



General Assembly

Raised Bill No. 5551

February Session, 2006

LCO No. 2011

* _____HB05551PD_____030906_____*

Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT ESTABLISHING 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 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 32, inclusive, 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 32, inclusive, of this act.

17 Sec. 2. (*Effective from passage*) As used in sections 1 to 32, 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 review board" means the representative review
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 service by the
32 authority or any owner of property who guarantees payment for water
33 service to 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.

50 Sec. 3. (*Effective from passage*) There is created a district to be known
51 as the "Litchfield Hills Regional Water District" which embraces the
52 area and territory of the towns of Burlington, Goshen, Harwinton,
53 Litchfield, New Hartford, Norfolk, and the city of Torrington. If, on or
54 after June 30, 2006, the authority purchases land or properties or sells
55 water services directly to customers in any city or town within the
56 district, the area and territory of such city or town thereupon shall be
57 excluded from the district. The authority may establish procedures to
58 add towns or cities to the district.

59 Sec. 4. (*Effective from passage*) (a) There shall be a representative
60 review board of the Litchfield Hills Regional Water District which
61 shall consist of four electors from the city of Torrington and one elector
62 from each of the other towns within the district who shall be appointed
63 by the chief elected official of such city or town, with the approval of
64 the majority of the city council or board of selectmen, as the case may
65 be. Members shall serve for a term of three years commencing July
66 first, except that the members first appointed shall serve as follows:
67 One member appointed from Torrington, Harwinton and Norfolk shall
68 serve a one-year term, one member appointed from Torrington, New
69 Hartford and Burlington shall serve a two-year term, two members
70 appointed from Torrington and one member appointed from Goshen
71 and one member appointed from Litchfield shall serve a three-year
72 term. Members shall continue to serve until their successors are
73 appointed and have qualified. In the event of the resignation, death or
74 disability of a member from any city or town, a successor may be
75 appointed by the chief elected official of such city or town for the
76 unexpired portion of the term. Members shall receive one hundred
77 dollars for each day in which they are engaged in their duties and shall
78 be reimbursed for their necessary expenses incurred in the

79 performance of their duties. They shall elect a chairman and a vice-
80 chairman, who shall be members of the representative review board
81 and a secretary. The chairman shall receive a per diem payment of one
82 and one-half times the amount paid to members. The representative
83 review board shall meet at least quarterly with the authority and such
84 members of the staff of the authority as the representative review
85 board deems appropriate.

86 (b) (1) For the purposes of this section, "number of customers"
87 means the number of premises or groups of premises treated as units
88 for ordinary billing or other ordinary receipt of charges by the
89 authority and shall be determined from the records of the authority on
90 the last day of its preceding fiscal year and "number of acres of land"
91 means the number of acres of land rounded to the nearest whole
92 number as may appear on the records of the authority on the last day
93 of its preceding fiscal year.

94 (2) In voting upon all matters before the representative review
95 board, the vote of each member from a city or town shall be accorded a
96 weight, determined as follows: (1) Adding (A) the quotient obtained
97 by dividing the number of customers in the city or town by nine
98 hundred, rounded to the next whole number, and (B) the quotient
99 obtained by dividing the number of acres of land in the city or town by
100 dividing by four thousand, rounded up to the next whole number, and
101 (2) dividing the sum obtained pursuant to subdivision (1) of this
102 section by the number of its representative members of each town and
103 city.

104 (3) Whenever a vote is taken on any matter by the representative
105 review board, the vote shall be determined in accordance with this
106 subsection. Members of the representative review board holding a
107 majority of the votes so weighted shall constitute a quorum.

108 (c) The representative review board shall adopt and may amend
109 such rules of procedure and bylaws for the conduct of its affairs as it
110 deems appropriate. It may establish (1) a standing committee on land

111 use and management to consult with the authority on all matters of
112 land use and management, including acquisition and sale, recreational
113 use, cutting of timber and other products, mining and quarrying; (2) a
114 standing committee on finance to consult with the authority on matters
115 relating to financial and budgetary matters and the establishment of
116 rates; and (3) a standing committee on consumer affairs to consult with
117 the authority and the officer of consumer affairs established pursuant
118 to section 15 of this act on matters concerning the interests of people
119 residing within the district. The representative review board may
120 appoint such other committees as it considers convenient from time to
121 time.

122 Sec. 5. (*Effective from passage*) A public corporation, to be known as
123 the "Litchfield Hills Regional Water Authority", constituting a public
124 instrumentality and political subdivision, is created for the purposes,
125 charged with the duties and granted the powers provided in sections 1
126 to 32, inclusive, of this act. The authority shall consist of five members
127 who shall not be members of the representative review board, who
128 shall be residents of the district and who shall be appointed without
129 regard to political affiliation by a majority of the total unweighted
130 votes of those members of the representative review board present at a
131 meeting at which members of said board holding two-thirds of the
132 total votes are present, and by affirmative votes from representatives
133 from a majority of towns, for terms of five years and until their
134 successors are appointed and have qualified, except that the first
135 members shall serve as follows: One shall be appointed for a one-year
136 term, one for a two-year term, one for a three-year term, one for a four-
137 year term, and one for a five-year term. Any vacancy occurring on the
138 authority shall be filled in the same manner for the unexpired portion
139 of the term. Any member of the authority may be removed from office
140 by the representative review board for cause. Members of the authority
141 may receive such compensation for their services as shall be fixed by
142 the representative review board and may be reimbursed for their
143 necessary expenses incurred in performance of their duties.

144 Sec. 6. (*Effective from passage*) The duration of the representative

145 review board and of the authority shall be perpetual unless terminated
146 or altered by act of the General Assembly, provided the General
147 Assembly shall not terminate the existence of the authority until all of
148 its liabilities have been met and its bonds have been paid in full or
149 such liabilities and bonds have otherwise been discharged.

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

163 Sec. 8. (*Effective from passage*) The authority may employ such
164 persons as it may determine to be necessary or convenient for the
165 performance of its duties and may fix and determine their
166 qualifications, duties and compensation, provided the appointment of
167 the chief executive officer shall be subject to the approval of the
168 representative review board. The authority shall establish a position
169 with ongoing responsibilities for the use and management of its land
170 resources and such other senior managerial positions as it deems
171 appropriate, which shall be filled by appointment by the chief
172 executive officer with the approval of the authority. The authority may
173 also from time to time contract for professional services.

