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## OLR Bill Analysis

### sHB 5145

#### ***AN ACT CONCERNING THE PUBLIC HEARING REQUIREMENT FOR CERTAIN WATER COMPANIES REQUESTING TO CEASE OPERATIONS OR DISCONTINUE THE PROVISION OF WATER SERVICE.***

#### **SUMMARY**

This bill limits the kinds of water companies that must get both Public Utilities Regulatory Authority (PURA) and Department of Public Health (DPH) consent before ceasing operations. As a result, it also limits the water companies for which PURA and DPH must hold a public hearing (see BACKGROUND).

By law, a public service company cannot cease operations (including through dissolution or corporate termination) unless PURA consents. (A public service company is generally a utility, including a water company, among others (CGS § 16-1(a)(3)).) However, current law also requires that both PURA and DPH must consent before certain water companies cease operations. For this purpose, a “water company” is either:

1. an entity (including different types of corporations and municipalities) that owns, leases, maintains, operates, manages, or controls a pond, lake, reservoir, stream, well, or distributing plant or system to supply water to at least two service connections or 25 people or
2. a deficient well system serving properties within a defined area in which at least 25 people are served by private wells that has failed to meet certain potability and service standards (CGS § 16-262n(a)).

The bill further limits the water companies that must get both PURA and DPH consent to cease operations. Under the bill, the only water

companies that must get both PURA and DPH consent to cease operations are those that meet the above definition and (1) have failed to comply with PURA and DPH orders concerning water availability, potability, or adequate volume and pressure or (2) are not economically viable (as determined by PURA).

Water companies that meet the above definition but have not failed to comply with those PURA and DPH orders or been found to be economically unviable must still get PURA consent to cease operations.

EFFECTIVE DATE: October 1, 2026

## **BACKGROUND**

### ***Public Hearing Requirement***

The law requires PURA and DPH to hold a public hearing when a water company (of the kind defined above) requests to cease operations. They must also issue a final decision on the actions the company must take to ensure a continuous supply of potable water at an adequate volume and pressure.

## **COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/24/2026)