

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.  
Acting Commissioner

Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

### PUBLIC HEALTH HEARING OFFICE

January 26, 2016

#### VIA CERTIFIED MAIL

Honorable E. Patricia Llodra  
First Selectman  
Newtown Municipal Center  
3 Primrose Street  
Newtown, CT 06470

**Re: Joint Investigation by DPH and PURA of Cedarhurst Association, Inc.'s Request to Cease Operations as a Water Company, Docket Number DPH15-06-01/PURA 15-08-24**

#### ORDER RE INTERROGATORIES

The town of Newtown ("Newtown") is hereby **ORDERED** to provide responses to interrogatories numbered DPH-28 through DPH-39, EN-20 and EN-21, FI-17, and RA-10 through RA-13 on or before **February 17, 2016**.

- DPH-28 Describe Newtown's organizational structure. Please also provide the name and title of the person(s) who has the authority to enter into binding agreements on behalf of Newtown and the document that provides such authority.
- DPH-29 Provide a list of public water systems owned or operated, or both, by Newtown, if any.
- DPH-30 Describe the geographical proximity of any public water systems owned or operated, or both, by Newtown, if any, to the Cedarhurst Association, Inc.'s ("Cedarhurst") water system in Newtown, Connecticut.
- DPH-31 Provide a brief description of Newtown's financial, managerial and technical resources to operate the Cedarhurst water system in a reliable and efficient manner and to provide continuous, adequate service to the persons served by the system.
- DPH-32 Provide a copy of Newtown's current year budget.
- DPH-33 Provide a copy of Newtown's asset management plan, if Newtown has one.



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- DPH-34 Provide a summary of Newtown's experience acquiring and/or operating similar systems.
- DPH-35 Describe any discussions Newtown has had with Cedarhurst regarding a potential acquisition, including the substance of such discussions. Please also provide any documents relating to such discussions, including any correspondence or meeting minutes at which such acquisition was discussed.
- DPH-36 Indicate if Newtown is interested in owning Cedarhurst. If Newtown is not interested in owning Cedarhurst, provide an explanation as to why Newtown is not interested in owning Cedarhurst.
- DPH-37 After Newtown has inspected and done its due diligence on the Cedarhurst water system, describe how Newtown will provide water service to the customers of the Cedarhurst water system if Newtown was ordered to acquire it.
- DPH-38 Provide Newtown's current rate structure.
- DPH-39 After Newtown has inspected and done its due diligence on the Cedarhurst water system, provide an estimate of the monthly cost to provide water service and operate the Cedarhurst water system as described in interrogatory DPH-37 and the proposed monthly rate that Newtown would charge the current customers of the Cedarhurst water system if Newtown were ordered to acquire the system.
- EN-20 (CAPITAL IMPROVEMENTS) After Newtown has inspected and done its due diligence on the Cedarhurst water system, if Newtown is selected to own and operate the Cedarhurst water system, will it be operated as a satellite water system or will it be interconnected to the Newtown water system by a main extension? Provide the estimated cost(s) associated with the operation and maintenance of the Cedarhurst water system by each option.
- EN-21 (CAPITAL IMPROVEMENTS) After Newtown has inspected and done its due diligence on the Cedarhurst water system, provide a list of capital improvements that will be needed to the Cedarhurst water system within the next five years. In addition, provide the following information:
- a. Identify the capital improvements, date of completion and cost estimates.
  - b. Identify which of the capital improvements are short-term or long-term capital improvements to the Cedarhurst water system.
- FI-17 (FINANCIAL) After Newtown has inspected and done its due diligence on the Cedarhurst water system, discuss the financial suitability of Newtown to takeover and operate the Cedarhurst water system. How would Newtown pay for any upgrades to the Cedarhurst water system? What are Newtown's sources of funds and managerial capabilities to run its own water system and would these funds and managerial resources be adequate to own and operate Cedarhurst?
- RA-10 (RATES) After Newtown has inspected and done its due diligence on the Cedarhurst water system, provide the base rate structure (before surcharge) that Newtown would charge the Cedarhurst customers if it is required to involuntarily acquire the Cedarhurst water system. Include unmetered and metered rates.

- RA-11 (RATES) In reference to the responses to interrogatories EN-20 and EN-21, and post inspection, explain how these capital improvements to the Cedarhurst water system would be paid for and by whom.
- RA-12 (RATES) After Newtown has inspected and done its due diligence on the Cedarhurst water system, would Newtown have the Cedarhurst customers pay for any required capital improvements necessary to update the Cedarhurst water system?
- RA-13 (RATES) After Newtown has inspected and done its due diligence on the Cedarhurst water system, would Newtown assess a surcharge to the Cedarhurst customers to cover these expenses? If so, explain how much it would be and for what time period? If not, explain why not.

In making your responses, please restate each question and answer, using a separate sheet for each interrogatory number, and identify the person responsible for the response. To the extent that the information requested above can be provided in a pre-existing form or format, please feel free to do so. However, please indicate to which question or questions such materials are submitted in response. Please note that persons responsible for responses must be available for cross-examination during the hearing and must attest to the truth and accuracy of their responses.



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Kathryn Keenan, Esq.  
Hearing Officer

cc: Via First Class Mail to Service List