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 32, inclusive, of this act, notice of such hearing shall
184 be published by the representative review 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 chairman of the representative review 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 sections 1 to 32, inclusive, of
199 this act. A public hearing shall be held in the city or town in which
200 such real property is situated. Any decision of the representative
201 review board on matters considered at such public hearing shall be in
202 writing and shall be published in a newspaper or newspapers having a
203 general circulation in each city and town comprising the district not
204 later than thirty days after such decision is made.

205 Sec. 11. (*Effective from passage*) Subject to the provisions of sections 1
206 to 32, inclusive, of this act, the authority shall have the power: (1) To
207 sue and be sued; (2) to have a seal and alter the same at its pleasure; (3)
208 to acquire in the name of the authority by purchase, lease or otherwise
209 and to hold and dispose of personal property or any interest therein,
210 including shares of stock of a subsidiary corporation; (4) to acquire in
211 the name of the authority by purchase, lease or otherwise and to hold

212 and dispose of any real property or interest therein, including water
213 rights and rights of way and water discharge rights, which the
214 authority determines to be necessary or convenient, and to acquire any
215 existing water supply system or parts thereof which are wholly or
216 partially within the district as described in section 3 of this act. As a
217 means of acquiring any real property or interests therein, the authority
218 or a subsidiary corporation may purchase all of the stock or all of any
219 part of the assets and franchises of any existing privately owned water
220 company, whereupon the authority or such subsidiary corporation
221 shall succeed to all rights, powers and franchises thereof. Sections 16-
222 43, 16-50c and 16-50d of the 2006 supplement to the general statutes
223 shall not apply to any action by the authority or a subsidiary
224 corporation or any action by any privately owned water company, as
225 defined in section 16-1 of the 2006 supplement to the general statutes,
226 taken to effectuate the acquisition of the stock or all or any part of the
227 assets and franchises of such water company by the authority.
228 Notwithstanding the provisions of section 25-32 of the general statutes,
229 land may be transferred to the authority or a subsidiary corporation of
230 the authority as part of such an acquisition. The Commissioner of
231 Public Health shall not grant a permit for a change in the use of any
232 class I or class II land owned by the authority on the effective date of
233 this section and not transferred to the authority or a subsidiary
234 corporation or a permit for the sale, lease or assignment of any such
235 class II land, unless (A) all provisions of said section 25-32 are
236 complied with; (B) the Commissioner of Public Health determines,
237 after a hearing, notice of which shall be published not later than thirty
238 days before the hearing in one or more newspapers having a
239 substantial circulation in the municipalities in which the land is
240 located, that such change in the use or sale, lease, or assignment of the
241 land will not have a significant adverse impact upon present and
242 future water supply needs of the authority or a subsidiary corporation
243 of the authority; (5) to construct and develop any water supply system;
244 (6) to own, operate, maintain, repair, improve, construct, reconstruct,
245 replace, enlarge and extend any of its properties; (7) notwithstanding
246 the provisions of any general statute, special act or charter, but subject

247 to the provisions of section 12 of this act to sell water, however
248 acquired, to customers within the district or to any municipality or
249 water company; (8) notwithstanding the provisions of the general
250 statutes or any special act or charter, to purchase water approved by
251 the Commissioner of Public Health from any person, private
252 corporation or municipality when necessary or convenient for the
253 operation of any water supply system operated by the authority; (9) to
254 adopt and amend bylaws, rules and regulations for the management
255 and regulation of its affairs and for the use and protection of the water
256 and properties of the authority or a subsidiary corporation and, subject
257 to the provisions of any resolution authorizing the issuance of bonds,
258 rules for the sale of water, and the collection of rents and charges for
259 water supply functions. A copy of such bylaws, rules and regulations
260 and all amendments thereto, certified by the secretary of the authority,
261 shall be filed in the office of the Secretary of the State and with the
262 clerk of each town and city within the district. Any superior court
263 located within the district shall have jurisdiction over any violation of
264 such bylaws, rules or regulations and the authority may prosecute
265 actions before the superior court to enforce such bylaws, rules and
266 regulations; (10) to make contracts and to execute all necessary or
267 convenient instruments, including evidences of indebtedness,
268 negotiable or nonnegotiable; (11) to borrow money, to issue negotiable
269 bonds or notes, to fund and refund the same and to provide for the
270 rights of the holders of the authority's obligations; (12) to open the
271 grounds in any public street or way or public grounds for the purpose
272 of laying, installing, maintaining or replacing pipes and conduits,
273 provided upon the completion of such work the grounds shall be
274 restored to the condition they were in previously; (13) to enter into
275 cooperative agreements with other water authorities, municipalities,
276 water districts, water companies within or without the district for
277 interconnection of facilities, for exchange or interchange of services
278 and commodities or for any other lawful purpose necessary or
279 desirable to effect the purposes of sections 1 to 32, inclusive, of this act,
280 such agreements to be binding for a period specified therein; (14) to
281 acquire, hold, develop and maintain land and other real estate and

282 waters for conservation and for compatible active and passive
283 recreational purposes and to levy charges for such uses, provided the
284 Department of Public Health finds that such uses will not harm the
285 quality of water provided by the authority; (15) to apply for and accept
286 grants, loans or contributions from the United States, the state of
287 Connecticut or any agency, instrumentality or subdivision of either of
288 them or from any person, and to expend the proceeds for any of its
289 purposes; (16) to create programs and policies for the purpose of
290 conserving water; and (17) to do any and all things necessary or
291 convenient to carry out the powers expressly given in sections 1 to 32,
292 inclusive, of this act, including the powers granted by the general
293 statutes to stock corporations, except the power to issue stock.

