

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-29—HB 5201

Energy and Technology Committee

Public Health Committee

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

SUMMARY: This act requires the Public Utilities Regulatory Authority (PURA) to consider public health concerns when determining if a water company (e.g., a deficient well 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 improve a water company are necessary and reasonable, it must order the water company to be acquired by the most suitable public or private entity. When making this decision, PURA must consider:

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

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

EFFECTIVE DATE: October 1, 2022

BACKGROUND

Water Companies Subject to Acquisition Orders

The law generally allows PURA to order that a "water company" be acquired by another entity if it is economically non-viable or it failed to comply with certain orders on water quality or quantity. The water companies that may be subject to the order are:

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 that supplies 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,

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volume, or pressure; or (d) limit on-site resolution of documented wastewater disposal issues in the system (CGS § 16-262n).