# Bill as Introduced

**SB 331- AS INTRODUCED**

2000 SESSION

00-2342
03/01

SENATE BILL ***331***

AN ACT requiring a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

SPONSORS: Sen. Russman, Dist 19; Sen. Cohen, Dist 24; Sen. Wheeler, Dist 21; Sen. Below, Dist 5; Rep. Blanchard, Rock 33; Rep. Bradley, Carr 8; Rep. Norelli, Rock 31; Rep. O'Connell, Hills 13; Rep. Richardson, Ches 12

COMMITTEE: Environment

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ANALYSIS

This bill requires a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

00-2342
03/01

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand*

AN ACT requiring a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 Water Resources Management and Water Conservation; Regional Cooperation; Report by Public Utilities Commission and Department of Environmental Services.

I. The public utilities commission and the department of environmental services shall prepare a report which evaluates whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation. The report shall include:

(a) An analysis of the effect of public utilities statutes and rules on regional cooperation for water resources management;

(b) An analysis of how the authorizing statutes and the rules and policies of the public utilities commission and the department of environmental services affect water conservation in New Hampshire; and

(c) Findings and recommendations for future action to encourage water conservation and regional cooperation on water resources management matters.

II. The public utilities commission and the department of environmental services shall report their findings and any recommendations for proposed legislation to the senate president, the speaker of the house of representatives, the chairpersons of the senate environment, the senate energy and economic development, the house resources, recreation, and development, and the house science, technology, and energy committees, the governor, and the state library by June 30, 2001.

2 Effective Date. This act shall take effect 60 days after its passage.

# Committee Minutes

Date: 1/13/00
Time: 9:10am
Room: LOB104

The Senate Committee on Environment held a hearing on the following:

SB331 requiring a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

Members of Committee present: Senator Russman
Senator Eaton
Senator Krueger
Senator Wheeler

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The Chair, Senator Richard Russman, opened the hearing.

Senator Richard L. Russman, D. 19: We're going to open the hearing on Senate Bill 331 and we have MaryAnn Blanchard who would like to speak on the bill and she is one of the sponsors.

Representative Mary Ann Blanchard: Thank you. Good morning Mr. Chairman, members of the committee, I am very happy to be here this morning and ask your support for Senate Bill 331.[See Attachment A].

Senator Richard L. Russman, D. 19: Thank you, are there any questions for Representative Blanchard. Thank you very much for coming and we would note for the record that Representative Barbara Richardson from Cheshire 12 does not wish to speak but is in favor of the bill and the Chair would recognize Mark Emmett.

Mark Emmett: My name is Mark Emmett, I am from the Public Utilities Commission. You will receive a letter from Commissioner Varney and Commissioner Patch both supporting this bill. New Hampshire is in a fairly

unique position they have a large number of very small water supplies and as we saw when clean water act came through, changes in technology, changes in pollutant cleanup levels, changes in population, all these things can have a very major impact on these small systems very quickly and at the commission we see routinely, unfortunately, requests for double digit rate increases sometimes triple digit rate increases.

They think it's perfectly appropriate and responsible to take a step back and look at the coordination of policy between the state agencies to see how we might better address the situation .

Senator Richard L. Russman, D. 19: O.k., thank you are there questions for Mr. Emmett. Thank you very much for your testimony. Is there anybody else who wishes to testify on Senate Bill 331?

Sara Pillsbury: I'm Sara Pilsbury I'm from the Department of Environmental Services. I' have a letter of testimony[Attachment B].

Senator Richard L. Russman, D. 19: Any Questions for Mrs. Pilsbury? There being none thank you for your testimony. Any one else wish to testify?

Susan Slack: Good morning. My name is Susan Slack. I'm a policy specialist with the Society for the Protection of New Hampshire Forests. [Attachment C].

Senator Richard L. Russman, D. 19: Thank you. Any questions? Seeing none, thank you. Is there anybody else that wishes to speak on 331?

Robert Beaurivage: My name is Robert Beaurivage, I am the Assistant Director of Manchester Water Works and I speak on behalf of the Manchester Water Works and the New Hampshire Water Works Association. Certainly one of the major concerns that all water utilities have across the state is the pending insert flow rule and the impacts that that will have on all water consumers across the state and it certainly will create that rule to make restrictions on the amount of water that we all use and this bill is certainly an appropriate vehicle to look at water conservation and structures and trying to create incentives for the consumer to use less water, to use water more wisely and more efficiently, and I think this bill will go a long ways to serve in that end.