294 Sec. 12. (*Effective from passage*) The authority shall not sell water to
295 customers in any part of the district with respect to which any person,
296 any firm or any corporation incorporated under the general statutes or
297 any special act has been granted a franchise to operate as a water
298 company, as defined in section 16-1 of the 2006 supplement to the
299 general statutes, or in which any town, city or borough or any district
300 organized for municipal purposes operates a municipal water supply
301 system, unless the legislative body of such town, city, borough or
302 district, such person, or the governing board of such firm or
303 corporation shall consent, in writing, to such sale by the authority. The
304 authority shall not extend water supply services into new areas
305 previously unserved without the approval of either the legislative
306 body of the town, city, borough or district in which such area is
307 located.

308 Sec. 13. (*Effective from passage*) (a) If the authority cannot agree with
309 any owner upon the terms of acquisition by the authority of any real or
310 personal property or interest therein which the authority is authorized
311 to acquire, the authority may proceed, at its election, in the manner
312 provided in subsection (b) of this section or in the manner provided in
313 subsection (c) of this section. The provisions of this section shall not
314 apply to the acquisition of (1) any real or personal property or interest
315 therein, the legal title to which is vested in the state or a political

316 subdivision thereof, or (2) any existing water supply system.

317 (b) The authority may, after ten days' written notice to such owner,
318 petition the superior court for the county or judicial district in which
319 such property is located, or, if said court is not then sitting, any judge
320 of said court, and thereupon said court or such judge shall appoint a
321 committee of three disinterested persons, who shall be sworn before
322 commencing their duties. Such committee, after giving reasonable
323 notice to the parties, shall view the property in question, hear the
324 evidence, ascertain the value, assess just damages to the owner or
325 parties interested in the property and report its actions to said court or
326 such judge. Not later than fourteen days after such report is made to
327 said court or such judge, any party may move for the acceptance
328 thereof. Said court or such judge may accept such report or may reject
329 it for irregular or improper conduct by the committee in the
330 performance of its duties. If the report is rejected, the court or judge
331 shall appoint another committee, which shall proceed in the same
332 manner as did the first committee. If the report is accepted, such
333 acceptance shall have the effect of a judgment in favor of the owner of
334 the property against said authority for the amount of such assessment,
335 and, except as otherwise provided by law, execution may issue
336 therefor. Such property shall not be used by such authority until the
337 amount of such assessment has been paid to the party to whom it is
338 due or deposited for his use with the State Treasurer and, upon such
339 payment or deposit, such property shall become the property of the
340 authority; provided, if at any stage of condemnation proceedings
341 brought under this section, it appears to the court or judge before
342 whom such proceedings are pending that the public interest will be
343 prejudiced by delay, said court or such judge may direct that the
344 authority be permitted to enter immediately upon the property to be
345 taken and devote it temporarily to the public use specified in such
346 petition upon the deposit with said court of a sum to be fixed by said
347 court or such judge, upon notice to the parties of not less than ten days,
348 and such sum when so fixed and paid shall be applied so far as it may
349 be necessary for the purpose of the payment of any award of damages

350 which may be made, with interest thereon from the date of the order of
351 said court or judge, and the remainder, if any, returned to the
352 authority. If such petition is dismissed or no award of damages is
353 made, said court or such judge shall direct that the money so
354 deposited, so far as it may be necessary, shall be applied to the
355 payment of any damages that the owner of such property or other
356 parties in interest may have sustained by such entry upon and use of
357 such property, and of the costs and expenses of such proceedings, such
358 damages to be ascertained by said court or such judge or a committee
359 to be appointed for that purpose, and if the sum so deposited is
360 insufficient to pay such damages and all costs and expenses so
361 awarded, judgment shall be entered against the authority for the
362 deficiency, to be enforced and collected in the same manner as a
363 judgment from the superior court; and the possession of such property
364 shall be restored to the owner or owners thereof. The expenses or costs
365 of any such proceedings shall be taxed by said court or such judge and
366 paid by the authority.

367 (c) The authority, in its name, may proceed in the manner specified
368 for redevelopment agencies in accordance with sections 8-128 to 8-132,
369 inclusive, of the general statutes.

370 Sec. 14. (*Effective from passage*) With the approval of the
371 representative review board, the authority shall establish just and
372 equitable rates or charges for the use of the water supply system
373 authorized in this section, to be paid by any customer, and may change
374 such rates or charges from time to time. Such water supply system
375 rates or charges shall be established so as to provide funds sufficient in
376 each year, with other water supply related revenues, if any, (1) to pay
377 the cost of maintaining, repairing and operating the water supply
378 system and each and every portion thereof, to the extent that adequate
379 provision for the payment of such cost has not otherwise been made,
380 (2) to pay the principal of and the interest on outstanding water supply
381 bonds of the authority as the same shall become due and payable, (3)
382 to meet any requirements of any resolution authorizing, or trust
383 agreement securing, such bonds of the authority, (4) to make payments

384 in lieu of taxes as provided in section 21 of this act as the same become
385 due and payable, upon the water supply system properties of the
386 authority or of a subsidiary corporation to the municipalities in which
387 such properties are situated, (5) to provide for the maintenance,
388 conservation and appropriate recreational use of the land of the
389 authority, and (6) to pay all other reasonable and necessary expenses
390 of the authority and of the representative review board to the extent
391 that such expenses are allocable to the water supply system activities
392 of the authority and the representative review board. Any change in
393 such rates or charges shall be made in the same manner in which they
394 were established. The rates or charges levied upon any customer of
395 any water supply system acquired pursuant to subdivision (4) of
396 section 11 of this act or served pursuant to a cooperative agreement
397 pursuant to subdivision (13) of section 11 of this act shall not be
398 required to be equalized with the authority's existing rates, but may be
399 set on a separate basis, provided such rates are just, equitable and
400 nondiscriminatory. Such rates or charges, if not paid when due, shall
401 constitute a lien upon the premises served and a charge against the
402 owners thereof, which lien and charge shall bear interest at the same
403 rate as would unpaid taxes. Such lien shall take precedence over all
404 other liens or encumbrances except taxes and may be foreclosed
405 against the lot or building served in the same manner as a lien for
406 taxes, provided all such liens shall continue until such time as they
407 shall be discharged or foreclosed by the authority without the
408 necessity of filing certificates of continuation, but in no event for longer
409 than ten years. The amount of any such rate or charge which remains
410 due and unpaid for thirty days may, with interest thereon at the same
411 rate as unpaid taxes and with reasonable attorneys' fees, be recovered
412 by the authority in a civil action in the name of the authority against
413 such owners. Any municipality shall be subject to the same rate or
414 charges under the same conditions as other users of the water supply
415 system.

