



General Assembly

January Session, 2005

**Committee Bill No. 5342**

LCO No. 4931

\*04931HB05342PD\_\*

Referred to Committee on Planning and Development

Introduced by:  
(PD)

**AN ACT CONCERNING THE LITCHFIELD HILLS REGIONAL WATER AUTHORITY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (*Effective from passage*) It is found and declared as a matter  
2 of legislative determination that the creation of the Litchfield Hills  
3 Regional Water Authority for the primary purpose of providing and  
4 assuring the provision of an adequate supply of pure water at  
5 reasonable cost within the Litchfield Hills Regional Water District and  
6 such other areas as may be served pursuant to cooperative agreements  
7 and acquisitions authorized by section 11 of this act and, to the degree  
8 consistent with the foregoing, of advancing water conservation and the  
9 conservation and compatible recreational use of land held by the  
10 authority, and the carrying out of its powers, purposes, and duties  
11 under sections 1 to 34, inclusive, of this act, are for the benefit of the  
12 people residing in the Litchfield Hills Regional Water District and the  
13 state of Connecticut, and for the improvement of their health, safety  
14 and welfare, that said purposes are public purposes, and that the  
15 authority will be performing an essential governmental function in the  
16 exercise of its powers under sections 1 to 34, inclusive, of this act.

17 Sec. 2. (*Effective from passage*) As used in sections 1 to 34, inclusive, of  
18 this act:

19 (1) "Authority" means the Litchfield Hills Regional Water Authority  
20 created by section 5 of this act;

21 (2) "District" means the Litchfield Hills Regional Water District  
22 created by section 3 of this act;

23 (3) "Representative policy board" means the representative policy  
24 board of the Litchfield Hills Regional Water District created by section  
25 4 of this act;

26 (4) "Chief executive officer" means the full-time employee of the  
27 authority responsible for the execution of the policies of the authority  
28 and for the direction of the other employees of the authority;

29 (5) "Treasurer" means the treasurer of the authority;

30 (6) "Customer" means any person, firm, corporation, company,  
31 association or governmental unit furnished water by the authority or  
32 any owner of property who guarantees payment for water service to  
33 such property;

34 (7) "Properties" means the water supply and distribution system or  
35 systems, and other real or personal property of the authority;

36 (8) "Bonds" means bonds, notes and other obligations issued by the  
37 authority;

38 (9) "Revenues" means all rents, charges and other income derived  
39 from the operation of the properties of the authority;

40 (10) "Water supply system" means plants, structures and other real  
41 and personal property acquired, constructed or operated for the  
42 purpose of supplying water, basins, dams, canals, aqueducts,  
43 standpipes, pumping stations, water distribution systems, including  
44 land, reservoirs, conduits, pipelines, mains, compensating reservoirs,

45 waterworks or sources of water supply, wells, purification or filtration  
46 plants or other plants and works, connections, rights of flowage or  
47 diversion and other plants, structures, conveyances, real or personal  
48 property or rights therein and appurtenances necessary or useful and  
49 convenient for the accumulation, supply or distribution of water; and

50 (11) "Subsidiary corporation" means a corporation organized under  
51 the general statutes or by special act which owns or operates all or part  
52 of a water supply within the district and all of the voting stock of  
53 which is owned by the authority. A reference in sections 1 to 34,  
54 inclusive, of this act shall include any amendment or successor thereto.

55 Sec. 3. (*Effective from passage*) There is created a district to be known  
56 as the "Litchfield Hills Regional Water District" which embraces the  
57 area and territory of the towns and cities of Goshen, Norfolk,  
58 Torrington, Harwinton, New Hartford and Litchfield.

59 Sec. 4. (*Effective from passage*) (a) There shall be a representative  
60 policy board of the Litchfield Hills Regional Water District which shall  
61 consist of one elector from each city and town within the district who  
62 shall be appointed by the chief elected official of such city or town,  
63 with the approval of its legislative body, and one elector of the state  
64 who shall be appointed by the Governor. Members shall serve for a  
65 term of three years commencing July first, except that the members  
66 first appointed shall serve terms commencing July 1, 2005, and such  
67 members appointed from Goshen and Norwalk shall serve until June  
68 30, 2006, such members appointed from Torrington and Harwinton  
69 shall serve until June 30, 2007, such members appointed from New  
70 Hartford and Litchfield shall serve until June 30, 2008, and the member  
71 first appointed by the Governor shall serve for a term commencing  
72 upon appointment and ending on the third June thirtieth thereafter;  
73 provided members shall continue to serve until their successors are  
74 appointed and have qualified. In the event of the resignation, death or  
75 disability of a member from any city or town or the state, a successor  
76 may be appointed by the chief elected official of such city or town, or

77 in the case of the member appointed by the Governor, for the  
78 unexpired portion of the term. The chief elected official of each such  
79 city or town may appoint a provisional member to serve until  
80 December 1, 2005, with full authority to act as a member until said  
81 date. Members and provisional members shall receive one hundred  
82 dollars for each day in which they are engaged in their duties and shall  
83 be reimbursed for their necessary expenses incurred in the  
84 performance of their duties. They shall elect a chairperson and a vice-  
85 chairperson, who shall be members or provisional members of the  
86 representative policy board, and a secretary. The chairperson shall  
87 receive a per diem payment of one and one-half times the amount paid  
88 to members and provisional members. The representative policy board  
89 shall meet at least quarterly with the authority and such members of  
90 the staff of the authority as the representative policy board deems  
91 appropriate.

92 (b) In voting upon all matters before the representative policy  
93 board, the vote of each member of the representative policy board  
94 from a city or town shall be as follows: Goshen,\_\_\_\_; Norfolk,\_\_\_\_;  
95 Torrington,\_\_\_\_; Harwinton,\_\_\_\_; New Hartford,\_\_\_\_; and  
96 Litchfield,\_\_\_\_. Whenever a vote is taken on any matter by the  
97 representative policy board, the vote shall be determined in  
98 accordance with this subsection. Members of the representative policy  
99 board holding a majority of the votes so weighted shall constitute a  
100 quorum.

101 (c) The representative policy board shall adopt and may amend  
102 such rules of procedure and bylaws for the conduct of its affairs as it  
103 deems appropriate. It shall establish (1) a standing committee on land  
104 use and management to consult with the authority on all matters of  
105 land use and management, including acquisition and sale, recreational  
106 use, cutting of timber and other products, mining and quarrying; (2) a  
107 standing committee on finance to consult with the authority on matters  
108 relating to financial and budgetary matters and the establishment of  
109 rates; and (3) a standing committee on consumer affairs to consult with

110 the authority and the officer of consumer affairs established pursuant  
111 to section 15 of this act on matters concerning the interests of people  
112 residing within the district. The representative policy board may  
113 appoint such other committees as it considers convenient from time to  
114 time.

115       Sec. 5. (*Effective from passage*) A public corporation, to be known as  
116 the "Litchfield Hills Regional Water Authority", constituting a public  
117 instrumentality and political subdivision, is created for the purposes,  
118 charged with the duties and granted the powers provided in sections 1  
119 to 34, inclusive, of this act. The authority shall consist of five members  
120 who shall not be members of the representative policy board, who  
121 shall be residents of the district and who shall be appointed without  
122 regard to political affiliation by a majority of the total votes of those  
123 members of the representative policy board present at a meeting at  
124 which members of said board holding two-thirds of the total votes are  
125 present, for terms of five years and until their successors are appointed  
126 and have qualified, except that of the members first appointed, one  
127 shall be appointed for a term ending January 1, 2011, one for a term  
128 ending January 1, 2010, one for a term ending January 1, 2009, one for a  
129 term ending January 1, 2008, and one for a term ending January 1, 2007.  
130 Any vacancy occurring on the authority shall be filled in the same  
131 manner for the unexpired portion of the term. Any member of the  
132 authority may be removed from office by the representative policy  
133 board for cause. Members of the authority shall receive such  
134 compensation for their services as shall be fixed by the representative  
135 policy board and shall be reimbursed for their necessary expenses  
136 incurred in the performance of their duties.

137       Sec. 6. (*Effective from passage*) The duration of the representative  
138 policy board and of the authority shall be perpetual unless terminated  
139 or altered by an act of the General Assembly, provided the General  
140 Assembly shall not terminate the existence of the authority until all of  
141 its liabilities have been met and its bonds have been paid in full or  
142 such liabilities and bonds have otherwise been discharged.

