



State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

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January 13, 2000

ATTACHMENT MAN-10
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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.

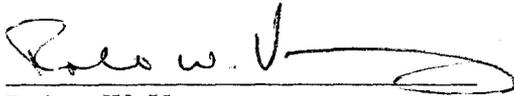
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Water conservation is also an increasingly important component of New Hampshire's strategy to meet future water supply needs. Demands on New Hampshire's water resources are increasing and, in some cases, approaching or exceeding the limits of the existing 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.

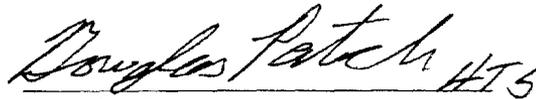
This is a good time for the PUC and DES to jointly evaluate possible ways to improve the overall regulatory environment for water supply regionalization and water conservation. We welcome the opportunity to further evaluate these issues with PUC and then present our findings to you.

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, Chairman
Public Utilities Commission

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