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## **OLR Bill Analysis**

### **HB 5201**

#### ***AN ACT CONCERNING PUBLIC HEALTH CONCERNS IN THE ACQUISITION OF WATER COMPANIES.***

#### **SUMMARY**

This bill requires the Public Utilities Regulatory Authority (PURA) to consider public health concerns when determining whether a water company (e.g., a distressed water system, see BACKGROUND) should be acquired by another entity.

By law, if PURA, in consultation with the Department of Public Health (DPH), determines that the costs to acquire and make improvements to a water company are necessary and reasonable, it must order the water company to be acquired by the most suitable public or private entity. Existing law requires PURA to consider the following when making its determination:

1. the acquiring entity's plant's geographic proximity to the water company;
2. whether the acquiring entity has the financial, managerial, and technical resources to reliably and efficiently operate the water company and provide continuous, adequate service;
3. the current rates the acquiring entity charges its customers; and
4. any other factors PURA deems relevant.

The bill requires PURA to also consider public health concerns related to the water company, including any closed or active consent decrees or deficiencies DPH identifies.

EFFECTIVE DATE: October 1, 2022

## **BACKGROUND**

### ***Water Companies Subject to Acquisition Orders***

By law, a water company subject to PURA's authority to order acquisitions is defined as the following:

1. a business, person, or lessee that owns, leases, maintains, operates, manages, or controls any pond, lake, reservoir, stream, well, or distributing plant or system used to supply water to at least two service connections or 25 people or
2. a deficient well system serving properties within a defined geographic area in which at least 25 people are served by private wells that (a) do not meet public health standards for potable water; (b) had funding discontinued for filters to respond to documented groundwater contamination; (c) are otherwise unable to serve existing properties with adequate water quality, volume, or pressure; or (d) limit on-site resolution of documented wastewater disposal issues in the system (CGS § 16-262n).

## **COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 26    Nay 0    (03/22/2022)