416 Sec. 15. (*Effective from passage*) (a) The representative review board
417 may establish an office of consumer affairs to act as the advocate for

418 consumer interests in all matters which may affect consumers,
419 including, without limitation, matters of rates, water quality and
420 supply service quality. The costs of such office of consumer affairs,
421 unless otherwise provided by the state, shall be paid by the authority.

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

430 (c) Nothing in this section shall be construed to prevent any party
431 interested in any proceeding or action of the authority from appearing
432 in person or from being represented by counsel therein.

433 (d) As used in this section, "consumer" means any person, company,
434 corporation, association, city, borough or town that receives service
435 from the authority or a subsidiary corporation whether or not such
436 person, company, corporation, association, city, borough or town is
437 financially responsible for such service.

438 Sec. 16. (*Effective from passage*) All contracts of the authority in excess
439 of fifty thousand dollars for any supplies, materials, equipment,
440 construction work or other contractual services shall be in writing and
441 shall be awarded upon sealed bids or proposals made in compliance
442 with a public notice advertised by publication at least ten days before
443 the time fixed for opening said bids or proposals, except for contracts
444 for professional services, when the supplies, materials, equipment or
445 work can only be furnished by a single party or when the authority
446 determines by a four-fifths vote of the entire authority that the award
447 of such contract by negotiation without public bidding will be in the
448 best interest of the authority. The authority may, in its sole discretion,
449 reject all such bids or proposals or any bids received from a person,

450 firm or corporation the authority finds to be unqualified to perform the
451 contract, and shall award such contract to the lowest responsible
452 bidder qualified to perform the contract.

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

466 (b) No member or employee of the representative review board or
467 of the authority shall accept or receive, directly or indirectly, from any
468 person, firm or corporation to which any contract or purchase order
469 may be awarded, by rebate, gift or otherwise, any promise, obligation
470 or contract for future reward or compensation or any money or any
471 thing of value in excess of ten dollars, provided the aggregate value of
472 all such things provided by a donor to a recipient in any calendar year
473 shall not exceed fifty dollars and, excluding any food or beverage,
474 costing less than fifty dollars in the aggregate per recipient in a
475 calendar year, and consumed on an occasion or occasions at which the
476 person paying, directly or indirectly, for the food or beverage, or his
477 representative, is in attendance. Any person who violates any
478 provision of this subsection shall be fined not more than five hundred
479 dollars or imprisoned for not more than six months, or both.

480 Sec. 18. (*Effective from passage*) (a) Notwithstanding any other
481 provision of sections 1 to 32, inclusive, of this act, the authority shall
482 not sell or otherwise transfer any unimproved real property or any

483 interest or right therein, except for access or utility purposes, or
484 develop such property for any use not directly related to a water
485 supply function, other than for public recreational use not prohibited
486 by section 25-43c of the general statutes, until the land use standards
487 and disposition policies required by subsection (b) of this section have
488 been approved by the representative review board.

489 (b) Not more than two years after the date it acquires all or part of a
490 water supply system, the authority shall develop and submit to the
491 representative review board for approval (1) standards for
492 determining the suitability of its real property for categories of land
493 use, including which, if any, of its real property may be surplus with
494 regard to the purity and adequacy of both present and future water
495 supply, which, if any, may be desirable for specified modes of
496 recreation or open space use and which may be suitable for other uses,
497 giving due consideration to the state plan of conservation and
498 development, to classification and performance standards
499 recommended in the final report of the council on water company
500 lands pursuant to subsection (c) of section 16-49c of the general
501 statutes and to such other plans and standards as may be appropriate,
502 and (2) policies regarding the disposition of its real property including
503 identification of dispositions which are unlikely to have any significant
504 effect on the environment. Prior to approving any standards or policies
505 specified in this subsection, the representative review board shall hold
506 one or more public hearings to consider the proposed standards and
507 policies. The proposed standards and policies shall be available for
508 public inspection in the offices of the authority from the date notice of
509 such hearing is published. The authority may amend such standards
510 and policies from time to time with the approval of the representative
511 review board, which shall hold public hearings if it deems such
512 amendments substantial.

513 (c) After approval of land use standards and disposition policies in
514 the manner provided in subsection (b) of this section, the authority
515 shall not sell or otherwise transfer any real property or any interest or
516 right therein, except for access or utility purposes, or develop such

517 property for any use not directly related to a water supply function,
518 other than for public recreational use not prohibited by section 25-43c
519 of the general statutes, without the approval of a majority of the
520 weighted votes of all of the members of the representative review
521 board, and without the approval of the members of the legislative
522 body of each affected municipality. The representative review board
523 shall not approve such sale or other transfer unless it determines,
524 following a public hearing, that the proposed action (1) conforms to
525 the established standards and policies of the authority, (2) is not likely
526 to affect the environment adversely, particularly with respect to the
527 purity and adequacy of both present and future water supply, and (3)
528 is in the public interest, giving due consideration, among other factors,
529 to the financial impact of the proposed action on the customers of the
530 authority and on the municipality in which the real property is located.

531 (d) Each request by the authority for approval pursuant to
532 subsection (c) of this section shall be accompanied by an evaluation of
533 the potential impact of the proposed action for which approval is
534 requested. The evaluation shall include the following: (1) A description
535 of the real property and its environment, including its existing
536 watershed function and the costs to the authority of maintaining such
537 property in its current use; (2) a statement that the proposed action
538 conforms to the land classification standards and disposition policies
539 of the authority; (3) a detailed statement of the environmental impact
540 of the proposed action and, if appropriate, of any alternatives to the
541 proposed action, considering (A) direct and indirect effects upon the
542 purity and adequacy of both present and future water supply, (B) the
543 relationship of the proposed action to existing land use plans,
544 including municipal and regional land use plans and the state plan of
545 conservation and development, (C) any adverse environmental effects
546 which cannot be avoided if the proposed action is implemented, (D)
547 any irreversible and irretrievable commitments of resources which
548 would be involved should the proposed action be implemented, and
549 (E) any mitigation measures proposed to minimize adverse
550 environmental impacts; except that for a sale or transfer identified in

551 accordance with subsection (b) of this section as being unlikely to have
552 any significant effect on the environment, the authority may submit a
553 preliminary assessment of the impact likely to occur in lieu of such
554 detailed statement of environmental impact, and the representative
555 review board may, on the basis of such preliminary assessment, waive
556 or modify the requirements for such detailed statement; and (4) a
557 summary of the final evaluation and recommendation of the authority.

