account for any state and federal dollars received between July 1st and June 30th (recognizing that the federal fiscal year is October 1st to September 30th so there would be a 3-month intersection for lack of a better word).
- Section 1.(e)(1) – The proposed assessment of \$150 for transient noncommunity water systems is too low cognizant of the time, effort and energy spent by DWS staff to permit, inspect, evaluate, and ensure corrective actions (as needed) are undertaken by these small systems. The fee for transient noncommunity systems should be significantly increased to ensure that the assessment is equitable for all water customers; say \$300 per year.
- Section 1.(e)(2) – Per the Department's website (as of February 7, 2019) there are 1,437 transient noncommunity water systems. Assuming that a sanitary survey is conducted on 20% of the transient noncommunity water systems each year, then the DWS will be invoicing approximately 287 systems each year. It is suggested, that rather than DWS staff take the lead

to invoice, collect and process payments from 300± transient noncommunity water systems each year, this task be assigned to the Department of Consumer Protection (who currently performs this function for professional licenses) or be contracted to a vendor. It is preferred that DWS staff focuses their core competencies, skills, knowledge and effort on water quality and water quantity items rather than invoicing and account receivable functions.

- Section 1.(i) – The proposed language should be clarified so that any interest charged (1.5% per month) is levied only on the assessment outstanding balance.
- Section 1. (j) – The annual report produced by the DWS on or before December 1st of each year should include: a detailed list of tasks completed, with corresponding costs incurred, to maintain and support primacy; a financial report stating the funding received from state and federal sources; and the portion of time (number of hours per staff member per fiscal year) spent on regulating each type of water system so that water utilities and the public can better understand how (labor and benefit) expenses are incurred.
- New – There should be a mechanism to sunset the Assessment (fee) after five (5) years or require that the legislature specifically reauthorize the Assessment language after five (5) years.

Please feel free to contact me should you have any questions or require additional information. Thank you.

Sincerely,



Neil H. Amwake, P.E., MBA
General Manager