143       Sec. 7. (*Effective from passage*) (a) The officers of the authority shall be  
144 a chairperson and a vice-chairperson, who shall be members of the  
145 authority, and a treasurer and a secretary, who may be members of the  
146 authority. The first chairperson shall be designated by the  
147 representative policy board for a two-year term and subsequent  
148 chairpersons shall be elected by the authority for two-year terms. All  
149 other officers shall be elected by the authority for one-year terms. The  
150 treasurer shall execute a bond conditioned upon the faithful  
151 performance of the duties of his office, the amount and sufficiency of  
152 which shall be approved by the authority and the premium therefor  
153 shall be paid by the authority. The authority shall, from time to time,  
154 appoint an agent for the service of process, and shall notify the  
155 Secretary of the State of the name and address of said agent.

156       (b) The authority may employ such persons as it may determine to  
157 be necessary or convenient for the performance of its duties and may  
158 fix and determine their qualifications, duties and compensation,  
159 provided the appointment of the chief executive officer shall be subject  
160 to the approval of the representative policy board. The authority shall  
161 establish a position with ongoing responsibilities for the use and  
162 management of its land resources and such other senior managerial  
163 positions as it deems appropriate, which shall be filled by appointment  
164 by the chief executive officer with the approval of the authority. The  
165 authority may also from time to time contract for professional services.

166       Sec. 8. (*Effective from passage*) Neither the members of the authority,  
167 nor any person acting in its behalf nor any member or employee of the  
168 representative policy board, while acting within the scope of their  
169 authority shall be subject to any personal liability resulting from the  
170 erection, construction, reconstruction, maintenance or operation of the  
171 properties or any of the improvements of the authority or a subsidiary  
172 corporation or resulting from carrying out any of the powers expressly  
173 given in sections 1 to 34, inclusive, of this act.

174       Sec. 9. (*Effective from passage*) The authority shall meet at least

175 monthly. Except as the bylaws of the authority may provide in  
176 emergency situations, the powers of the authority shall be exercised by  
177 the members at a meeting duly called and held. Three members shall  
178 constitute a quorum, and no action shall be taken except pursuant to  
179 the affirmative vote of at least three members. The authority may  
180 delegate to one or more of its members, officers, agents or employees  
181 such powers and duties as it may deem proper.

182       Sec. 10. (*Effective from passage*) Whenever a public hearing is required  
183 under sections 1 to 34, inclusive, of this act, notice of such hearing shall  
184 be published by the representative policy board at least twenty days  
185 before the date set therefor, in a newspaper or newspapers having a  
186 general circulation in each city and town comprising the district. Such  
187 notice shall set forth the date, time and place of such hearing and shall  
188 include a description of the matters to be considered at such hearing. A  
189 copy of the notice shall be filed in the office of the clerk of each such  
190 city and town and shall be available for inspection by the public. At  
191 such hearings, all the users of the water supply system, owners of  
192 property served or to be served and other interested persons shall have  
193 an opportunity to be heard concerning the matter under consideration.  
194 When appropriate, the chairperson of the representative policy board  
195 may convene more than one hearing on any matter and direct such  
196 hearings to be held in suitable locations within the district so as to  
197 assure broader participation by the general public in discussion of the  
198 matters under consideration, provided in the case of the sale or  
199 transfer of real property pursuant to section 18 of this act, a public  
200 hearing shall be held in the city or town in which such real property is  
201 situated. Any decision of the representative policy board on matters  
202 considered at such public hearing shall be in writing and shall be  
203 published in a newspaper or newspapers having a general circulation  
204 in each city and town comprising the district not later than thirty days  
205 after such decision is made.

206       Sec. 11. (*Effective from passage*) Subject to the provisions of sections 1  
207 to 34, inclusive, of this act, the authority shall have the power: (1) To

208 sue and be sued; (2) to have a seal and alter the same at its pleasure; (3)  
209 to acquire in the name of the authority by purchase, lease or otherwise  
210 and to hold and dispose of personal property or any interest therein,  
211 including shares of stock of a subsidiary corporation; (4) to acquire in  
212 the name of the authority by purchase, lease or otherwise and to hold  
213 and dispose of any real property or interest therein, in accordance with  
214 the provisions of section 18 of this act, including water rights and  
215 rights of way and water discharge rights, which the authority  
216 determines to be necessary or convenient, and to acquire any existing  
217 or water supply system or parts thereof which are wholly or partially  
218 within the district as described under section 3 of this act. As a means  
219 of so acquiring, the authority or a subsidiary corporation may  
220 purchase all of the stock or all or any part of the assets and franchises  
221 of any existing privately owned water, whereupon the authority or  
222 such subsidiary corporation shall succeed to all rights, powers and  
223 franchises thereof. Sections 16-43, 16-50c and 16-50d of the general  
224 statutes shall not apply to any action by the authority or a subsidiary  
225 corporation or any action by any privately owned water company, as  
226 defined in section 16-1 of the general statutes, taken to effectuate the  
227 acquisition of the stock or all or any part of the assets and franchises of  
228 such water company by the authority; (5) to construct and develop any  
229 water supply system; (6) to own, operate, maintain, repair, improve,  
230 construct, reconstruct, replace, enlarge and extend any of its  
231 properties; (7) notwithstanding any provision in any general statute,  
232 special act or charter, but subject to the provisions of section \_\_\_\_ of  
233 this act, to sell water, however acquired, to customers within the  
234 district or to any municipality or water company; (8) notwithstanding  
235 any provisions in any general statute, special act or charter, to the  
236 contrary, to purchase water approved by the commissioner of health  
237 from any person, private corporation or municipality when necessary  
238 or convenient for the operation of any water supply system operated  
239 by the authority; (9) to adopt and amend bylaws, rules and regulations  
240 for the management and regulation of its affairs and for the use and  
241 protection of the water and properties of the authority or a subsidiary

242 corporation and, subject to the provisions of any resolution  
243 authorizing the issuance of bonds, rules for the sale of water, and the  
244 collection of rents and charges for water supply. A copy of such  
245 bylaws, rules and regulations and all amendments thereto, certified by  
246 the secretary of the authority, shall be filed in the office of the Secretary  
247 of the State and with the clerk of each town and city within the district.  
248 Any superior court located within the district shall have jurisdiction  
249 over any violation of such bylaws, rules or regulations and the  
250 authority may prosecute actions before the superior court to enforce  
251 such bylaws, rules and regulations; (10) to make contracts and to  
252 execute all necessary or convenient instruments, including evidences  
253 of indebtedness, negotiable or nonnegotiable; (11) to borrow money, to  
254 issue negotiable bonds or notes, to fund and refund the same and to  
255 provide for the rights of the holders of the authority's obligations; (12)  
256 to open the grounds in any public street or way or public grounds for  
257 the purpose of laying, installing, maintaining or replacing pipes and  
258 conduits, provided, upon the completion of such work, the grounds  
259 shall be restored to the condition they were in previously; (13) to enter  
260 into cooperative agreements with other water authorities,  
261 municipalities, water districts, water companies or water pollution  
262 control authorities within or without the district for interconnection of  
263 facilities, for exchange or interchange of services and commodities or  
264 for any other lawful purpose necessary or desirable to effect the  
265 purposes of sections 1 to 34, inclusive, of this act, such agreements to  
266 be binding for a period specified therein; (14) to acquire, hold, develop  
267 and maintain land and other real estate and waters for conservation  
268 and for compatible active and passive recreational purposes and to  
269 levy charges for such uses, provided the state Department of Public  
270 Health finds that such uses will not harm the quality of water  
271 provided by the authority; (15) to apply for and accept grants, loans or  
272 contributions from the United States, the state of Connecticut or any  
273 agency, instrumentality or subdivision of either of them or from any  
274 person, and to expend the proceeds for any of its purposes; (16) to  
275 create programs and policies for the purpose of conserving water; (17)

276 to do any and all things necessary or convenient to carry out the  
277 powers expressly given in sections 1 to 34, inclusive, of this act,  
278 including the powers granted by the general statutes to stock  
279 corporations, except the power to issue stock, and the powers granted  
280 by the general statutes to water pollution control authorities.

281       Sec. 12. (*Effective from passage*) The authority shall not sell water to  
282 customers in any part of the district with respect to which any person,  
283 any firm or any corporation incorporated under the general statutes or  
284 any special act has been granted a franchise to operate as a water  
285 company, as defined in section 16-1 of the general statutes, or in which  
286 any town, city or borough or any district organized for municipal  
287 purposes operates a municipal water supply system, unless the  
288 legislative body of such town, city, borough or district, such person, or  
289 the governing board of such firm or corporation shall consent, in  
290 writing, to such sale by the authority.