558 (e) The representative review board shall submit the evaluation
559 required by subsection (d) of this section for comment and review, at
560 least sixty days prior to the public hearing, to the Department of Public
561 Health, the Office of Policy and Management, the regional planning
562 agency for the region, the chief executive officer of the city or town in
563 which the real property is situated and other appropriate agencies. The
564 board shall also make the evaluation available to the public for
565 inspection. The decision of the representative review board approving
566 or disapproving the proposed action published in a newspaper or
567 newspapers having a general circulation within the district and copies
568 of such decision shall be filed with the clerk of each town and city in
569 the district.

570 (f) (1) No agreement to sell or otherwise transfer any unimproved
571 real property or any interest or right therein may be entered into by the
572 authority except as provided in this subsection.

573 (2) Whenever the authority intends to sell or otherwise transfer any
574 unimproved real property or any interest or right therein after
575 approval by the representative review board, the authority shall first
576 notify, in writing, by certified mail, return receipt requested, the
577 Commissioner of Environmental Protection and the legislative body of
578 the city or town in which such land is situated, of such intention to sell
579 or otherwise transfer such property and the terms of such sale or other
580 transfer.

581 (3) Not later than ninety days after such notice has been given under
582 subdivision (2) of this subsection, the legislative body of the city or

583 town or the Commissioner of Environmental Protection may give
584 written notice to the authority by certified mail, return receipt
585 requested, of the desire of the city, town or state to acquire such
586 property and the commissioner or city or town shall have the right to
587 acquire the interest in the property which the authority has declared its
588 intent to sell or otherwise transfer, provided the state's right to acquire
589 the property shall be secondary to that of the city or town.

590 (4) If the legislative body of the city or town or the Commissioner of
591 Environmental Protection fails to give notice as provided in
592 subdivision (3) of this subsection or gives notice to the authority by
593 certified mail, return receipt requested, that the city, town or state does
594 not desire to acquire such property, the city or town or the state shall
595 have waived its right to acquire such property in accordance with the
596 terms of this subsection.

597 (5) Not later than eighteen months after notice has been given as
598 provided in subdivision (2) of this subsection by the city or town or the
599 state of its desire to acquire such property, the authority shall sell the
600 property to the city or town or the state, as the case may be, or, if the
601 parties cannot agree upon the amount to be paid therefor, the city or
602 town or the state may proceed to acquire the property in the manner
603 specified for redevelopment agencies in accordance with sections 8-128
604 to 8-132, inclusive, of the general statutes, provided property subject to
605 the provisions of subsections (b) and (c) of section 25-32 of the general
606 statutes shall not be sold without the approval of the Department of
607 Public Health.

608 (6) If the city or town or the state fails to acquire the property or to
609 proceed as provided in sections 8-128 to 8-132, inclusive, of the general
610 statutes not later than eighteen months after notice has been given by
611 the city or town or the state of its desire to acquire the property, such
612 city or town or the state shall have waived its rights to acquire such
613 property in accordance with the terms of this subsection.

614 (7) Notwithstanding the provisions of section 21 of this act, the

615 authority shall not be obligated to make payments in lieu of taxes on
616 such property for the period from the date the city or town gives notice
617 of its desire to acquire such property.

618 (8) Notwithstanding the provisions of subdivision (5) of this
619 subsection, if the authority thereafter proposes to sell or otherwise
620 transfer such property to any person subject to fewer restrictions on
621 use or for a price less than that offered by the authority to the city or
622 town and the state, the authority shall first notify the city or town and
623 the Commissioner of Environmental Protection of such proposal in the
624 manner provided in subdivision (2) of this subsection, and such city or
625 town and the state shall again have the option to acquire such property
626 and may proceed to acquire such property in the same manner and
627 within the same time limitations as are provided in subdivisions (2) to
628 (6), inclusive, of this subsection.

629 (9) The provisions of this subsection shall not apply to transfers of
630 real property from the authority to any public service company.

631 (10) A copy of each notice required by this subsection shall be sent
632 by the party giving such notice to the clerk of the town or city in which
633 the real property is situated and such clerk shall make all such notices
634 part of the appropriate land.

635 (g) The provisions of this section shall not be construed to deprive
636 the Department of Public Health of its jurisdiction under section 25-32
637 of the general statutes. The authority shall notify the Commissioner of
638 Public Health of any proposed sale or other transfer of land, or change
639 or use, as required by said section 25-32.

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

644 (i) The provisions of this section shall apply to any unimproved real
645 property or any interest or right therein related to the water supply

646 system whether owned or possessed by the authority or by any
647 subsidiary corporation.

648 Sec. 19. (*Effective from passage*) The authority shall not acquire, by
649 purchase, lease or otherwise, any existing water supply system or parts
650 thereof, or commence any project costing more than two million
651 dollars to repair, improve, construct, reconstruct, enlarge and extend
652 any of its properties or systems without the approval, following a
653 public hearing, of a majority of the total weighted votes of the
654 membership of the representative review board. In the case of the first
655 acquisition by the authority of an existing water supply system or part
656 thereof, after such approval by the representative review board the
657 authority shall file with the town clerk of each city and town in the
658 district its plan for such acquisition. The legislative body of each such
659 city and town shall approve or disapprove such acquisition plan not
660 later than sixty days after such filing, provided failure to disapprove
661 within said sixty days shall be deemed approval of such acquisition
662 plan. The authority shall not first acquire an existing water supply
663 system or part thereof except in accordance with an acquisition plan
664 approved by at least sixty per cent of such legislative bodies, except
665 that the authority shall acquire the municipally-owned Torrington
666 Water Supply.