Senator Richard L. Russman, D. 19: Questions? Thank you. Is there anyone else that wants to speak on 331?

Kathy Veracco: Mr. Chairman and Members of the Committee, I can be very brief, I don't even need to take a chair. I arrived late I apologize for that but I just wanted to indicate our Penachuck Water Works Corporation's support of the bill that is before you this morning. Steve Dansburger hoped to be at the hearing this morning, was unable to attend so I just wanted to indicate their support and obviously the comments Mr. Beaurivage has made we support those.

Senator Richard L. Russman, D. 19: O.k., thank you. 331 close the hearing.

HEARING CLOSED

*Respectfully Submitted,*

*Anna-Maria Tsorvas*
*Committee Secretary*

SB 331
Attachment A

# State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

## Memorandum

**TO:** Chairman Richard L. Russman and Members of the Senate Environment Committee

**FROM:** Representative MaryAnn N. Blanchard

**DATE:** January 13, 2000

**RE:** Senate Bill 331

Please support Senate Bill 331 with Ought to Pass with Amendment.

Essentially this bill asks a question: Whether and how existing regulatory structures for water utilities encourage or discourage regional cooperation for water resource management and water conservation.

It directs the PUC and DES to analyze and report findings on this question by June 30, 2001.

The idea for this bill originated from an earlier legislative bill which resulted in the published 1990 Water Supply Study for Southern New Hampshire prepared by Roy F. Weston, Nashua Regional Planning Commission, Southern N.H. Planning Commission, Rockingham Planning Commission and Strafford Regional Planning Commissioner.

Among the issues/problems discussed by the group were regionalization, interconnections, bond guarantees, zoning policies, encouraging a diffusion of growth and wholesale purchase of water involving one town or water system purchasing water from a neighboring supplier and in turn distributing it to its customers.

These issues and others have been discussed in at least 12 different previous studies going back to a major effort by Camp Dresser and McKee in 1952 for Metropolitan Water Supply for Seacoast area. They all involve and recommend a regional approach because:

1. Water supply needs are exceeding the capacity of local public water systems to meet those needs.

2. There is uncertainty regarding the adequacy of developing water supplies for a community by community basis.

3. Costs associated with expanding or developing a regional water supply are significant and perhaps prohibitive in areas of sparse development.

4. More efficient use of limited resources could be attained.

These issues are the subject of this 1990 report. Senate Bill 331 directs the agencies most directly responsible for water resources to evaluate existing regulatory practices in order to identify, if any, current disincentives to regional cooperation and water conservation. The findings would then be the possible basis of future legislation if necessary.

Once again, I urge your support of SB 331, and I would be happy to work with the committee if necessary.

SB 331 Attachment B

**State of New Hampshire**
**DEPARTMENT OF ENVIRONMENTAL SERVICES**
6 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-3503 FAX (603) 271-2982

January 13, 2000

The Honorable Richard L. Russman, Chairman
Senate Environment Committee
Legislative Office Building, Room 104
Concord, New Hampshire 03301

**Subject: SB 331, requiring a report from the public utilities commission and department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.**

Dear Chairman Russman:

Thank you for the opportunity to comment on Senate Bill 331 which requires the Department of Environmental Services (DES) and the Public Utilities Commission (PUC) to investigate and report on how existing statutes and regulations affect regional cooperation for water resource management and water conservation. DES supports this legislation and we believe that the proposed study will contribute to New Hampshire's overall water strategy by identifying and ultimately eliminating regulatory barriers to regional water management and conservation.

Regional water resources management is key to ensuring that New Hampshire can provide adequate quantities of high quality drinking water in the future. This is already well-recognized in southern New Hampshire where water supply sources are limited and stresses on the resource already exist caused by high growth rates. In some localized areas, water supply deficits exist which might only be addressed by regional solutions. The extent and magnitude of these deficits are likely to increase with time as growth continues unless regional water supply issues are better encouraged.

In the 1990s, some progress was made towards promoting regional water supply solutions. For example, "capacity development" regulations have recently been adopted by DES that discourage development of separate small community public water systems and ensure that those that are created have adequate technical, financial and managerial capability to be viable. These requirements encourage regionalization and professional management of small water systems. New Hampshire also now regulates large groundwater withdrawals in a way that enables inter-municipal well development and water transfers while ensuring that no significant environmental impacts occur in the "source" community. These initiatives are focused on addressing individual public water systems in a regional context, but do not get at the overall regional water supply concerns. Toward this end, there is a need in part to look further at whether existing regulatory structures might inadvertently inhibit regional approaches or if new incentives could better promote regionalization.

