
OLR Bill Analysis

sSB 1111

AN ACT REQUIRING CERTAIN WATER POLLUTION CONTROL AUTHORITIES TO OPERATE PURSUANT TO AN INTERLOCAL AGREEMENT AND CONCERNING THE LIABILITY OF WATER COMPANIES FOR DAMAGES CAUSED BY A LEAK OR BREAK IN A WATER MAIN.

SUMMARY:

This bill makes water companies (including municipal water utilities as well as private companies, see BACKGROUND) liable for any uninsured damages to a consumer's property caused by a water main leak or break. The bill appears to impose strict liability on water companies for such damages (i.e., it appears to make the water company liable regardless of whether the company was negligent in, for example, installing and maintaining water mains).

The bill also requires certain water pollution control authorities (WPCA) that provide sewerage service to other towns to operate pursuant to an interlocal agreement negotiated in good faith. It also requires such WPCAs to consult with a representative advisory board before making major decisions. In certain circumstances, the bill requires a WPCA to consider converting to a statutory regional WPCA.

EFFECTIVE DATE: October 1, 2013

AUTHORITIES THAT SERVE OTHER TOWNS

The bill requires a WPCA that is located in a town with fewer than 50,000 people, serves at least one other town, and receives a grant from the Clean Water Fund for a sewerage system water pollution control project, to operate pursuant to an interlocal agreement negotiated in good faith. All towns served by such WPCA must be party to the agreement. The bill requires such agreements created after October 1, 2013 to include the following provisions:

1. connection and usage charges for the sewerage system must not be increased, unless necessary to meet bonding obligations, until the WPCA reviews a cost of service study prepared by an independent party;
2. the WPCA must establish an advisory board consisting of (a) one person representing served municipalities' chief elected officials and (b) for each municipality served, one representative of customers;
3. the advisory board must meet at least twice a year and must be consulted before a WPCA transfers any real property, increases rates (except to meet bonding requirements), or acts on a capital improvement project costing over \$5,000,000; and
4. the parties to the interlocal agreement must negotiate in good faith and make best efforts to form a regional WPCA if surrounding towns contribute flows that are over 20% of the system's design capacity.

By law, rates may be increased by a WPCA when necessary to meet payment obligations on bonds or notes (CGS § 7-256).

BACKGROUND

Definitions of "Water Company" and "Consumer"

For water supply purity and adequacy purposes, a "water company" is an individual, municipality, or other entity that owns, maintains, operates, manages, controls, or employs any pond, lake, reservoir, well, stream, or distribution plant or system that supplies water to two or more consumers, or at least 25 people, on a regular basis. "Consumer" is a private dwelling, hotel, motel, boardinghouse, apartment, store, office building, institution, mechanical or manufacturing establishment, or other place of business or industry to which water is supplied by a water company (CGS § 25-32a).

Regional Water Pollution Control Authorities

Regional WPCAs are created by concurrent ordinances of the participating towns. The towns must prepare and submit a

preliminary plan of operation for the authority to the Energy and Environmental Protection commissioner and the State Treasurer for their review and approval (CGS § 22a-500 et seq.).

Clean Water Fund

The Clean Water Fund provides financial assistance to municipalities for planning, design, and construction of wastewater collection and treatment projects.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 1 (04/01/2013)