

The Legislature of Rockland County



HARRIET D. CORNELL

Legislator – District 10

Chair – Environmental Committee
Chair – Special Committee on Transit

Economic Development Committee
Budget & Finance Committee

July 30, 2014

Hon. Kathleen H. Burgess
Secretary, Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case No. 13-W-0303:

Comments by Hon. Harriet Cornell, Chairwoman of Rockland County
Legislature's Environmental Committee re United Water NY's
Development of New Water Supply Source

Dear Secretary Burgess:

I have a long-term relationship with the Public Service Commission on the issues surrounding the Haverstraw Water Supply Project. Once again I write because of my strong contention that a combination of actions to ensure a long-term water supply would preclude the necessity of a single project which carries with it a number of undesirable and costly results. With this letter I specifically request assistance from the Public Service Commission in calling for United Water New York to work collaboratively within the newly created Rockland County Task Force on Water Resources Management and to contribute its outreach and education budget to the Task Force in order for the Task Force, of which UWNY is a member, to do necessary studies in an independent, objective and cost-effective manner—and without duplication of effort and costs.

Prudence:

In its July 2014 response to the DPS Staff Report on Need (Case 13-W-0303) UWNY states that “it would be *imprudent* to delay further any aspects of the planning, permitting, and construction of the Proposed Project.”

What would really be imprudent is to allow the desalination project to move forward, given the long list of imprudent management decisions made by UWNY, as documented by Dan Duthie, Attorney for the Rockland Municipal Coalition and by Saul Rigberg, Counsel to the Utility Intervention Unit of the Department of State and further documented in my letter of June 23, 2014 calling for a Prudence Investigation, a forensic audit, and a halt to the project, the permits and the spending of taxpayer funds.

On the issues of prudence and permits, I refer you to that letter. In this statement I will focus on how Rockland will ensure a long-term, sustainable water supply.

Reducing Water Demand:

In its July 2014 response to the DPS Staff Report, UW asserts “that the approach recommended in the Staff Report poses a real and substantial risk of a failure of water supply to meet demand in Rockland County, a risk UWNYS cannot reasonably support.”

UWNYS would have us believe that the only thing that will prevent disaster is the company’s Desalination Plant on Haverstraw Bay in the Hudson River. It has given short shrift to other options and never considered a combination of actions to provide a long-term, sustainable water supply. I and others who have offered written comments and oral testimony have stated—based on expert evidence and testimony by recognized, distinguished hydrologic and economic consultants-- that Rockland neither wants nor needs an extravagantly costly, energy-intensive plant which is being sold to the public without basic information about construction costs, operating costs and maintenance costs.

The grievously deficient application by UWNYS was clear from the start. United Water does not do cost-benefit analyses on its capital projects. In fact, in reviewing the cost information in the Draft Environmental Impact Statement submitted by UWNYS for its Haverstraw Water Supply Project, the respected economics and finance firm ECONorthwest said “the analytic deficiencies render the cost sections of the DEIS almost useless—perhaps the most significant omission from the cost analysis is the lack of documentation regarding how construction, operations and maintenance costs would impact ratepayers.” Sadly, what we had then and what we have now is still no transparency and no details as to data, methods or assumptions used to generate results.

The ECONorthwest study highlighted the company’s failure to use consistent measures and commonly-accepted industry standards to determine comparative costs for alternate projects that could achieve the same goal. The study concluded that the proposed Haverstraw project may *not* be the most cost-effective solution. Due diligence regarding planning studies, sector by sector water conservation analysis and rate impact modeling was not done.

Questions raised have never been answered or resolved through an Issues Conference, a normal process which should have been easily granted by the DEC in the face of multiple requests for facts, data and the use of commonly accepted standards in comparing alternatives or determining how a combination of actions could have achieved the goals at a lower cost financially, environmentally-- and even socially, since a private utility should seek the respect of the community as a partner, not an adversary.

In these subsequent years, it has been up to Rockland’s local, state and county officials and thousands of citizens mobilized by Rockland’s Water Coalition to marshal arguments and testimony in order to stand up to a multi-national corporation with highly-paid attorneys. UWNYS’s petition to the PSC for a \$56.8 million surcharge to be borne by ratepayers included \$5.3 million for attorneys at the rate of \$800 per hour (discounted to \$540). That is but one of the ongoing cases with escalating fees and major costs.

Declining Demand Since 2006:

There are a number of ways to reduce water consumption and demand has been declining since 2006 as a result of a combination of factors as I documented in my submission of January 8, 2014 (not just the recession as posited by UW.) The American Water Works Association in its May 2011 article, *Declining Residential Water Use Presents Challenges, Opportunities*, describes a variety of factors contributing to declining water use: high-efficiency plumbing fixtures, declining persons per household, consumer education, water efficiency programs, fixture retrofit, increased conservation practices, economic conditions and price elasticity. As we now move forward, a combination of studies, actions and community education will most certainly provide an even greater savings in water use. Rockland has the time and now the mechanism to develop the necessary comprehensive water management plan to ensure that demand doesn't come close to available supply.

