# STATE OF NEW YORK

10726

# IN ASSEMBLY

September 16, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Paulin) -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the public service law, the environmental conservation law and the state finance law, in relation to reporting requirements and audits of private water companies

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. This act shall be known and may be cited as the "small water utility transparency act".

§ 2. The public service law is amended by adding a new section 89-q to read as follows:

**§ 89-q. Powers of the commission with respect to private water companies. 1. The commission, in coordination with the comptroller, shall conduct full audits of regulated private water companies with gross annual revenues below two hundred fifty thousand dollars on a three- to five-year cycle, as determined by the commission. Such audits shall focus on capital investment in the private water company, compliance with state and federal water safety regulations and laws, financial capacity of the private water company, management ability and function of the private water company, water adequacy and sufficiency of the private water system and affordability.**

**2. The commission shall require that any regulated private water company with gross annual revenues below two hundred fifty thousand dollars which is under investigation either by motion of the commission, pursuant to section eighty-nine-i of this article, or pursuant to an order to show cause shall file regular public updates on the status of compliance with such order. The commission shall promulgate rules and regulations regarding such requirement including, but not limited to, determining how often such public updates shall be provided and the manner in which such public updates shall be provided to the public. The commission shall be authorized to establish and collect fines for non-compliance with this subdivision. Such fines may be set at increased rates for repeated non-compliance.**

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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**3. The commission shall cooperate with the department of environmental conservation and shall provide any information or data compiled by or in the possession of the commission to the department of environmental conservation for the purposes of aiding the department of environmental conservation in carrying out audits of regulated private water companies with gross annual revenues below two hundred fifty thousand dollars. The commission shall coordinate such audits with the department of environmental conservation and shall issue joint audit reports that merge the separate audits of the commission and the department of environmental conservation.**

§ 3. The environmental conservation law is amended by adding a new section 15-0319 to read as follows:

**§ 15-0319. Powers and duties with respect to private water companies.**

**The department shall conduct full audits of private water companies with gross annual revenues below two hundred fifty thousand dollars which are regulated by the public service commission on a three- to five-year cycle, as determined by the department. Such audits shall focus on, but shall not be limited to, compliance with state and federal water safety regulations and laws, water quality, water adequacy, sufficiency of testing performed by the private water company. The department may seek the assistance of the public service commission in conducting such audits and may rely on information and data complied or provided by the public service commission in the completion of such audits. The department shall coordinate such audits with the public service commission and shall assist the commission in issuing joint audit reports that merge the separate audits of the department and the public service commission.**

§ 4. Section 8 of the state finance law is amended by adding a new subdivision 21 to read as follows:

**21. Notwithstanding any inconsistent provision of law, audit regulated private water companies with gross annual revenues below two hundred fifty thousand dollars in accordance with section eighty-nine-q of the public service law.**

§ 5. This act shall take effect immediately.