Bill No.: SB-222
Title: AN ACT CONCERNING THE SALE OF MUNICIPAL WATER SUPPLY AND WASTEWATER UTILITY ASSETS.
Vote Date: 3/14/2019
Vote Action: Joint Favorable
PH Date: 2/19/2019
File No.: 156

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SPONSORS OF BILL:
Energy and Technology Committee

CO-SPONSORS OF BILL:

REASONS FOR BILL:
The bill was introduced to help the selling process of wastewater and municipal water delivery systems by creating a method to assess the systems at a fair market value. This bill would allow for the systems to be given a value during the selling and buying process when they previously were not considered a sellable asset. The bill establishes a clear set of guidelines to follow for establishing a fair market value on the assets as well.

RESPONSE FROM ADMINISTRATION/AGENCY:
John W. Betkoski – Public Utilities Regulatory Authority (PURA) / Elin Katz – Office of Consumer Counsel (OCC) – OPPOSE: Both PURA and OCC feel the lack of regulation in the proposal will cause municipal water facilities to become overpriced, and these rising prices will affect ratepayers who will have to cover the cost of purchase. PURA states the “Fair Value Legislation” described in the bill will lead to an imperfect evaluation of the assets which would skew the price higher and ultimately cause the rates to rise to offset the cost of purchase.

NATURE AND SOURCES OF SUPPORT:
Elizabeth Gara – Connecticut Water Works Association – (CWWA): CWWA would like to make several modifications to the bill to make it acceptable to put the plan into action including amendments to deal with improving the process of determining the value of certain water assets. CWWA states it has met with PURA and OCC to examine the issues they both have with the legislation and CWWA believes they can continue forward collaborating with the other agencies and the government to improve the system for the betterment of the customers.

NATURE AND SOURCES OF OPPOSITION:

Dennis Buckley Licensed Attorney: Buckley has concerns with the bill because he believes that as worded the legislation will undermine how the city of Waterbury currently handles the sale of certain types of owned assets. The charter in Waterbury dictates that certain assets valued at an enumerated amount need to be approved by council in a vote to approve the sale and this bill would establish a framework to undermine this process. Buckley requests modifications are made to give municipalities the ability to have a say in the selling process of their own assets particularly waste water and water supply systems.

Margaret Miner – Rivers Alliance of Connecticut: The Alliance requests a more clear view of the transactions between water companies and to allow reasonable rates to be set by PURA. The Alliance feels the public needs to be part of the conversation regarding information around the process of selling these water system assets and feels this bill will make the process less transparent.

Reported by: Ethan J. Meskill

Date: 3/25/19