
OLR Bill Analysis

sHB 5249

AN ACT AMENDING THE CHARTER OF THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY CONCERNING THE POTENTIAL ACQUISITION OF A WATER COMPANY.

SUMMARY

Under current law (PA 24-1, June Special Session, §§ 34-42), if the Public Utilities Regulatory Authority (PURA) approves the South Central Connecticut Regional Water Authority (RWA) or the Aquarion Water Authority (AWA) to own and operate the Aquarion Water Company or its subsidiaries, an 11-member governing board with members from both authorities' districts is created to run both authorities. (PURA approved the transaction on March 25, 2026.)

This bill changes the composition of the governing board, if PURA approves the transaction, to require:

1. six, rather than five, members to be residents of the Aquarion Regional Water District appointed by AWA's policy board and
2. five, rather than six, members to be members of RWA's governing board appointed by RWA's policy board.

As under existing law, the members appointed by RWA's policy board may act on AWA's behalf until the AWA members are appointed.

The bill also generally specifies that (1) nothing in the underlying law creating AWA limits the scope of PURA's review of the transaction and (2) certain provisions in the underlying law depend on PURA's approval of the transaction.

Separately, the bill also expands PURA's regulatory authority over water companies to cover companies that serve at least 300,000 customer accounts and are (1) districts, metropolitan districts, municipal districts, or special services districts established under state statute or public or

special act or (2) waterworks systems owned, leased, maintained, operated, managed, or controlled by any unit of local government under a statute or public or special act. (It does not appear that this change would apply to RWA or AWA under the bill, as the underlying laws for both generally specify that they are the controlling authority, regardless of conflicting state laws or local ordinances.)

The bill also makes various minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage

PURA REVIEW

The bill specifies that nothing in the underlying law creating AWA limits the scope of PURA's review in any proceeding brought or pending on or after October 1, 2024, about a proposed change of control of a water company under the laws on (1) PURA's review and approval of holding companies exercising control over Connecticut public utility companies, which generally requires PURA to investigate and hold a hearing on the issue (CGS § 16-47), and (2) transferring a public utility company's franchise or assets, which generally requires the company to prove that the transfer is in the public's interest (CGS § 16-22).

More specifically, the bill requires PURA to review at least the following factors, as set in the underlying law creating AWA:

1. Aquarion representative policy board membership structure;
2. Aquarion representative policy board weighted voting structure;
3. Aquarion Water Authority (the governing board) membership structure, as amended by the bill; and
4. functions of the office of consumer affairs.

The bill similarly specifies that certain provisions of the underlying law for RWA and AWA hinge on PURA's approval of the transaction as described above, including (1) the change in the governing board's membership, as required by the bill; (2) appointments to the Aquarion

representative policy board; (3) certain AWA powers (such as acquiring property); and (4) a provision that generally requires the underlying law to supersede any conflicting state statute, special act, or municipal ordinance.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 24 Nay 2 (03/17/2026)