



Senate

General Assembly

File No. 450

February Session, 2016

Substitute Senate Bill No. 422

Senate, April 4, 2016

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING RESIDENTIAL WATER RATES, PUBLIC DRINKING WATER SUPPLY EMERGENCIES AND SELLERS OF BOTTLED WATER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) If the Commissioner of
2 Public Health orders the implementation of water use restrictions
3 during a public drinking water supply emergency declared pursuant
4 to section 25-32b of the general statutes, said commissioner shall order
5 that the sale of water to residential consumers for essential residential
6 use be prioritized over the sale of water to commercial water bottling
7 companies exporting water out of the state for the duration of such
8 public drinking water supply emergency.

9 Sec. 2. (NEW) (*Effective from passage*) Notwithstanding any
10 provisions of the general statutes or any charter or special act, no
11 municipality or entity shall charge the holder of a license for the
12 business of bottling water issued pursuant to section 21a-136 of the

13 general statutes a water rate less than any other consumer for the sale
14 of such water.

15 Sec. 3. (NEW) (*Effective from passage*) Notwithstanding any
16 provisions of the general statutes or any charter or special act, no
17 municipality or entity shall charge the holder of a license for the
18 business of bottling water issued pursuant to section 21a-136 of the
19 general statutes a clean water project charge rate less than the
20 residential consumer clean water project charge rate charged by such
21 municipality or entity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

PD Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities; Municipal Water Companies	Revenue Gain/ Loss	Potential	Potential

Explanation

The bill prohibits municipalities and municipal water companies from charging bottled water companies less than any other consumers for certain services.

To the extent that municipalities and municipal water companies agree to a new rate, there is a revenue gain. The bill also precludes any revenue a municipality or municipal water company might receive from a bottled water company solely because services are being provided at a reduced rate.

The bill requires, during a public drinking water supply emergency, the Department of Public Health (DPH) to order that the sale of water to residential consumers for "essential residential use" be prioritized over the sale of water to commercial water bottling companies exporting water out of the state. As an implementation deadline is not provided, it is anticipated that the agency will update water safety planning regulations, and review updated coordinated water system plans, within available staff time without incurring a fiscal impact. It should be noted that enforcement of the order is not required under the bill.

There is no fiscal impact to the Department of Consumer Protection

as a result of the bill as few actionable complaints are anticipated.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to prices charged to bottled water companies.

OLR Bill Analysis**sSB 422*****AN ACT CONCERNING RESIDENTIAL WATER RATES, PUBLIC DRINKING WATER SUPPLY EMERGENCIES AND SELLERS OF BOTTLED WATER.*****SUMMARY:**

This bill requires the Department of Public Health (DPH) commissioner, when implementing water use restrictions during a public drinking water supply emergency, to require that water sales to residential customers for essential residential use be given priority over sales to commercial water bottling companies exporting water out of the state during the emergency. Existing law gives the DPH commissioner broad authority to mandate water use restrictions during such an emergency.

The bill also bars municipalities and entities (presumably public and private water companies) from charging licensed water bottlers a (1) water rate less than that charged to other consumers or (2) clean water project charge rate less than the charge to residential consumers. The bill's rate restrictions supersede any statute, charter, or special act.

EFFECTIVE DATE: Upon passage

BACKGROUND***Public Drinking Water Supply Emergency***

Existing law authorizes the DPH commissioner, in consultation with the Department of Energy and Environmental Protection commissioner and Public Utilities Regulatory Authority, to declare a public drinking water supply emergency when he receives information that one exists, is imminent, or is reasonably expected to occur without immediately implementing conservation practices. During such an emergency, the DPH commissioner may allow or order the (1)

implementation of water conservation practices, including restrictions on a public water system's or municipality's water use; (2) sale, supply, or taking of waters; and (3) temporary interconnection of water mains to sell or transfer water between water companies (CGS § 25-32b).

Clean Water Project Charge

The Metropolitan District Commission (MDC) levies this charge to repay debt associated with its Clean Water Project, a \$2.1 billion project mandated by state and federal environmental officials to reduce sewage overflow into the Connecticut River. The charge is based on metered water consumption and is charged to MDC customers who receive both water and sewer services.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 5 (03/18/2016)