

TESTIMONY FOR SUSTAINABLE WATER INFRASTRUCTURE TASK FORCE

PUBLIC INPUT HEARING

**THURSDAY, MAY 29, 2008
CHAIRMAN: REP. STAN SAYLOR**

GOOD EVENING. MY NAME IS JEFF HINES AND I AM PRESIDENT AND CEO OF THE YORK WATER COMPANY. I AM ALSO A REGISTERED PROFESSIONAL ENGINEER AND LICENSED WATER AND WASTE WATER OPERATOR IN PENNSYLVANIA.

WE ARE HERE TO DISCUSS A TURNING POINT IN OUR INFRASTRUCTURE. MUCH OF OUR WATER SYSTEMS ARE OVER 100 YEARS OLD. THIS AGED INFRASTRUCTURE, ALTHOUGH, MOSTLY UNSEEN AND TAKEN FOR GRANTED BY THE PUBLIC, HAS BEEN THE ESSENTIAL BUILDING BLOCKS FOR ANY ADVANCED SOCIETY. WE ARE ALL BENEFICIARIES OF THIS MAGNIFICENT NETWORK OF TREATMENT PLANTS, PUMP STATIONS AND PIPES THAT WAS HANDED DOWN TO US BY GENERATIONS BEFORE. HOWEVER, STUDIES HAVE INDICATED THAT THIS INFRASTRUCTURE HAS AN APPROXIMATE LIFE OF ABOUT 120 YEARS AND IF NOTHING IS BEING DONE, THESE SYSTEMS MAY SOON COLLAPSE.

SO WE HAVE ARRIVED NOT AT A CRISIS, BUT AT A TURNING POINT. THE CHOICE WE FACE IS EITHER TO ADOPT STRATEGIES TO RENEW OUR WATER AND WASTEWATER INFRASTRUCTURES, OR ACCEPT THE EROSION OVER TIME OF RELIABLE WATER AND WASTEWATER SERVICE.

WE BELIEVE THAT EACH AND EVERY WATER SYSTEM SHOULD BE SELF SUSTAINABLE.

TO BE SUSTAINABLE THE RATES THAT A WATER SYSTEM SHOULD CHARGE THEIR CUSTOMERS SHOULD COVER ALL OF THE NEEDS OF THAT WATER SYSTEM. SINCE 1816, THE YORK WATER COMPANY'S CUSTOMERS HAVE PAID FOR THE OPERATION AND MAINTNENACE OF THEIR WATER SYSTEM. WE DO NOT DEMAND GOVERNMENT GRANTS OR HANDOUTS AND WE DO NOT EXPECT OTHER CITIZENS TO PAY FOR OUR INFRASTRUCTURE.

ON THE SAME NOTE, WE DO NOT THINK IT'S PROPER FOR OUR CUSTOMERS TO PAY FOR SOME OTHER WATER SYSTEM'S PROBLEMS OR LACK OF FORESIGHT TO PAY FOR TIMELY REPLACEMENT OF THEIR OWN WATER PIPES.

SO WHAT DOES THIS COST A CUSTOMER? IN THE YORK WATER SYSTEM, LIKE MANY SYSTEMS ACROSS THE STATE, THERE ARE ABOUT 60 FEET OF WATER MAIN PER CUSTOMER. SINCE THE CURRENT LIFESPAN OF WATER MAIN TO BE ABOUT 120 YEARS, THIS MEANS, IN ORDER TO BE SUSTAINABLE, WE NEED TO REPLACE ½ FOOT OF PIPE PER YEAR PER CUSTOMER. ALTHOUGH IT COST UNDER \$2/FOOT TO INSTALL THAT WATER MAIN 120 YEARS AGO, IT COSTS ABOUT \$150/FOOT TO REPLACE THAT PIPE TODAY. SO EACH CUSTOMER SHOULD BE PAYING ABOUT \$75/YEAR JUST TO REPLACE WATER PIPE. NOW, IF WE CHOOSE NOT TO REPLACE THAT ½ FOOT OF PIPE THIS YEAR, THE PROBLEM DOES NOT GO AWAY, IT JUST ADDS UP. SO YOU EITHER PAY \$75/YEAR NOW, OR YOU ALL OF THE SUDDEN PAY THOUSANDS OF DOLLARS PER CUSTOMER WHEN THE WHOLE SYSTEM FAILS DUE TO LACK OF MAINTENANCE. AT YORK WATER WE'VE BEEN REPLACING AND RELINING PIPE AT THE RATE OF ½ FOOT

PER YEAR PER CUSTOMER. OBVIOUSLY THIS IS AN EXPENSIVE PROCESS AND WE HAVE RECENTLY ASKED FOR A RATE INCREASE FROM THE PUC AND A SIGNIFICANT PORTION OF THAT INCREASE GOES TOWARDS THIS REPLACEMENT OF OVER 30,000 FEET OF PIPE PER YEAR. A WELL MANAGED, WELL REGULATED WATER SYSTEM CAN SELF-SUSTAIN ALL OF THESE COSTS, IN ADDITION TO ALL OF THE OTHER NECESSARY COSTS AND STILL DELIVER POTABLE AND SAFE DRINKING WATER TO YOUR TAP FOR UNDER 1 PENNY A GALLON.

IN CONCLUSION, THE REPLACEMENT OF THESE OLDER MAINS IS CRITICAL IF WE DESIRE TO LEAVE THE FUTURE GENERATION WITH A SOUND, AND RELIABLE WATER SYSTEM. SO HOW DO WE ADDRESS THIS CAPITAL INTENSIVE NEED OF REPLACING UNDERGROUND INFRASTRUCTURE, AS WELL AS, THE COST TO UPGRADE TREATMENT FACILITIES TO ENSURE CONTINUED COMPLIANCE TO NEW REGULATIONS? SELF-SUSTAINABILITY, NOT DEPENDENCE ON GOVERNMENT GRANTS, SHOULD BE THE GOAL OF WATER AND WASTEWATER SYSTEMS AND PUBLIC POLICY SHOULD SEEK TO ENCOURAGE AND SUPPORT THIS GOAL. PENNSYLVANIA SHOULD ADOPT A COMPREHENSIVE STRATEGY THAT PROMOTES SUSTAINABLE WATER AND WASTEWATER INFRASTRUCTURE WITHOUT PUTTING ADDITIONAL BURDENS, SUCH AS TAXES OR SURCHARGES, ON SYSTEMS, LIKE THE YORK WATER COMPANY, THAT HAVE DEMONSTRATED 192 STRAIGHT YEARS OF SELF-SUSTAINABILITY. I'D LIKE TO THANK THE GOVERNOR'S TASK FORCE AND REP. SAYLOR FOR THE OPPORTUNITY TO PROVIDE INPUT AT THIS PUBLIC HEARING.