667 Sec. 20. (*Effective from passage*) (a) The authority shall have an annual
668 audit of its accounts, books and records by a certified public
669 accountant selected by the representative review board. A copy of the
670 audit shall be filed in the office of the town clerk in each town within
671 the district and with the Public Utilities Control Authority, and shall
672 be available for public inspection during the ordinary business hours
673 of the authority at the principal office of the authority. A concise
674 financial statement shall be published annually, at least once, in a
675 newspaper of general circulation in the municipality where the
676 principal office of the authority is located. If such publication is not
677 made by the authority, the representative review board shall publish
678 such statement at the expense of the authority.

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

681 Sec. 21. (*Effective from passage*) (a) The authority or a subsidiary
682 corporation shall not be required to pay taxes or assessments upon any
683 of the properties acquired by it or under its jurisdiction, control or
684 supervision. In lieu of such taxes or assessments the authority shall
685 make annual payments to each city or town in which it or a subsidiary
686 corporation owns property related to the water supply system equal to
687 the taxes which would otherwise be due for the property of the
688 authority or such subsidiary corporation in such municipality,
689 excluding any improvements made to or constructed on any such real
690 property by the authority or such subsidiary corporation, provided
691 land owned by the authority or a subsidiary corporation related to the
692 water supply system shall be assessed in accordance with section 12-63
693 of the general statutes. Payments for property acquired by the
694 authority or a subsidiary corporation during any tax year shall be
695 adjusted for such fractional year in accordance with the customary
696 practice in such city or town for adjusting taxes between the buyer and
697 seller of real property. The authority or a subsidiary corporation shall
698 reimburse each such city or town for its expenses in providing
699 municipal services to any improvements made to or constructed on
700 any real property by the authority or such subsidiary corporation
701 within such city or town. As used in this section, "improvements" shall
702 not include water pipes or improvements to water pipes.

703 (b) The authority may contest the assessed valuation of any
704 properties owned by the authority or a subsidiary corporation with
705 respect to which any payment in lieu of taxes is determined in the
706 same manner as any owner of real property in such city or town.
707 Payments in lieu of taxes payable to any city or town shall be paid by
708 the authority to the city or town upon the date and in the manner
709 provided for the payment of real property taxes of the city or town.

710 (c) In the event the authority in any year does not have sufficient
711 funds to make such payments in lieu of taxes, or any portion of them,

712 as the same become due and payable, the authority shall adjust its
713 rates and charges and the representative review board shall approve
714 such adjustment of rates and charges, after a public hearing thereon as
715 provided in section 14 of this act, so as to provide funds not later than
716 one year after the date on which such payment became due and
717 payable to make such payment. Any city or town or any holder of
718 bonds or notes of the authority aggrieved by the failure of the
719 authority to make any payment in lieu of taxes or portion thereof as
720 the same becomes due and payable may apply to the superior court for
721 the county in which such city or town is situated for an order directing
722 the authority to appropriately increase its rates and charges.

723 (d) Neither the authority nor a subsidiary corporation shall be
724 required to pay taxes imposed upon or measured by the receipts or
725 earnings derived by the authority or such subsidiary corporation
726 through the ownership or operation of a water supply system, or
727 imposed as a result of the income, powers, activities or items reflected
728 on the balance sheet of the authority or such subsidiary corporation.

729 Sec. 22. (*Effective from passage*) (a) The authority, subject to the
730 approval of the representative review board, may, from time to time,
731 issue its negotiable bonds for any of its corporate purposes, including
732 incidental expenses in connection therewith, and to secure the
733 payment of the same by a lien or pledge covering all or part of its
734 contracts, earnings or revenues. The authority shall have power, from
735 time to time, whenever it deems refunding expedient, to refund any
736 bonds by the issuance of new bonds within the terms of any refunding
737 provisions of its bonds, whether the bonds to be refunded have or
738 have not matured, and may issue bonds partly to refund bonds then
739 outstanding and partly for any of its public purposes. Except as may
740 be otherwise expressly provided by the authority every issue of bonds
741 by the authority shall be preferred obligations, taking priority over all
742 other claims against the authority, including payments in lieu of taxes
743 to any municipality, and payable out of any moneys, earnings or
744 revenues of the authority, subject only to any agreements with the
745 holders of particular bonds pledging any particular moneys, earnings

746 or revenues. Notwithstanding the fact that the bonds may be payable
747 from a special fund, if they are otherwise of such form and character as
748 to be negotiable instruments under the terms of the Uniform
749 Commercial Code, the bonds shall be negotiable instruments within
750 the meaning of and for all the purposes of the Uniform Commercial
751 Code, subject only to the provisions of the bonds for registration.

752 (b) The bonds shall be authorized by resolution of the authority and
753 shall bear such date or dates, mature at such time or times, not
754 exceeding forty years from their respective dates, bear interest at such
755 rates per annum, not exceeding statutory limitations, be payable at
756 such times, be in such denomination, be in such form, either coupon or
757 registered, carry such registration privileges, be executed in such
758 manner, be payable in lawful money of the United States of America,
759 at such place or places, and be subject to such terms of redemption as
760 such resolution or resolutions may provide. All bonds of the authority
761 shall be sold through a negotiated sale or a public sale to the bidder
762 who shall offer the lowest true interest cost to the authority, to be
763 determined by the authority.

764 (c) Any resolution or resolutions authorizing any bonds or any issue
765 of bonds may contain provisions which shall be a part of the contract
766 with the holders of the bonds thereby authorized as to (1) pledging all
767 or any part of the moneys, earnings, income and revenues derived
768 from all or any part of the properties of the authority to secure the
769 payment of the bonds or of any issue of the bonds subject to such
770 agreement with the bondholders as may then exist; (2) the rates,
771 rentals, fees and other charges to be fixed and collected and the
772 amounts to be raised in each year thereby, and the use and disposition
773 of the earnings and other revenues; (3) the setting aside of reserves and
774 the creation of sinking funds and the regulation and disposition
775 thereof; (4) limitations on the rights of the authority to restrict and
776 regulate the use of the properties in connection with which such bonds
777 are issued; (5) limitations on the purposes to which, and the manner in
778 which, the proceeds of the sale of any issue of bonds may be applied;
779 (6) limitations on the issuance of additional bonds, the terms upon