291       Sec. 13. (*Effective from passage*) (a) Except with respect to (1) any real  
292 or personal property or interest therein, the legal title to which is  
293 vested in the state or a political subdivision thereof, or (2) any existing  
294 water supply system, if such authority cannot agree with any owner  
295 upon the terms of acquisition by the authority of any real or personal  
296 property or interest therein which the authority is authorized to  
297 acquire, the authority may proceed, at its election, in the manner  
298 provided in subsection (b) of this section or in the manner provided in  
299 subsection (c) of this section.

300       (b) The authority may, after ten days' written notice to such owner,  
301 petition the superior court for the county or judicial district in which  
302 such property is located, or, if said court is not then sitting, any judge  
303 of said court, and thereupon said court or such judge shall appoint a  
304 committee of three disinterested persons, who shall be sworn before  
305 commencing their duties. Such committee, after giving reasonable  
306 notice to the parties, shall view the property in question, hear the  
307 evidence, ascertain the value, assess just damages to the owner or

308 parties interested in the property and report its actions to said court or  
309 such judge. Not later than fourteen days after such report is made to  
310 said court or such judge, any party may move for the acceptance  
311 thereof. Said court or such judge may accept such report or may reject  
312 it for irregular or improper conduct by the committee in the  
313 performance of its duties. If the report is rejected, the court or judge  
314 shall appoint another committee, which shall proceed in the same  
315 manner as did the first committee. If the report is accepted, such  
316 acceptance shall have the effect of a judgment in favor of the owner of  
317 the property against said authority for the amount of such assessment  
318 and, except as otherwise provided by law, execution may issue  
319 therefor. Such property shall not be used by such authority until the  
320 amount of such assessment has been paid to the party to whom it is  
321 due or deposited for his use with the State Treasurer and, upon such  
322 payment or deposit, such property shall become the property of the  
323 authority; provided, if at any stage of condemnation proceedings  
324 brought under this subsection, it appears to the court or judge before  
325 whom such proceedings are pending that the public interest will be  
326 prejudiced by delay, said court or such judge may direct that the  
327 authority be permitted to enter immediately upon the property to be  
328 taken and devote it temporarily to the public use specified in such  
329 petition upon the deposit with said court of a sum to be fixed by said  
330 court or such judge, upon notice to the parties of not less than ten days,  
331 and such sum when so fixed and paid shall be applied so far as it may  
332 be necessary for the purpose of the payment of any award of damages  
333 which may be made, with interest thereon from the date of the order of  
334 said court or judge, and the remainder if any returned to the authority.  
335 If such petition is dismissed or no award of damages is made, said  
336 court or such judge shall direct that the money so deposited, so far as it  
337 may be necessary, shall be applied to the payment of any damages that  
338 the owner of such property or other parties in interest may have  
339 sustained by such entry upon and use of such property, and of the  
340 costs and expenses of such proceedings, such damages to be  
341 ascertained by said court or such judge or a committee to be appointed

342 for that purpose, and if the sum so deposited is insufficient to pay such  
343 damages and all costs and expenses so awarded, judgment shall be  
344 entered against the authority for the deficiency, to be enforced and  
345 collected in the same manner as a judgment from the superior court;  
346 and the possession of such property shall be restored to the owner or  
347 owners thereof. The expenses or costs of any such proceedings shall be  
348 taxed by said court or such judge and paid by the authority.

349 (c) The authority, in its name, may proceed in the manner specified  
350 for redevelopment agencies in accordance with section 8-128 to 8-133,  
351 inclusive, of the general statutes.

352 Sec. 14. (*Effective from passage*) With the approval of the  
353 representative policy board, the authority shall establish just and  
354 equitable rates or charges for the use of the water supply system  
355 authorized in this section, to be paid by any customer, and may change  
356 such rates or charges from time to time. Such water supply system  
357 rates or charges shall be established so as to provide funds sufficient in  
358 each year, with other water supply related revenues, if any, (1) to pay  
359 the cost of maintaining, repairing and operating the water supply  
360 system and each and every portion thereof, to the extent that adequate  
361 provision for the payment of such cost has not otherwise been made,  
362 (2) to pay the principal of and the interest on outstanding water supply  
363 bonds of the authority as the same shall become due and payable, (3)  
364 to meet any requirements of any resolution authorizing, or trust  
365 agreement securing, such bonds of the authority, (4) to make payments  
366 in lieu of taxes as provided in section 21 of this act, as the same become  
367 due and payable, upon the water supply system properties of the  
368 authority or of a subsidiary corporation to the municipalities in which  
369 such properties are situated, (5) to provide for the maintenance,  
370 conservation and appropriate recreational use of the land of the  
371 authority, and (6) to pay all other reasonable and necessary expenses  
372 of the authority and of the representative policy board to the extent  
373 that such expenses are allocable to the water supply system activities  
374 of the authority and the representative policy board. No such rate or

375 charge shall be established until it has been approved by the  
376 representative policy board, after said board has held a public hearing  
377 at which all the users of the waterworks system, the owners of  
378 property served or to be served and others interested have had an  
379 opportunity to be heard concerning such proposed rate or charge. The  
380 representative policy board shall approve such rates and charges  
381 unless it finds that such rates and charges will provide funds in excess  
382 of the amounts required for the purposes described previously in this  
383 section, or unless it finds that such rates and charges will provide  
384 funds insufficient for such purposes. The rates or charge, so  
385 established for any class of users or property served shall be extended  
386 to cover any additional premises thereafter served which are within  
387 the same class, without the necessity of a hearing thereon. Any change  
388 in such rates or charges shall be made in the same manner in which  
389 they were established. The rates or charges levied upon any customer  
390 of any water supply system acquired pursuant to subdivision (4) of  
391 section 11 of this act or served pursuant to a cooperative agreement  
392 pursuant to subdivision (13) of section 11 of this act shall not be  
393 required to be equalized with the authority's existing rates, but may be  
394 set on a separate basis, provided such rates are just, equitable and  
395 nondiscriminatory. Such rates or charges, if not paid when due, shall  
396 constitute a lien upon the premises served and a charge against the  
397 owners thereof, which lien and charge shall bear interest at the same  
398 rate as would unpaid taxes. Such lien shall take precedence over all  
399 other liens or encumbrances except taxes and may be foreclosed  
400 against the lot or building served in the same manner as a lien for  
401 taxes, provided all such liens shall continue until such time as they  
402 shall be discharged or foreclosed by the authority without the  
403 necessity of filing certificates of continuation, but in no event for longer  
404 than ten years. The amount of any such rate or charge which remains  
405 due and unpaid for thirty days may, with interest thereon at the same  
406 rate as unpaid taxes and with reasonable attorneys' fees, be recovered  
407 by the authority in a civil action in the name of the authority against  
408 such owners. Any municipality shall be subject to the same rate or

409 charges under the same conditions as other users of the water supply  
410 system.

411 Sec. 15. (*Effective from passage*) (a) The representative policy board  
412 shall establish an office of consumer affairs to act as the advocate for  
413 consumer interests in all matters which may affect consumers,  
414 including, without limitation, matters of rates and water quality and  
415 supply. The costs of such office of consumer affairs, unless otherwise  
416 provided by the state, shall be paid by the authority.

417 (b) The office of consumer affairs is authorized to appear and  
418 participate in any regulatory or judicial proceedings, federal or state, in  
419 which the interests of such consumers may be involved. The office of  
420 consumer affairs shall have access to the authority's records, shall be  
421 entitled to call upon the assistance of the authority's experts and shall  
422 have the benefit of all other facilities or information of the authority in  
423 carrying out the duties of the office, except for such internal  
424 documents, information or data as are not available to parties to the  
425 authority's proceedings.

426 (c) Nothing in this section shall be construed to prevent any party  
427 interested in any proceeding or action of the authority from appearing  
428 in person or from being represented by counsel therein. As used in this  
429 section, "consumer" means any person, company, corporation,  
430 association, city, borough or town that receives service from the  
431 authority or a subsidiary corporation whether or not such person,  
432 company, corporation, association, city, borough or town is financially  
433 responsible for such service.

