



California Public Utilities Commission
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PRESS RELEASE

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CPUC Reforms Water Company Acquisition Process to Improve Access to Safe, Clean, and Affordable Water

SAN FRANCISCO, July 2, 2026 – The California Public Utilities Commission (CPUC) today adopted comprehensive reforms to its water utility acquisitions process, modernizing it with a focus on prioritizing failing, at-risk, and potentially at-risk systems while safeguarding ratepayer interests and ensuring transparency.

Acquisitions are looked to as a long-term strategy to improve access to clean water in California, and they have been a model of success in communities such as [Robbins](#) and [Clearlake](#). Today’s actions are designed to incentivize and speed the acquisition process for failing, at-risk, and potentially at-risk water systems that are unable to meet federal and state drinking water standards, while also placing a focus on transparency for acquisition pricing, valuations, and rate impacts.

“The updated regulations for water utility acquisitions is a monumental step in helping protect public health, and it’s a step towards meeting the state’s human right to water mandate, which aims to provide all Californians with clean, safe, and affordable drinking water,” said Commissioner Darcie L. Houck. “Our decision creates a clear path and approval process for water utility acquisitions, which will benefit communities struggling with poor water quality.”

Updates to the water utility acquisition process include:

- **Prefiling Conference:** The CPUC’s Water Division will hold a meeting ahead of an acquisition application that a water utility files with the CPUC to identify potential project hold-ups and adequate funding sources to minimize delays.
- **Expedited Review:** Incentivizing the acquisition of failing, at-risk, and potentially at-risk water systems and expediting the review time by shortening the CPUC Advice Letter process and water

utility application process. The application process for at-risk utilities could shorten from 18 to 12 months. For small, and failing, at-risk of failing, or potentially at-risk utilities, this process can be completed in just 100 days.

- **Accurate Valuation:** Using accurate valuation methods of water systems to ensure costs are reflective of the current expenses to acquire a water utility by the CPUC considering the fair market value in addition to the purchase price when determining the rate base and require a dual valuation for pricing.
- **Increased Transparency:** Ensuring transparency to ratepayers and enhanced ratepayer protections by requiring a rate impact analysis from utilities seeking acquisitions that compare proposed rates to current rates as well as expand the public notice and community engagement requirements.
- **Greater Coordination:** Increasing coordination with the California State Water Resources Control Board by bridging services during acquisitions, creating a pathway from the CPUC’s decision-making process to the Water Board’s SAFER Grant Program, which provides essential funding for water infrastructure improvements. To improve collaboration, a Joint Task Force will be created to improve information sharing and grant funding processes.
- **Required Oversight:** Requiring municipal and mutual acquisitions oversight by the CPUC and Local Agency Formation Commissions for water investor-owned acquisitions.

The updated framework aligns policy with the Safe Drinking Water Act of 2021 and the State Water Resources Control Board’s Safe Affordable Funding for Equity and Resilience Program.

More Information

- [Proposal Approved](#)
- CPUC Featured Story: [CPUC Look to Strengthen Utility Acquisition Process](#)
- CPUC Featured Story: [Robbins Acquisition in Sutter County](#)

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About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit www.cpuc.ca.gov for more information.