



Testimony  
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Before the GAE Committee  
February 13, 2015

The Connecticut Water Works Association (CWWA) *supports* SB-845, AN ACT  
CONCERNING THE FISCAL IMPACT OF PROPOSED AGENCY REGULATIONS.

Water companies are subject to numerous, complex state regulations, many of which include a longer compliance timeframe due to the nature of the requirements, which may require considerable investment and planning. Under current law, however, state agencies are only required to determine the fiscal impact for the first three years following adoption of the regulation. This is inadequate from a budgeting standpoint because it does not reflect costs associated with compliance beyond the first three years.

For example, when the state Department of Energy and Environmental Protection (DEEP) promulgated revised stream flow regulations, concerns were raised regarding the enormous fiscal impact on water utilities and their customers as well as municipalities with municipal water departments. These included costs associated with modify dams and distribution systems, developing new sources, flow monitoring, etc.

However, the fiscal note did not accurately capture these costs because the regulations, as is often the case, included longer compliance timeframes. Currently, fiscal notes are limited to identifying costs for the first three years costs following adoption of the regulations.

As states across the country struggle to address huge budget deficits, many are realizing the importance of accurate fiscal notes, including a consideration of both short and long-term costs. Several states already require agency regulations and/or legislation to consider long-term fiscal impacts in order to make informed decisions about whether to proceed with new laws and regulations.

Given the complexity and long compliance timeframes for many agency regulations, requiring an expanded fiscal analysis, as proposed under SB-845, is long overdue.

*The Connecticut Water Works Association, Inc. (CWWA) is an association of public water supply utilities serving more than 500,000 customers, or population of about 2½ million people, located throughout Connecticut. Membership in the Association is open to all Connecticut water utilities: investor-owned, municipal and regional authorities. CWWA is committed to working with the state to develop policies that will ensure that Connecticut has a safe, ample supply of water to meet present and future needs.*