434 Sec. 16. (*Effective from passage*) All contracts in excess of fifty  
435 thousand dollars for any supplies, materials, equipment, construction  
436 work or other contractual services shall be in writing and shall be  
437 awarded upon sealed bids or proposals made in compliance with a  
438 public notice duly advertised by publication at least ten days before  
439 the time fixed for opening said bids or proposals, except for contracts  
440 for professional services, when the supplies, materials, equipment or

441 work can only be furnished by a single party or when the authority  
442 determines by a two-thirds vote of the entire authority that the award  
443 of such contract by negotiation without public bidding will be in the  
444 best interest of the authority. The authority may, in its sole discretion,  
445 reject all such bids or proposals or any bids received from a person,  
446 firm or corporation the authority finds to be unqualified to perform the  
447 contract, and shall award such contract to the lowest responsible  
448 bidder qualified to perform the contract.

449       Sec. 17. (*Effective from passage*) (a) If any member or employee of the  
450 representative policy board or of the authority is financially interested  
451 in or has any personal beneficial interest, directly or indirectly, in any  
452 proposed contract or proposed purchase order for any supplies,  
453 materials, equipment or contractual services to be furnished to or used  
454 by the representative policy board or the authority, such member or  
455 employee shall immediately so inform the representative policy board  
456 or the authority, whichever he is a member or employee of, and shall  
457 take no part in the deliberations or vote concerning such contract or  
458 purchase order. The representative policy board, as to its members and  
459 employees, and the authority, as to its members and employees, may  
460 terminate the membership or employment of any person who violates  
461 this subsection.

462       (b) No member or employee of the representative policy board or of  
463 the authority shall accept or receive, directly or indirectly, from any  
464 person, firm or corporation to which any contract or purchase order  
465 may be awarded, by rebate, gift or otherwise, any promise, obligation  
466 or contract for future reward or compensation or any money or any  
467 thing of value in excess of ten dollars, provided the aggregate value of  
468 all such things provided by a donor to a recipient in any calendar year  
469 shall not exceed fifty dollars and, excluding any food or beverage or  
470 food and beverage, costing less than fifty dollars in the aggregate per  
471 recipient in a calendar year, and consumed on an occasion or occasions  
472 at which the person paying, directly or indirectly, for the food or  
473 beverage, or his representative, is in attendance. Any person who

474 violates any provision of this subsection shall be fined not more than  
475 five hundred dollars or imprisoned for not more than six months, or  
476 both.

477 Sec. 18. (*Effective from passage*) (a) Except as provided in this section,  
478 the authority shall not sell or otherwise transfer any unimproved real  
479 property or any interest or right therein, except for access or utility  
480 purposes, or develop such property for any use not directly related to  
481 a water supply function, other than for public recreational use not  
482 prohibited by section 25-43c of the general statutes.

483 (b) The authority shall not sell or otherwise transfer any class I land,  
484 as defined in section 25-37c of the general statutes, or any interest or  
485 right therein, except to a water company, as defined in section 25-32a  
486 of the general statutes. The purchasing water company shall agree to  
487 maintain the land subject to the provisions of section 25-32 of the  
488 general statutes, any regulations adopted pursuant to said section 25-  
489 32, and the terms of any permit issued pursuant to said section 25-32.  
490 Such purchasing water company shall not sell, lease or assign such  
491 land without obtaining a permit pursuant to section 25-32 of the  
492 general statutes. Such purchasing water company shall not seek a  
493 change in use of such land from the Commissioner of Public Health.

494 (c) The authority shall not sell or otherwise transfer any class II or  
495 class III land, as defined in section 25-37c of the general statutes, or any  
496 interest or right therein, except to the state or a political subdivision  
497 thereof, the municipality in which the land is situated, a water  
498 company, as defined in section 25-32a of the general statutes, or to a  
499 private, nonprofit land-holding conservation organization. As a  
500 condition to the sale or transfer of such land, the parties to the sale or  
501 transfer shall execute a permanent conservation easement on the land  
502 to preserve the land in perpetuity predominantly in its natural scenic  
503 and open condition for the protection of natural resources and public  
504 water supplies while allowing for recreation consistent with such  
505 protection and improvements necessary for the protection or provision

506 of safe and adequate potable water. Preservation in perpetuity shall  
507 not include permission for the land to be developed for any  
508 commercial, residential or industrial uses, nor shall it include  
509 permission for recreational purposes requiring intense development,  
510 including, but not limited to, golf courses, driving ranges, tennis  
511 courts, ballfields, swimming pools and uses by motorized vehicles  
512 other than vehicles needed by water companies or the authority to  
513 carry out their purposes, provided trails or pathways for pedestrians,  
514 motorized wheelchairs or nonmotorized vehicles shall not be  
515 considered intense development. The purchasing entity shall agree to  
516 maintain the land subject to the provisions of section 25-32 of the  
517 general statutes, any regulations adopted pursuant to said section 25-  
518 32, and the terms of any permit issued pursuant to said section 25-32.  
519 Such purchasing entity shall not sell, lease or assign such land without  
520 obtaining a permit pursuant to section 25-32 of the general statutes.  
521 Such purchasing entity shall not seek a change in use of such land  
522 from the Commissioner of Public Health.

523 (d) The authority shall not sell, lease or otherwise transfer any real  
524 property or any interest or right therein, except for access or utility  
525 purposes, or develop such property for any use not directly related to  
526 a water supply function, other than for public recreational use not  
527 prohibited by section 25-43c of the general statutes, without the  
528 approval of a majority of the weighted votes of all of the members of  
529 the representative policy board in the case of a parcel of twenty acres  
530 or less, and by three-fourths of the weighted votes of all of the  
531 members of said board in the case of a parcel in excess of twenty acres.  
532 The representative policy board shall not approve such sale or other  
533 transfer unless it determines, following a public hearing, that the  
534 proposed action (1) conforms to the established standards and policies  
535 of the authority, (2) is not likely to affect the environment adversely,  
536 particularly with respect to the purity and adequacy of both present  
537 and future water supply, and (3) is in the public interest, giving due  
538 consideration, among other factors, to the financial impact of the  
539 proposed action on the customers of the authority and on the

540 municipality in which the real property is located.

541 (e) Each request by the authority for approval pursuant to  
542 subsection (d) of this section shall be accompanied by an evaluation of  
543 the potential impact of the proposed action for which approval is  
544 requested, which shall include: (1) A description of the real property  
545 and its environment, including its existing watershed function and the  
546 costs to the authority of maintaining such property in its current use;  
547 (2) a detailed statement of the environmental impact of the proposed  
548 action and, if appropriate, of any alternatives to the proposed action,  
549 considering (A) direct and indirect effects upon the purity and  
550 adequacy of both present and future water supply, (B) the relationship  
551 of the proposed action to existing land use plans, including municipal  
552 and regional land use plans and the state plan of conservation and  
553 development, (C) any adverse environmental effects which cannot be  
554 avoided if the proposed action is implemented, (D) any irreversible  
555 and irretrievable commitments of resources which would be involved  
556 should the proposed action be implemented, and (E) any mitigation  
557 measures proposed to minimize adverse environmental impacts;  
558 except that for a sale or transfer identified in accordance with  
559 subsection (b) or (c) of this section as being unlikely to have any  
560 significant effect on the environment, the authority may submit a  
561 preliminary assessment of the impact likely to occur in lieu of such  
562 detailed statement of environmental impact, and the representative  
563 policy board may, on the basis of such preliminary assessment, waive  
564 or modify the requirements for such detailed statement; and (3) a  
565 summary of the final evaluation and recommendation of the authority.

566 (f) The representative policy board shall submit the evaluation  
567 required by subsection (e) of this section for comment and review, at  
568 least sixty days in advance of the public hearing, to the Department of  
569 Public Health, the Office of Policy and Management, and the regional  
570 planning agency for the region, the chief executive officer of the city or  
571 town in which the real property is situated and other appropriate  
572 agencies, and shall make such evaluation available to the public for

573 inspection. The decision of the representative policy board approving  
574 or disapproving the proposed action shall be published in a  
575 newspaper or newspapers having a general circulation within the  
576 district and copies of such decision shall be filed with the clerk of each  
577 town and city in the district.

578 (g) Notwithstanding the provisions of this section, the provisions of  
579 section 25-32 of the general statutes shall apply to any sales, transfer or  
580 maintenance of unimproved land by the authority. The authority shall  
581 notify the state Commissioner of Public Health of any proposed sale or  
582 other transfer of land, as required by said section 25-32.

583 (h) The authority shall use the proceeds of any sale or transfer under  
584 this section solely for capital improvements to its remaining properties,  
585 acquisition of real property or any interest or right therein, retirement  
586 of debt or any combination of such purposes.

587 (i) The provisions of this section shall apply to any unimproved real  
588 property or any interest or right therein related to the water supply  
589 system whether owned or possessed by the authority or by any  
590 subsidiary corporation.