780 which additional bonds may be issued and secured, and the refunding
781 of outstanding or other bonds; (7) the procedure, if any, by which the
782 terms of any contract with bondholders may be amended or
783 abrogated, the amount of bonds the holders of which must consent
784 thereto and the manner in which such consent may be given; (8) the
785 creation of special funds into which any earnings or revenues of the
786 authority may be deposited; (9) the terms and provisions of any trust
787 deed or indenture securing the bonds or under which bonds may be
788 issued; (10) definitions of the acts or omission to act which shall
789 constitute a default in the obligations and duties of the authority to the
790 bondholders and providing the rights and remedies of the
791 bondholders in the event of such default, including as a matter of right
792 the appointment of a receiver, provided such rights and remedies shall
793 not be inconsistent with the general laws of this state; (11) limitations
794 on the power of the authority to sell or otherwise dispose of its
795 properties; (12) any other matters, of like or different character, which
796 in any way affect the security or protection of the bonds; and (13)
797 limitations on the amount of moneys derived from the properties to be
798 expended for operating, administrative or other expenses of the
799 authority.

800 (d) The authority may obtain from a commercial bank or insurance
801 company a letter of credit, line of credit or other liquidity facility or
802 credit facility for the purpose of providing funds for the payments in
803 respect of bonds, notes or other obligations required by the holder
804 thereof to be redeemed or repurchased prior to maturity or for
805 providing additional security for such bonds, notes or other
806 obligations. In connection therewith, the authority may enter into
807 reimbursement agreements, remarketing agreements, standby bond
808 purchase agreements and any other necessary or appropriate
809 agreements. The authority may pledge all or any part of the moneys,
810 earnings, income and revenues derived from all or any part of the
811 properties of the authority and any other property which may be
812 pledged to bondholders to secure its payment obligations under any
813 agreement or contract entered into pursuant to this section subject to

814 such agreements with the bondholders as may then exist.

815 (e) In connection with or incidental to the carrying of bonds or notes
816 or in connection with or incidental to the sale and issuance of bonds or
817 notes, the authority may enter into such contracts to place the
818 obligation of the authority, as represented by the bonds or notes, in
819 whole or in part, on such interest rate or cash flow basis as the
820 authority may determine, including without limitation, interest rate
821 swap agreements, insurance agreements, forward payment conversion
822 agreements, contracts providing for payments based on levels of, or
823 changes in, interest rates or market indices, contracts to manage
824 interest rate risk, including, without limitation, interest rate floors or
825 caps, options, puts, calls and similar arrangements. Such contracts
826 shall contain such payment, security, default, remedy and other terms
827 and conditions as the authority may deem appropriate and shall be
828 entered into with such party or parties as the authority may select,
829 after giving due consideration, where applicable, for the
830 creditworthiness of the counter party or counter parties, provided such
831 parties or counter parties shall be a financial institution whose
832 unsecured long-term obligations are rated within the top two rating
833 categories of any nationally recognized rating service. The authority
834 may pledge all or any part of the moneys, earnings, income and
835 revenues derived from all or any part of the properties of the authority
836 and any other property which may be pledged to bondholders to
837 secure its payment obligations under any agreement or contract
838 entered into pursuant to this section subject to such agreements with
839 the bondholders as may then exist.

840 (f) It is the intention of the General Assembly that any pledge of
841 earnings, revenues or other moneys made by the authority shall be
842 valid and binding from the time when the pledge is made; that the
843 earnings, revenues or other moneys so pledged and thereafter received
844 by the authority shall immediately be subject to the lien of such pledge
845 without any physical delivery thereof or further act, and that the lien
846 of any such pledge shall be valid and binding as against all parties
847 having claims of any kind in tort, contract or otherwise against the

848 authority irrespective of whether such parties have notice thereof.
849 Neither the resolution nor any other instrument by which a pledge is
850 created need be recorded.

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

854 (h) The authority shall have the power out of any funds available to
855 purchase, as distinguished from the power of redemption provided in
856 this section, any bonds issued by it at a price of not more than the
857 principal amount thereof and accrued interest, and all bonds so
858 purchased shall be cancelled.

859 (i) In the discretion of the authority, the bonds may be secured by a
860 trust indenture by and between the authority and a corporate trustee,
861 which may be any trust company or bank having the powers of a trust
862 company. Such trust indenture may contain such provisions for
863 protecting and enforcing the rights and remedies of the bondholders as
864 may be reasonable and proper and not in violation of any law,
865 including covenants setting forth the duties of the authority in relation
866 to the construction, maintenance, operation, repair and insurance of
867 the properties and the custody, safeguarding and application of all
868 moneys, and may provide that the properties shall be constructed and
869 paid for under the supervision and approval of consulting engineers.
870 The authority may provide by such trust indenture or other depository
871 for the methods of disbursement thereof, with such safeguards and
872 restrictions as it may determine. All expenses incurred in carrying out
873 such trust indenture may be treated as part of the cost of maintenance,
874 operation and repair of the properties. If the bonds are secured by a
875 trust indenture, bondholders shall have no authority to appoint a
876 separate trustee to represent them.

877 (j) Notwithstanding any other provision of sections 1 to 32,
878 inclusive, of this act, any resolution or resolutions authorizing bonds
879 or notes of the authority shall contain a covenant by the authority that

880 it will at all times maintain rates, fees, rentals or other charges
881 sufficient to pay, and that any contracts entered into by the authority
882 for the sale and distribution of water shall contain rates, fees, rentals or
883 other charges sufficient to pay, the cost of operation and maintenance
884 of the properties and the principal of and interest on any obligation
885 issued pursuant to such resolution or resolutions as the same severally
886 become due and payable, and to maintain any reserves or other funds
887 required by the terms of such resolution or resolutions.

888 (k) If any officer of the authority whose signature or a facsimile of
889 whose signature appears on any bonds or coupons ceases to be such
890 officer before delivery of such bonds, such signature or such facsimile
891 shall nevertheless be valid and sufficient for all purposes as if they had
892 remained in office until such delivery.

