



**For the Energy and Technology Committee
Testimony of Alicea Charamut, Executive Director
February 24, 2026**

Rivers Alliance was formed to fight for sound water policies at the state and federal levels, to provide education on water resources, and to advocate for any person or group striving to protect water. If you want clean, free-flowing and healthy rivers, and high-quality drinking water, Rivers Alliance is here to help.

Thank you for the opportunity to provide testimony on the following raised bill before you today.

H.B. 5249 AN ACT AMENDING THE CHARTER OF THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY CONCERNING THE POTENTIAL ACQUISITION OF A WATER COMPANY – GENERAL COMMENTS

The bill before you appears to address some of the governance concerns raised during PURA's review of the proposed acquisition of Aquarion Water Company.

The debate over the potential acquisition of Aquarion Water Company has exposed a larger question that Connecticut has yet to fully confront: What do we want for the future of our water resources? Who should control them? And who is ensuring that all water utilities are being managed with the public's long-term interest in mind?

We face aging systems, deferred maintenance, increasingly more frequent and severe adverse weather events, and the immense cost of ensuring that clean water flows from our taps while also leaving enough water in our rivers for the fish and critters. **That requires investment, transparency, accountability, and forward thinking.**

THE COST OF LOCKING IN PROFIT-DRIVEN UTILITY MODELS

It is the stated position of the Office of Consumer Counsel that the proposed purchase price for Aquarion exceeds its book value and includes a significant acquisition premium. That raises a troubling question: once a utility becomes investor-owned and its valuation is driven by return expectations, does it become financially unrealistic for it to ever return to public ownership without imposing enormous costs on ratepayers?

If so, we are locking ourselves into a model where only entities capable of absorbing profit-inflated valuations can participate in ownership. That does not align with the long-term public interest.

THE NEED FOR MORE UNIFORM OVERSIGHT OF OUR WATER UTILITIES

I have served alongside representatives of the South Central Connecticut Regional Water Authority for decades through the Water Planning Council Advisory Group. RWA has contributed meaningfully to important statewide water discussions and has been a constructive partner. Drawing on that experience and recognizing that maintaining local control would best serve customers, RWA represents the preferred choice to acquire Aquarion.

That said, public systems should not depend on corporate culture or good intentions alone. **We must have more uniform oversight of our utilities.**

Only Investor-Owned Utilities are subject to PURA oversight and Aquarion customers have raised legitimate concerns about losing levels of transparency under Regional Water Authority control.

PURA provides a public process for rate-setting. That is critical. However, the advantages of Public Utilities Regulatory Authority oversight extend well beyond rate review. Equally important is its scrutiny of capital investment and maintenance planning. Regulators help ensure that utilities are investing appropriately so that deferred maintenance does not accumulate into sudden, destabilizing rate shocks when infrastructure inevitably fails.

In municipally owned systems, the tension between infrastructure needs and political pressures are real. Utility managers understand the necessity of incremental rate adjustments to maintain safe and reliable systems, while elected officials may hesitate to approve them. When maintenance is postponed repeatedly, the result is not savings — it is crisis.

Repeated crises create openings for large, global, profit-driven corporations to consolidate ownership. If public systems are allowed to weaken structurally or financially, consolidation becomes inevitable. We should be asking ourselves plainly: Is that the trajectory we want for Connecticut's water systems?

CONCLUSION

The controversy surrounding this proposed acquisition is a symptom of a broader structural issues.

First, we need a serious, statewide discussion about oversight models for large municipal and regional water utilities. While full-scale regulation by PURA of every small system is certainly impractical, the legislature could gather agencies and stakeholders to help establish thresholds, based on customer base or annual revenue, that trigger independent regulatory review, auditing, or enhanced transparency requirements.

At this point, we cannot simply say such oversight is too complicated. Water is too essential.

As advocates for healthy rivers, clean drinking water, environmental justice, and economic fairness, Rivers Alliance believes that the path forward must ensure that utilities serving large populations operate with meaningful third-party oversight, financial transparency, and accountability. Rates must be fair. They must also be sufficient to maintain infrastructure responsibly.

Second, we cannot allow a system in which only global corporations beholden to investor returns can afford to own our water systems. If we allow this pattern to continue without intervention, we should not be surprised when decisions about a resource we rely on to sustain life are driven primarily by financial performance rather than stewardship for the public good.

As Mark Lemke has suggested in his testimony, the legislature should consider codifying explicitly that no control premium may be paid in any public acquisition of a regulated water utility absent demonstrated and quantifiable ratepayer benefit.

Finally, I urge you to remember: Connecticut's waters are held in public trust. They are not merely assets to be traded.

The decisions we make in these moments will shape who controls this essential resource, and for whose benefit, for generations. If we do not look beyond treating only a small symptom that the acquisition of AWC by RWA has exposed, the illness will get much worse.

Water is not a commodity like any other. It is a public trust resource.