591 Sec. 19. (*Effective from passage*) The authority shall not acquire, by  
592 purchase, lease or otherwise any existing water supply system or parts  
593 thereof or commence any project costing more than two million dollars  
594 to repair, improve, construct, reconstruct, enlarge and extend any of its  
595 properties or systems without the approval, following a public  
596 hearing, of a majority of the total weighted votes of the membership of  
597 the representative policy board. In the case of the first acquisition by  
598 the authority of an existing water supply system or part thereof, after  
599 such approval by the representative policy board the authority shall  
600 file with the town clerk of each city and town in the district its plan for  
601 such acquisition. The legislative body of each such city and town shall  
602 approve or disapprove such acquisition plan not later than sixty days  
603 after such filing, provided failure to disapprove within such sixty days  
604 shall be deemed approval of such acquisition plan. The authority shall

605 not first acquire an existing water supply system or part thereof except  
606 in accordance with an acquisition plan approved by at least sixty per  
607 cent of such legislative bodies.

608       Sec. 20. (*Effective from passage*) (a) The authority shall have an annual  
609 audit of its accounts, books and records by a certified public  
610 accountant selected by the representative policy board. A copy of the  
611 audit shall be filed in the office of the town clerk in each town within  
612 the district and with the Public Utilities Control Authority, and shall  
613 be available for public inspection during the ordinary business hours  
614 of the authority at the principal office of the authority. A concise  
615 financial statement shall be published annually, at least once, in a  
616 newspaper of general circulation in the municipality where the  
617 principal office of the authority is located. If such publication is not  
618 made by the authority, the representative policy board shall publish  
619 such statement at the expense of the authority.

620       (b) The Attorney General may examine the books, accounts and  
621 records of the authority.

622       Sec. 21. (*Effective from passage*) (a) Neither the authority nor a  
623 subsidiary corporation shall be required to pay taxes or assessments  
624 upon any of the properties acquired by it or under its jurisdiction,  
625 control or supervision, provided in lieu of such taxes or assessments  
626 the authority shall make annual payments to each municipality in  
627 which it or a subsidiary corporation owns property related to the  
628 water supply system equal to the taxes which would otherwise be due  
629 for the property of the authority or such subsidiary corporation in such  
630 municipality, excluding any improvements made to or constructed on  
631 any such real property by the authority or such subsidiary corporation,  
632 provided land owned by the authority or a subsidiary corporation  
633 related to the water supply system shall be assessed in accordance  
634 with section 12-63 of the general statutes, and provided further  
635 payments for property acquired by the authority or a subsidiary  
636 corporation during any tax year shall be adjusted for such fractional

637 year in accordance with the customary practice in such municipality  
638 for adjusting taxes between the buyer and seller of real property. In  
639 addition, the authority or a subsidiary corporation shall reimburse  
640 each such municipality for its expenses in providing municipal  
641 services to any improvements made to or constructed on any real  
642 property by the authority or such subsidiary corporation within such  
643 municipality. As used in this section, "improvements" does not include  
644 water pipes or improvements to water pipes.

645 (b) The authority may contest the assessed valuation of any  
646 properties owned by the authority or a subsidiary corporation with  
647 respect to which any payment in lieu of taxes is determined in the  
648 same manner as any owner of real property in such municipality.  
649 Payments in lieu of taxes payable to any municipality shall be paid by  
650 the authority to the municipality upon the date and in the manner  
651 provided for the payment of real property taxes of the municipality.

652 (c) In the event the authority in any year does not have sufficient  
653 funds to make such payments in lieu of taxes, or any portion of them,  
654 as the same become due and payable, the authority shall adjust its  
655 rates and charges and the representative policy board shall approve  
656 such adjustment of rates and charges, after a public hearing as  
657 provided in section 14 of this act so as to provide funds not later than  
658 one year after the date on which such payment became due and  
659 payable to make such payment. Any municipality or any holder of  
660 bonds or notes of the authority aggrieved by the failure of the  
661 authority to make any payment in lieu of taxes or portion thereof as  
662 the same becomes due and payable may apply to the superior court for  
663 the county in which such municipality is situated for an order  
664 directing the authority to appropriately increase its rates and charges.

665 (d) Neither the authority nor a subsidiary corporation shall be  
666 required to pay taxes imposed upon or measured by the receipts or  
667 earnings derived by the authority or such subsidiary corporation  
668 through the ownership or operation of a water supply system, or

669 imposed as a result of the income, powers, activities or items reflected  
670 on the balance sheet of the authority or such subsidiary corporation.

671       Sec. 22. (*Effective from passage*) (a) The authority, subject to the  
672 approval of the representative policy board, shall have the power and  
673 is authorized from time to time to issue its negotiable bonds for any of  
674 its corporate purposes, including incidental expenses in connection  
675 therewith, and to secure the payment of the same by a lien or pledge  
676 covering all or part of its contracts, earnings or revenues. The authority  
677 shall have power from time to time, whenever it deems refunding  
678 expedient, to refund any bonds by the issuance of new bonds within  
679 the terms of any refunding provisions of its bonds, whether the bonds  
680 to be refunded have or have not matured, and may issue bonds partly  
681 to refund bonds then outstanding and partly for any of its public  
682 purposes. Except as may be otherwise expressly provided by the  
683 authority every issue of bonds by the authority shall be preferred  
684 obligations, taking priority over all other claims against the authority,  
685 including payments in lieu of taxes to any municipality, and payable  
686 out of any moneys, earnings or revenues of the authority, subject only  
687 to any agreements with the holders of particular bonds pledging any  
688 particular moneys, earnings or revenues. Notwithstanding the fact that  
689 the bonds may be payable from a special fund, if they are otherwise of  
690 such form and character as to be negotiable instruments under the  
691 terms of the Uniform Commercial Code, the bonds shall be negotiable  
692 instruments within the meaning of and for all the purposes of the  
693 Uniform Commercial Code, subject only to the provisions of the bonds  
694 for registration.

695       (b) The bonds shall be authorized by resolution of the authority and  
696 shall bear such date or dates, mature at such time or times, not  
697 exceeding forty years from their respective dates, bear interest at such  
698 rates per annum, not exceeding statutory limitations, be payable at  
699 such times, be in such denomination, be in such form, either coupon or  
700 registered, carry such registration privileges, be executed in such  
701 manner, be payable in lawful money of the United States of America,

702 at such place or places, and be subject to such terms of redemption as  
703 such resolution or resolutions may provide. All bonds of the authority  
704 shall be sold through a negotiated sale or a public sale to the bidder  
705 who shall offer the lowest true interest cost to the authority, to be  
706 determined by the authority.

707 (c) Any resolution or resolutions authorizing any bonds or any issue  
708 of bonds may contain provisions which shall be a part of the contract  
709 with the holders of the bonds thereby authorized as to (1) pledging all  
710 or any part of the moneys, earnings, income and revenues derived  
711 from all or any part of the properties of the authority to secure the  
712 payment of the bonds or of any issue of the bonds subject to such  
713 agreement with the bondholders as may then exist; (2) the rates,  
714 rentals, fees and other charges to be fixed and collected and the  
715 amounts to be raised in each year thereby, and the use and disposition  
716 of the earnings and other revenues, (3) the setting aside of reserves and  
717 the creation of sinking funds and the regulation and disposition  
718 thereof; (4) limitations on the rights of the authority to restrict and  
719 regulate the use of the properties in connection with which such bonds  
720 are issued; (5) limitations on the purposes to which, and the manner in  
721 which, the proceeds of sale of any issue of bonds may be applied; (6)  
722 limitations on the issuance of additional bonds, the terms upon which  
723 additional bonds may be issued and secured, and the refunding of  
724 outstanding or other bonds; (7) the procedure, if any, by which the  
725 terms of any contract with bondholders may be amended or  
726 abrogated, the amount of bonds the holders of which must consent  
727 thereto and the manner in which such consent may be given; (8) the  
728 creation of special funds into which any earnings or revenues of the  
729 authority may be deposited; (9) the terms and provisions of any trust  
730 deed or indenture securing the bonds or under which bonds may be  
731 issued; (10) definitions of the acts or omission to act which shall  
732 constitute a default in the obligations and duties of the authority to the  
733 bondholders and providing the rights and remedies of the  
734 bondholders in the event of such default, including as a matter of right  
735 the appointment of a receiver, provided such rights and remedies shall

736 not be inconsistent with the general laws of this state; (11) limitations  
737 on the power of the authority to sell or otherwise dispose of its  
738 properties; (12) any other matters, of like or different character, which  
739 in any way affect the security or protection of the bonds; and (13)  
740 limitations on the amount of moneys derived from the properties to be  
741 expended for operating, administrative or other expenses of the  
742 authority.