United Water states that conservation will not avoid the need for a new water supply and that opponents claim that aggressive conservation alone is sufficient to address the issue of supply. Dr. Stuart D. Braman of Columbia University and Lamont Doherty Earth Observatory put it clearly: "UWNY's continual focus on the fact that aggressive conservation alone won't avoid the need for a water supply project continually reinforces the company's clear reluctance to genuinely consider any possible incremental demand reductions that could be achieved with new more aggressive conservation programs." It is important to note that, at the invitation of the Rockland County Department of Health and Alden Wolfe, then the Chair of the Environmental Committee, students in the Columbia University Sustainable Development Workshops guided by Dr. Braman studied local water issues and identified a listing of measures that are currently being considered for adoption by Rockland County government.

In addition, the testimony of the Amawalk Consulting Group Panel on April 28, 2014 on behalf of Rockland County in Case 13-W-0246 is very relevant to this case when it identifies utility companies in Los Angeles and New York City which have used rebates for high efficiency fixtures. It said, "Given the lower level of demand in the County, there appears to be an opportunity to take a step back and reevaluate opportunities for conservation and in non-revenue water to open an even wider gap between current levels of usage and the available supply."

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The Committee has been meeting with landscapers, irrigation specialists, golf course managers, horticulturists from Cornell Cooperative Extension, the Rockland County Department of Health and others to discuss best practices for a water conservation law with incentives and/or non-emergency restrictions. The amazing advances made in irrigation and water sensor technologies are rivaled only by current technology to locate water leakages which could help United Water repair a higher percentage of leakages per year and stem lost water. We plan to meet soon with members of the pool industry and car/bus/truck washing companies. This approach is informing our legislation and the outreach/education required.

One example is a condominium complex in Pomona, Rockland County which had an up-to date sensor system installed and saved 40% of the water being used for lawn watering, recouping its investment in one year with diminished water usage. Water audits can be done and older systems retrofitted. Most people don't know that too much water and too much fertilizer are harmful to their lawns. Michael Pointing of UWNY attended the meeting and agreed that systems should be audited. He described information posted daily by UW on its website to give those without sensors accurate information (evapotranspiration-ET) on when or whether to water. All of this information being gathered, plus the proven ability of Rockland residents to change their habits, as was evidenced by countywide support in

1987 for recycling solid waste to prevent a capital expenditure for an incinerator, bespeaks success for our current effort.

Rockland County Task Force on Water Resources Management:

Legislation creating the Rockland County Task Force on Water Resources Management was signed on June 19, 2014, a copy of which was sent to the PSC. Participants have been selected: among the nineteen members are the General Manager of United Water, large water users, scientists, government officials and community members. Planning for the Task Force has been taking place for the past six months. The first formal meeting will be held in September. While the mandate for the Task Force will cover all aspects of water as described in the legislation, the first objective will be to ensure that demand for water will not come close to available supply while the Plan is being fully developed. Conservation measures shall be instituted and some, as I have indicated, are currently being discussed in the Environmental Committee. Education and outreach, incentives, rebates, regulations—all the knowledge we are gathering will further reduce demand to create the necessary buffer while developing the comprehensive plan that meets the water supply needs of the next generation.

How to Ensure Community Trust and a Successful Outcome:

United Water has said it “cannot reasonably support” the PSC staff approach, which clearly indicated that Rockland has time to create its own sustainable plan. Consequently, it is very important for the PSC to recognize that it would be counter-productive to have United Water do conservation or other studies which would duplicate the work of the independent Task Force with its government, school, business, scientific and community members (including UWNY). I hereby request that the PSC call upon UWNY to work collaboratively within the Task Force and to contribute its outreach and education budget to the Task Force to enable the work to be done independently, objectively, cost-effectively and with the trust of the community. There has been strong public support for the Task Force, but if it is to succeed, it needs all participants to be open-minded, willing to forego self-interest, and to have at heart the best interests of the community as we investigate best practices and successful models to help ensure a plentiful water supply for Rockland’s businesses and homes at an affordable cost. With funding contributed by United Water, we will avoid duplication of efforts and ensure a successful outcome: a long-term, sustainable comprehensive water plan for Rockland.

I hope you recognize the commitment and determination of Rockland County to develop this sustainable water plan and will support my request to call upon UWNY to provide the financial resources needed for the work of the Task Force. Thank you for your consideration.

Very truly yours,



Harriet Cornell
Chairwoman, Environmental Committee
Rockland County Legislature