Water conservation is also an increasingly important component of New Hampshire's strategy to meet future water supply needs. Demands on New Hampshire's water resources are increasing and, in some cases, approaching or exceeding the limits of the existing resources. During the 1999 drought, problems occurred in several public water systems that demonstrate that these stresses can now routinely reach critical levels. Specifically, a number of major municipal water systems including Nashua, Merrimack and Hampton were severely impaired for short periods of time by peak demands caused principally by outdoor lawn watering. In each case, the short-term solution was a ban on outdoor water use. However, in the long term, we need to ensure that policies are in place to encourage water conservation and to reduce or eliminate these crises before they occur.

This is a good time for the PUC and DES to jointly evaluate possible ways to improve the overall regulatory environment for water supply regionalization and water conservation. We welcome the opportunity to further evaluate these issues with PUC and then present our findings to you.

Thank you again for this opportunity to comment. Please do not hesitate to contact us if you have any questions or need additional information.

Sincerely,

Robert W. Varney
Commissioner

Douglas Patch, HTS
Douglas Patch, Chairman
Public Utilities Commission

HTS:bdt/studylet.wpd
cc: Senator Burton J. Cohen
Representative Maryann Blanchard

SB 331
Attachment C

Celebrating 100 YEARS

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

54 Portsmouth Street
Concord, NH
03301-5400
Phone: 603/224-9945
Fax: 603/228-0423
info@spnhf.org
www.spnhf.org

**Testimony in SUPPORT of Senate Bill 331**

My name is Susan Slack. I am a Policy Specialist at the Society for the Protection of New Hampshire Forests. I testify is SUPPORT of Senate Bill 331. The Society has a long history of advocacy on water resource management and water conservation issues. As New Hampshire's growth continues, it will become increasingly important to manage our water resources in a way that ensures our economic development into the future. Water resources know no artificial political boundaries. Therefore it is vital that we do all we can to encourage cooperation among municipalities and regions of the state to conserve and manage our water resources. An evaluation by DES and the PUC of New Hampshire's regulatory structure and whether it encourages or discourages such regional cooperation would be an important tool in developing public policies that encourage wise water resource management. It is for this reason that the Society supports this legislation.

Susan Slack
Policy Specialist
Society for the Protection of New Hampshire Forests
54 Portsmouth Street
Concord, NH 03301
224-9945

Recycled Paper

SB 331

Represent. Mary Ann Blanchard

Rep. Barbara Richardson —

Mark Emmett. PUC — OTP

Wheeler

Eaton

Sara Pilsbury

Susan Slack

4-0

Abbye Eaton

Robert Burevash? Monticello —

*Kathy Veracco | Penacook Water Works → Support

the Comments Mr:

**To:** Members of the Senate
**From:** Megan Konys, Senate Legislative Aide
**Date:** January 25, 2000
**Re:** **Hearing report on SB 331,** requiring a report from the PUC and DES evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation. **(Senate Environment Committee, 1/13/00)**

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**Sponsors:** Sen. Russman, Dist 19; Sen. Cohen, Dist 24; Sen. Wheeler, Dist 21; Sen. Below, Dist 5; Rep. Blanchard, Rock 33; Rep, Bradley, Carr 8; Rep. Norelli, Rock 31; Rep. O'Connell, Hills 13; Rep. Richardson, Ches 12

**What the bill does:** This bill requires a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

**Who supports the bill:** Rep. Blanchard, Rock 33; Rep. Richardson, Mark Emmert, Public Utilities Commission; Sarah Pillsbury, DES; Susan Slack, Society for the Protection of NH Forests; Majory Swope, NHACC; Robert Beaurivage, NH Waterworks Association; Kathy Veracco, on behalf of Pennichuck Waterworks

**Who opposes the bill:** No one testified in opposition to this bill.

**Testimony report:** Rep. Blanchard testified that this bill directs the PUC and DES to analyze and report findings on whether and how existing regulatory structures for water utilities encourage or discourage regional cooperation for water resource management and water conservation. She recommended a regional approach as;

1) water supply needs are exceeding the capacity of local public water systems to meet those needs
2) there is uncertainty regarding the adequacy of developing water supplies on a community by community basis
3) costs associated with expanding or developing a regional water supply are significant and perhaps prohibitive in areas of sparse development
4) more efficient use of limited resources could be attained.