743 (d) The authority may obtain from a commercial bank or insurance  
744 company a letter of credit, line of credit or other liquidity facility or  
745 credit facility for the purpose of providing funds for the payments in  
746 respect of bonds, notes or other obligations required by the holder  
747 thereof to be redeemed or repurchased prior to maturity or for  
748 providing additional security for such bonds, notes or other  
749 obligations. In connection therewith, the authority may enter into  
750 reimbursement agreements, remarketing agreements, standby bond  
751 purchase agreements and any other necessary or appropriate  
752 agreements. The authority may pledge all or any part of the moneys,  
753 earnings, income and revenues derived from all or any part of the  
754 properties of the authority and any other property which may be  
755 pledged to bondholders to secure its payment obligations under any  
756 agreement or contract entered into pursuant to this section subject to  
757 such agreements with the bondholders as may then exist.

758 (e) In connection with or incidental to the carrying of bonds or notes  
759 or in connection with or incidental to the sale and issuance of bonds or  
760 notes, the authority may enter into such contracts to place the  
761 obligation of the authority, as represented by the bonds or notes, in  
762 whole or in part, on such interest rate or cash flow basis as the  
763 authority may determine, including without limitation, interest rate  
764 swap agreements, insurance agreements, forward payment conversion  
765 agreements, contracts providing for payments based on levels of, or  
766 changes in, interest rates or market indices, contracts to manage  
767 interest rate risk, including, without limitation, interest rate floors or  
768 caps, options, puts, calls and similar arrangements. Such contracts

769 shall contain such payment, security, default, remedy and other terms  
770 and conditions as the authority may deem appropriate and shall be  
771 entered into with such party or parties as the authority may select,  
772 after giving due consideration, where applicable, for the  
773 creditworthiness of the counter party or counter parties, provided such  
774 parties or counter parties shall be a financial institution whose  
775 unsecured long-term obligations are rated within the top two rating  
776 categories of any nationally recognized rating service. The authority  
777 may pledge all or any part of the moneys, earnings, income and  
778 revenues derived from all or any part of the properties of the authority  
779 and any other property which may be pledged to bondholders to  
780 secure its payment obligations under any agreement or contract  
781 entered into pursuant to this section subject to such agreements with  
782 the bondholders as may then exist.

783 (f) It is the intention of the General Assembly that any pledge of  
784 earnings, revenues or other moneys made by the authority shall be  
785 valid and binding from the time when the pledge is made; that the  
786 earnings, revenues or other moneys so pledged and thereafter received  
787 by the authority shall immediately be subject to the lien of such pledge  
788 without any physical delivery thereof or further act, and that the lien  
789 of any such pledge shall be valid and binding as against all parties  
790 having claims of any kind in tort, contract or otherwise against the  
791 authority irrespective of whether such parties have notice thereof.  
792 Neither the resolution nor any other instrument by which a pledge is  
793 created need be recorded.

794 (g) Neither the members of the authority nor any person executing  
795 the bonds shall be liable personally on the bonds or be subject to any  
796 personal liability or accountability by reason of the issuance thereof.

797 (h) The authority shall have the power out of any funds available to  
798 purchase, as distinguished from the power of redemption provided in  
799 this section, any bonds issued by it at a price of not more than the  
800 principal amount thereof and accrued interest, and all bonds so

801 purchased shall be cancelled.

802 (i) In the discretion of the authority, the bonds may be secured by a  
803 trust indenture by and between the authority and a corporate trustee,  
804 which may be any trust company or bank having the powers of a trust  
805 company. Such trust indenture may contain such provisions for  
806 protecting and enforcing the rights and remedies of the bondholders as  
807 may be reasonable and proper and not in violation of any law,  
808 including covenants setting forth the duties of the authority in relation  
809 to the construction, maintenance, operation, repair and insurance of  
810 the properties and the custody, safeguarding and application of all  
811 moneys, and may provide that the properties shall be constructed and  
812 paid for under the supervision and approval of consulting engineers.  
813 The authority may provide by such trust indenture or other depository  
814 for the methods of disbursement thereof, with such safeguards and  
815 restrictions as it may determine. All expenses incurred in carrying out  
816 such trust indenture may be treated as part of the cost of maintenance,  
817 operation and repair of the properties. If the bonds are secured by a  
818 trust indenture, bondholders shall have no authority to appoint a  
819 separate trustee to represent them.

820 (j) Notwithstanding any other provision of sections 1 to 34,  
821 inclusive, of this act, any resolution or resolutions authorizing bonds  
822 or notes of the authority shall contain a covenant by the authority that  
823 it will at all times maintain rates, fees, rentals or other charges  
824 sufficient to pay, and that any contracts entered into by the authority  
825 for the sale and distribution of water shall contain rates, fees, rentals or  
826 other charges sufficient to pay, the cost of operation and maintenance  
827 of the properties and the principal of and interest on any obligation  
828 issued pursuant to such resolution or resolutions as the same severally  
829 become due and payable, and to maintain any reserves or other funds  
830 required by the terms of such resolution or resolutions.

831 (k) If any officer of the authority whose signature or a facsimile of  
832 whose signature appears on any bonds or coupons ceases to be such

833 officer before delivery of such bonds, such signature or such facsimile  
834 shall nevertheless be valid and sufficient for all purposes as if they had  
835 remained in office until such delivery.

836       Sec. 23. (*Effective from passage*) The authority shall have the power  
837 and is authorized to issue negotiable notes and may renew the same  
838 from time to time, but the maximum maturity of any such note,  
839 including renewals thereof, shall not exceed five years from date of  
840 issuance of such original note. Such notes shall be paid from any  
841 moneys of the authority available therefor and not otherwise pledged  
842 or from the proceeds of the sale of the bonds of the authority in  
843 anticipation of which they were issued. The notes shall be issued and  
844 may be secured in the same manner as the bonds and such notes and  
845 the resolution or resolutions authorizing such notes may contain any  
846 provisions, conditions or limitations which the bonds or a bond  
847 resolution of the authority may contain. Such notes shall be as fully  
848 negotiable as the bonds of the authority.

849       Sec. 24. (*Effective from passage*) The state of Connecticut does pledge  
850 to and agree with the holders of the bonds or notes of the authority  
851 that the state will not limit or alter the rights vested in the authority to  
852 acquire, construct, maintain, operate, reconstruct and improve the  
853 properties, to establish and collect the revenues, rates, rentals, fees and  
854 other charges referred to in sections 1 to 33, inclusive, of special act 77-  
855 98, and to fulfill the terms of any agreements made with the holders of  
856 the bonds or notes, or in any way impair the rights and remedies of the  
857 bondholders or noteholders until the bonds or notes together with  
858 interest thereon, interest on any unpaid installments of interest and all  
859 costs and expenses in connection with any action or proceeding by or  
860 on behalf of the bondholders or noteholders are fully met and  
861 discharged.

862       Sec. 25. (*Effective from passage*) The bonds, notes or other obligations  
863 of the authority shall not be a debt of the state of Connecticut or of any  
864 municipality, and neither the state nor any municipality shall be liable

865 therefor, nor shall they be payable out of funds other than those of the  
866 authority.

867       Sec. 26. (*Effective from passage*) The bonds and notes of the authority  
868 shall be securities in which all public officers and bodies of this state  
869 and all municipalities, all insurance companies and associations and  
870 other persons carrying on an insurance business, all banks, bankers,  
871 trust companies, savings banks, savings and loan associations,  
872 investment companies and other persons carrying on a banking  
873 business and all other persons whatever, except as hereinafter  
874 provided, who are now or may be authorized to invest in bonds or  
875 other obligations of the state, may properly and legally invest funds,  
876 including capital in their control or belonging to them; provided,  
877 notwithstanding the provisions of any other general statute or special  
878 act, such bonds shall not be eligible for the investment of funds,  
879 including capital, of trusts, estates or guardianships under the control  
880 of individual administrators, guardians, executors, trustees or other  
881 individual fiduciaries. The bonds shall also be securities which may be  
882 deposited with and may be received by all public officers and bodies  
883 of this state and all municipalities and municipal subdivisions for any  
884 purpose for which the deposit of bonds or other obligations of this  
885 state is now or may be authorized.

886       Sec. 27. (*Effective from passage*) The state of Connecticut covenants  
887 with the purchasers and with all subsequent holders and transferees of  
888 bonds or notes issued by the authority, in consideration of the  
889 acceptance of and payment for the bonds or notes, that the bonds and  
890 notes of the authority, the income therefrom and all moneys, funds  
891 and revenues pledged to pay or secure the payment of such bonds or  
892 notes shall at all times be free from taxation.

893       Sec. 28. (*Effective from passage*) Nothing in sections 1 to 34, inclusive,  
894 of this act, shall be construed to deprive the Commissioner of  
895 Environmental Protection, the Commissioner of Public Health or any  
896 successor commissioner or board of any jurisdiction which such

897 commissioners or boards may now or hereafter have. Neither the  
898 Public Utilities Control Authority nor any successor board or  
899 commissioner shall have jurisdiction of any kind over the authority, a  
900 subsidiary corporation, the representative policy board or the rates  
901 fixed or charges collected by the authority. The authority shall  
902 annually file the report required of municipalities pursuant to section  
903 16-29 of the general statutes with the Public Utilities Control Authority  
904 or any successor board and the clerks of the towns and cities within  
905 the district.

906       Sec. 29. (*Effective from passage*) Insofar as the provisions of sections 1  
907 to 34, inclusive, of this act are inconsistent with the provisions of any  
908 other general statute or special act or any municipal ordinance, the  
909 provisions of sections 1 to 34, inclusive, of this act shall be controlling;  
910 provided nothing contained in sections 1 to 34, inclusive, of this act  
911 shall exempt the authority from compliance with zoning regulations  
912 lawfully established by any municipality, except that the plants,  
913 structures and other facilities of the water supply system owned or  
914 operated by the authority shall be permitted uses in all zoning districts  
915 in every city, town or borough within the district; and provided  
916 further the authority may not construct purification or filtration plants  
917 in any zoning district in which such use is not permitted under local  
918 zoning regulations without first obtaining approval of the proposed  
919 location of such facility from the representative policy board following  
920 a public hearing.

921       Sec. 30. (*Effective from passage*) (a) The authority or any person who is  
922 aggrieved by a decision of the representative policy board with respect  
923 to the establishment of rates or charges, the establishment of land use  
924 standards and disposition policies, the sale or other transfer or change  
925 of use of real property, the location of purification, filtration or the  
926 commencement of any project costing more than two million dollars to  
927 repair, improve, construct, reconstruct, enlarge or extend any of the  
928 properties or systems of the authority or the acquisition by purchase,  
929 lease or otherwise of any existing water supply system, or part thereof,

930 other than the purchase of all or any part of the properties and  
931 franchises of the Torrington Water Company, is entitled to review by  
932 the Superior Court as provided in this section. For the purposes of this  
933 section the holders of any bonds or notes of the authority and any  
934 trustee acting on behalf of such holders shall be deemed aggrieved  
935 persons with respect to any decision of the representative policy board  
936 which violates any covenant or other provision of the resolution or  
937 resolutions authorizing such bonds or notes.

938 (b) Proceedings for review shall be instituted by filing a petition in  
939 the superior court for the judicial district of New Britain not later than  
940 forty-five days after publication of the decision of the representative  
941 policy board or, if a rehearing is requested, not later than forty-five  
942 days after the decision thereon. Copies of the petition shall be served  
943 upon the representative policy board and published in a newspaper or  
944 newspapers having a general circulation in each town or city  
945 comprising the district.

946 (c) The filing of the petition shall not of itself stay enforcement of the  
947 decision of the representative policy board. The representative policy  
948 board may grant, or the reviewing court may order, a stay upon  
949 appropriate terms, provided enforcement of a decision respecting the  
950 establishment of rates or charges may be stayed only after issuance of a  
951 judgment for the appellant by the reviewing court.

952 (d) Not later than thirty days after service of the petition, or within  
953 such further time as may be allowed by the court, the representative  
954 policy board shall transmit to the reviewing court the original or a  
955 certified copy of the entire record of the proceeding under review,  
956 which shall include the representative policy board's findings of fact  
957 and conclusions of law, separately stated. By stipulation of all parties  
958 to the review proceedings, the record may be shortened. A party  
959 unreasonably refusing to stipulate to limit the record may be taxed by  
960 the court for the additional costs. The court may require or permit  
961 subsequent corrections or additions to the record.

962 (e) If, before the date set for hearing, application is made to the court  
963 for leave to present additional evidence, and it is shown to the  
964 satisfaction of the court that the additional evidence is material and  
965 that there were good reasons for failure to present it in the proceeding  
966 before the representative policy board, the court may refer the case  
967 back to the board with instructions to take such evidence as the court  
968 directs. The representative policy board may modify its findings and  
969 decision by reason of the additional evidence and shall file that  
970 evidence and any modifications, new findings, or decisions with the  
971 reviewing court.

972 (f) The review shall be conducted by the court without a jury and  
973 shall be confined to the record. In cases of alleged irregularities in  
974 procedure before the representative policy board, not shown in the  
975 record, proof thereon may be taken in the court. The court, upon  
976 request, shall hear oral argument and receive written briefs.

977 (g) The court shall not substitute its judgment for that of the  
978 representative policy board as to the weight of the evidence on  
979 questions of fact. The court shall affirm the decision of the  
980 representative policy board unless the court finds that the substantial  
981 rights of the appellant have been prejudiced because the representative  
982 policy board's findings, inferences, conclusions, or decisions are: (1) In  
983 violation of constitutional provisions, the general statutes or the  
984 provisions of this or any other special act; (2) in excess of the authority  
985 of the representative policy board; (3) made upon unlawful procedure;  
986 (4) affected by other error of law; (5) clearly erroneous in view of the  
987 reliable probative, and substantial evidence on the whole record; or (6)  
988 arbitrary or capricious or characterized by abuse of discretion or  
989 clearly unwarranted exercise of discretion. If the court finds such  
990 prejudice, it shall sustain the appeal and, if appropriate, may render a  
991 judgment under subsection (h) of this section or remand the case for  
992 further proceedings.

993 (h) If a particular representative policy board action is required by

994 law, the court, on sustaining the appeal, may render a judgment that  
995 modifies the representative policy board decision, orders the  
996 representative policy board action, or orders the representative policy  
997 board to take such action as may be necessary to effect the particular  
998 action.

999 (i) In any case in which an aggrieved party claims that he cannot  
1000 pay the costs of an appeal under this section and will thereby be  
1001 deprived of a right to which he is entitled, he shall, within the time  
1002 permitted for filing the appeal, file with the clerk of the court to which  
1003 the appeal is to be taken an application for waiver of payment of such  
1004 fees, costs and necessary expenses, including the requirements of  
1005 bond, if any. The application shall conform to the requirements of  
1006 section 28A of the Practice Book. After such hearing as the court  
1007 determines is necessary, the court shall enter its judgment on the  
1008 application, which judgment shall contain a statement of the facts the  
1009 court has found, with its conclusions thereon. The filing of the  
1010 application for the waiver shall toll the time limits for the filing of an  
1011 appeal until such time as a judgment on such application is entered.

1012 (j) Neither the authority nor the representative policy board shall be  
1013 construed to be an agency within the scope of chapter 54 of the general  
1014 statutes.

1015 Sec. 31. (*Effective from passage*) (a) Whenever the authority acquires  
1016 the property and franchises of any private water company or  
1017 companies operating a water supply system within its district, all  
1018 employees of such company or companies who are necessary for the  
1019 operation of the authority, except senior managerial officers, shall  
1020 become employees of the authority and shall be credited by the  
1021 authority with all rights that have accrued as of the date of such  
1022 acquisition with respect to seniority, sick leave, vacation, insurance  
1023 and pension benefits, in accordance with the records, personnel  
1024 policies or labor agreements of the acquired company or companies.

1025 (b) The authority shall assume and observe all accrued pension

1026 obligations of such acquired company or companies, and members  
1027 and beneficiaries of any pension, retirement or other employee benefit  
1028 system established by the acquired company or companies shall  
1029 continue to have such rights, privileges, benefits, obligations and  
1030 status with respect to such established systems as have accrued as of  
1031 the date of such acquisition. The authority may enter into agreements  
1032 with representatives of its employees relative to the inclusion of its  
1033 employees in any applicable state or municipal employee's retirement  
1034 plan or plans, and the authority shall constitute a municipality eligible  
1035 to participate in such retirement plans. The authority may enter into  
1036 agreements with representatives of its employees relative to the  
1037 transfer to or the establishment of pension trust funds under the joint  
1038 control of such authority and representatives of its employees, and  
1039 shall have all powers necessary to maintain and administer such trust  
1040 funds jointly with representatives of its employees.