SB 331 directs the agencies most directly responsible for water resources to evaluate existing regulatory practices in order to identify current disincentives, if any, to regional cooperation and water conservation. The findings could then be the basis of future legislation if necessary.

DES supports this legislation and believes that the proposed study will contribute to NH's overall water strategy by identifying and ultimately eliminating regulatory barriers to regional water management and conservation.

**Funding:** N/A

**Future Action:** The committee voted 4-0 that SB 331 OUGHT TO PASS.

# Speakers

# SENATE ENVIRONMENT. COMMITTEE

Date 1/13/2000 Time 9:10 am Public Hearing On SB 331

Appearing in FAVOR: (Please print) Please check box at left to speak.

| Speaking? | Name | Address | Representing |
|---|---|---|---|
| ☑ | MARK EMMERT | | NH PUC |
| ☑ | MARTIN Blanchard | ROCK 33 | NH Home |
| ☐ | Rep Boudabor Hull Richardson | Cheshire 12 | |
| ☐ | Marjory Swope | | NHACC |
| ☐ | | | |
| ☐ | | | |
| ☐ | | | |
| ☐ | | | |
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| ☐ | | | |

Appearing in OPPOSITION: (Please Print) Please check box at left to speak.

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# Testimony

Celebrating 100 YEARS

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

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Susan Slack
Policy Specialist
Society for the Protection of New Hampshire Forests
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Concord, NH 03301
224-9945

Recycled Paper

# Voting Sheets

# Senate Environment. Committee
## *EXECUTIVE SESSION*

Bill# SB331

Hearing date: 1/13/00 Room: LOB 104

Motion of: OTP

| *Made by Senator:* | | *Seconded by Senator:* | |
|---|---|---|---|
| Russman | ☐ | Russman | ☐ |
| Cohen | ☐ | Cohen | ☐ |
| Below | ☐ | Below | ☐ |
| D'Allesandro | ☐ | D'Allesandro | ☐ |
| Johnson | ☐ | Johnson | ☐ |
| Krueger | ☐ | Krueger | ☐ |
| Pignatelli | ☐ | Pignatelli | ☐ |
| Wheeler | ☒ | Wheeler | ☐ |
| | | Eaton | ☒ |

| *Committee Member* | *Present* | *Vote* | *Reported out by* |
|---|---|---|---|
| Senator Richard Russman, Chairman | ☒ | | |
| Senator Burton Cohen, Vice-Chair | ☐ | | |
| Senator Clifton Below | ☐ | | |
| Senator Lou D'Allesandro | ☐ | | |
| Senator Carl Johnson | ☐ | | |
| Senator Patricia Krueger | ☒ | | |
| Senator Debora Pignatelli | ☐ | | |
| Senator Katherine Wheeler | ☒ | | |
| Senator Thomas Eaton | ☒ | X | |

*Amendments:

NOTES: 4-0 OTP

# Committee Report

Date: 1/13/00 Time: 9:10am

The Senate Committee on Environment held its hearing in Room LOB104, Concord, New Hampshire.

**BILL NO.:** SB331 TITLE: requiring a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.]

Members of the Committee present: Senator Russman
Senator Eaton
Senator Krueger
Senator Wheeler

Those appearing in favor:

| Name and Address | Representing |
|---|---|
| See Attached. | |

Those appearing in opposition:

| Name and Address | Representing |
|---|---|
| See Attached. | |

**REPORT OF THE COMMITTEE:**

| | | | |
|---|---|---|---|
| ☒ | Ought to Pass | ☐ | Interim Study |
| ☐ | Ought to Pass w/ Amendment | ☐ | Continued Hearing |
| ☐ | Inexpedient to Legislate | ☐ | Postponed Hearing |

# STATE OF NEW HAMPSHIRE

# SENATE

# REPORT OF THE COMMITTEE

Date: 1/13/00

THE COMMITTEE ON Environment

to which was referred Senate Bill 331

AN ACT requiring a report from the public utilities commission and the department of environmental services evaluating whether existing regulatory structures encourage or discourage regional cooperation for water resources management and water conservation.

VOTE: 4-0

Having considered the same, report the same without amendment and recommend that the bill: **OUGHT TO PASS.**

Senator Thomas R. Eaton
For the Committee