1041 (c) The authority shall assume and observe all labor contracts of  
1042 such company or companies in existence at the time of transfer and all  
1043 obligations incurred by such contracts regarding wages, salaries,  
1044 hours, sick leave and other leave, working conditions, grievance  
1045 procedures, collective bargaining and pension or retirement.

1046 (d) The authority shall assume and observe personnel policies of  
1047 such company or companies in existence at the time of transfer relating  
1048 to personnel not covered by labor contracts, and all obligations  
1049 incurred through such personnel policies regarding wages, salaries,  
1050 hours, sick leave, vacation, pension and retirement, subject to such  
1051 modifications therein as the authority may subsequently adopt,  
1052 provided such modifications shall not affect any rights of such  
1053 employees which have vested prior to such modification.

1054 (e) Nothing in this section shall prevent the authority from hiring  
1055 any senior managerial officers of such company on such terms as it  
1056 may determine or be construed to prohibit the authority from  
1057 exercising the normal prerogatives of management with respect to

1058 such matters as the promotion, demotion, assignment, transfer or  
1059 discharge of its employees, nor shall the authority be bound by any  
1060 term of any personnel policy entered into by such company or  
1061 companies in anticipation of acquisition by the authority.

1062       Sec. 32. (*Effective from passage*) The relations between the authority  
1063 and its employees with respect to collective bargaining and the  
1064 arbitration of labor disputes shall be governed by sections 7-467 to 7-  
1065 477, inclusive, of the general statutes.

1066       Sec. 33. (*Effective from passage*) The State Bond Commission may  
1067 insure in the name of the state and may make advance commitments to  
1068 insure any sums borrowed by the authority, not exceeding in the  
1069 aggregate five million dollars, for the purpose of providing working  
1070 capital and organization funds for the authority. In the event the state  
1071 becomes liable as a result of default with respect to any such sums  
1072 borrowed by the authority which were so insured by the state,  
1073 necessary payment shall be made by the State Treasurer from funds  
1074 appropriated for debt service. Whatever sums are borrowed by the  
1075 authority under the provisions of this section shall be repaid by the  
1076 lender or lenders of the same on or before July 1, \_\_\_\_.

1077       Sec. 34. (*Effective from passage*) (a) Notwithstanding any provision of  
1078 the general statutes or any public or special act, the Litchfield Hills  
1079 Regional Water Authority, created by sections 1 to 33, inclusive, of this  
1080 act, may sell, lease, assign or otherwise dispose of any class I or class II  
1081 land, as defined in section 25-37c of the general statutes, upon which a  
1082 single-family dwelling or barn owned by the Litchfield Hills Regional  
1083 Water Authority is situated provided (1) such single-family dwelling  
1084 or barn was so situated prior to January 1, 1976, (2) any underground  
1085 storage tanks on such property have been removed, (3) the property is  
1086 not greater than the minimum acreage required to meet zoning  
1087 requirements plus any allowance necessary for setback allowances and  
1088 access or egress consistent with local zoning and use requirements,  
1089 and, if the single-family dwelling or barn is located on class I land,

1090 such minimum acreage is met by utilizing class II or class III land, as  
1091 defined in section 25-37c of the general statutes, to the greatest extent  
1092 possible, (4) a restrictive covenant that would limit the expansion of  
1093 the single-family dwelling or barn and restrict any activity or  
1094 expansion of any activity that would have a significant adverse effect  
1095 on the public water supply is placed on the property, and (5) for class I  
1096 land, the single-family dwelling or barn has historical significance, as  
1097 confirmed, in writing, by the Connecticut Trust for Historic  
1098 Preservation or its successor organization.

1099 (b) The restrictive covenant required by subsection (a) of this section  
1100 shall include, but not be limited to, provisions ensuring that (1) the  
1101 premises shall only be used for a single-family dwelling or barn; (2) the  
1102 total impervious surface area, including, but not limited to, building  
1103 roofs, driveways, swimming pools, walkways and patios, shall not be  
1104 increased by more than two hundred fifty square feet over the existing  
1105 impervious surface area as of the date of the conveyance of the  
1106 property from the public water utility to other parties; (3) access is  
1107 provided to public drinking water utility employees to perform  
1108 routine inspections of the property, at a minimum, on an annual basis  
1109 during normal hours of business for the water utility; (4) underground  
1110 storage tanks are prohibited; and (5) any other provisions deemed  
1111 necessary by the Litchfield Hills Regional Water Authority to protect  
1112 the public water supply. The total existing impervious surface area  
1113 shall be established by an improvement location survey completed to  
1114 A-2 survey accuracy depicting any such areas, which survey shall be  
1115 filed on the land records with the restrictive covenant.

1116 (c) Whenever the Litchfield Hills Regional Water Authority intends  
1117 to sell, lease, assign or otherwise dispose of any class I or class II land  
1118 consistent with this section upon which is situated a single-family  
1119 dwelling or barn, the Litchfield Hills Regional Water Authority shall  
1120 provide notice, in writing, by certified mail, return receipt requested,  
1121 not later than thirty days before the date of the proposed disposition,  
1122 to the Commissioners of Environmental Protection and Public Health,

1123 the legislative body of the city or town in which the single-family  
 1124 dwelling or barn is situated, the Nature Conservancy, the Trust for  
 1125 Public Land, the Land Trust Service Bureau and the Connecticut Fund  
 1126 for the Environment of such intention to sell or otherwise transfer such  
 1127 property. Such notice shall include a copy of a survey depicting the  
 1128 acreage and property lines of the parcel as well as the location of any  
 1129 single-family dwelling or barn to be sold.

1130 (d) All net proceeds, after costs of disposition, from the disposition  
 1131 of such class I or class II land and dwelling or barn consistent with this  
 1132 section shall be used by the Litchfield Hills Regional Water Authority  
 1133 to protect or otherwise acquire interests, including, but not limited to,  
 1134 fee title to or conservation easements over additional watershed or  
 1135 aquifer land of public water systems. No sale, lease, assignment or  
 1136 other disposition or change in use of class I or class II land pursuant to  
 1137 this section shall occur after October 1,\_\_\_\_\_.

|   |                     |             |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1   | <i>from passage</i> | New section |
| Sec. 2  | <i>from passage</i> | New section |
| Sec. 3  | <i>from passage</i> | New section |
| Sec. 4  | <i>from passage</i> | New section |
| Sec. 5  | <i>from passage</i> | New section |
| Sec. 6  | <i>from passage</i> | New section |
| Sec. 7  | <i>from passage</i> | New section |
| Sec. 8  | <i>from passage</i> | New section |
| Sec. 9  | <i>from passage</i> | New section |
| Sec. 10   | <i>from passage</i> | New section |
| Sec. 11   | <i>from passage</i> | New section |
| Sec. 12   | <i>from passage</i> | New section |
| Sec. 13   | <i>from passage</i> | New section |
| Sec. 14   | <i>from passage</i> | New section |
| Sec. 15   | <i>from passage</i> | New section |
| Sec. 16   | <i>from passage</i> | New section |
| Sec. 17   | <i>from passage</i> | New section |
| Sec. 18   | <i>from passage</i> | New section |

|         |                     |             |
|---------|---------------------|-------------|
| Sec. 19 | <i>from passage</i> | New section |
| Sec. 20 | <i>from passage</i> | New section |
| Sec. 21 | <i>from passage</i> | New section |
| Sec. 22 | <i>from passage</i> | New section |
| Sec. 23 | <i>from passage</i> | New section |
| Sec. 24 | <i>from passage</i> | New section |
| Sec. 25 | <i>from passage</i> | New section |
| Sec. 26 | <i>from passage</i> | New section |
| Sec. 27 | <i>from passage</i> | New section |
| Sec. 28 | <i>from passage</i> | New section |
| Sec. 29 | <i>from passage</i> | New section |
| Sec. 30 | <i>from passage</i> | New section |
| Sec. 31 | <i>from passage</i> | New section |
| Sec. 32 | <i>from passage</i> | New section |
| Sec. 33 | <i>from passage</i> | New section |
| Sec. 34 | <i>from passage</i> | New section |

**Statement of Purpose:**

To create a regional water authority to serve the northwest portion of the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors:     REP. WILLIS, 64th Dist.; REP. WILBER, 63rd Dist.  
                           REP. RUWET, 65th Dist.

H.B. 5342