893 Sec. 23. (*Effective from passage*) The authority shall have the power
894 and is authorized to issue negotiable notes and may renew the same
895 from time to time, but the maximum maturity of any such note,
896 including renewals thereof, shall not exceed five years from date of
897 issuance of such original note. Such notes shall be paid from any
898 moneys of the authority available therefor and not otherwise pledged
899 or from the proceeds of the sale of the bonds of the authority in
900 anticipation of which they were issued. The notes shall be issued and
901 may be secured in the same manner as the bonds and such notes and
902 the resolution or resolutions authorizing such notes may contain any
903 provisions, conditions or limitations which the bonds or a bond
904 resolution of the authority may contain. Such notes shall be as fully
905 negotiable as the bonds of the authority.

906 Sec. 24. (*Effective from passage*) The state of Connecticut does pledge
907 to and agree with the holders of the bonds or notes of the authority
908 that the state will not limit or alter the rights vested in the authority to
909 acquire, construct, maintain, operate, reconstruct and improve the
910 properties, to establish and collect the revenues, rates, rentals, fees and
911 other charges referred to in sections 1 to 32, inclusive, of this act and to
912 fulfill the terms of any agreements made with the holders of the bonds

913 or notes, or in any way impair the rights and remedies of the
914 bondholders or noteholders until the bonds or notes together with
915 interest thereon, interest on any unpaid installments of interest and all
916 costs and expenses in connection with any action or proceeding by or
917 on behalf of the bondholders or noteholders are fully met and
918 discharged.

919 Sec. 25. (*Effective from passage*) The bonds, notes or other obligations
920 of the authority shall not be a debt of the state of Connecticut or of any
921 municipality, and neither the state nor any municipality shall be liable
922 therefor, nor shall they be payable out of funds other than those of the
923 authority.

924 Sec. 26. (*Effective from passage*) The bonds and notes of the authority
925 shall be securities in which all public officers and bodies of this state
926 and all municipalities, all insurance companies and associations and
927 other persons carrying on an insurance business, all banks, bankers,
928 trust companies, savings banks, savings and loan associations,
929 investment companies and other persons carrying on a banking
930 business and all other persons whatever, except as provided in this
931 section, who are now or may be authorized to invest in bonds or other
932 obligations of the state, may properly and legally invest funds,
933 including capital in their control or belonging to them; provided,
934 notwithstanding the provisions of any general statute or special act,
935 such bonds shall not be eligible for the investment of funds, including
936 capital, of trusts, estates or guardianships under the control of
937 individual administrators, guardians, executors, trustees or other
938 individual fiduciaries. The bonds shall also be securities which may be
939 deposited with and may be received by all public officers and bodies
940 of this state and all municipalities and municipal subdivisions for any
941 purpose for which the deposit of bonds or other obligations of this
942 state is now or may be authorized.

943 Sec. 27. (*Effective from passage*) The state of Connecticut covenants
944 with the purchasers and with all subsequent holders and transferees of
945 bonds or notes issued by the authority, in consideration of the

946 acceptance of and payment for the bonds or notes, that the bonds and
947 notes of the authority, the income therefrom and all moneys, funds
948 and revenues pledged to pay or secure the payment of such bonds or
949 notes shall at all times be free from taxation.

950 Sec. 28. (*Effective from passage*) Nothing in sections 1 to 32, inclusive,
951 of this act, shall be construed to deprive the Commissioner of
952 Environmental Protection, the Commissioner of Public Health, any
953 representative review board or any successor commissioner or board
954 of any jurisdiction which such commissioners or boards may now or
955 hereafter have. Neither the Public Utilities Control Authority nor any
956 successor board or commissioner shall have jurisdiction of any kind
957 over the authority, a subsidiary corporation, the representative review
958 board or the rates fixed or charges collected by the authority. The
959 authority shall annually file the report required of municipalities
960 pursuant to section 16-29 of the general statutes with the Public
961 Utilities Control Authority or any successor board and the clerks of the
962 towns and cities within the district.

963 Sec. 29. (*Effective from passage*) If the provisions of sections 1 to 32,
964 inclusive, of this act are inconsistent with the provisions of any general
965 statute or special act or any municipal ordinance, the provisions of said
966 sections 1 to 32, inclusive, shall be controlling, except that nothing
967 contained in said sections 1 to 32, inclusive, shall exempt the authority
968 from compliance with zoning regulations lawfully established by any
969 city or town.

970 Sec. 30. (*Effective from passage*) (a) The authority or any person who is
971 aggrieved by a decision of the representative review board with
972 respect to the establishment of rates or charges, the establishment of
973 land use standards and disposition policies, the sale or other transfer
974 or change of use of real property, the location of purification, filtration
975 treatment plants, the commencement of any project costing more than
976 two million dollars to repair, improve, construct, reconstruct, enlarge
977 or extend any of the properties or systems of the authority or the
978 acquisition by purchase, lease or otherwise of any existing water

979 supply system, or part thereof, is entitled to review by the Superior
980 Court as provided in this section. For the purposes of this section the
981 holders of any bonds or notes of the authority and any trustee acting
982 on behalf of such holders shall be deemed aggrieved persons with
983 respect to any decision of the representative review board which
984 violates any covenant or other provision of the resolution or
985 resolutions authorizing such bonds or notes.

986 (b) Proceedings for review shall be instituted by filing a petition in
987 the Superior Court for the judicial district of Litchfield not later than
988 forty-five days after publication of the decision of the representative
989 review board or, if a rehearing is requested, not later than forty-five
990 days after the decision thereon. Copies of the petition shall be served
991 upon the representative review board and published in a newspaper
992 or newspapers having a general circulation in each town or city
993 comprising the district.

994 (c) The filing of the petition shall not of itself stay enforcement of the
995 decision of the representative review board. The representative review
996 board may grant, or the reviewing court may order, a stay upon
997 appropriate terms, provided enforcement of a decision respecting the
998 establishment of rates or charges may be stayed only after issuance of a
999 judgment for the appellant by the reviewing court.

1000 (d) Not later than thirty days after service of the petition, or within
1001 such later time as may be allowed by the court, the representative
1002 review board shall transmit to the reviewing court the original or a
1003 certified copy of the entire record of the proceeding under review,
1004 which shall include the representative review board's findings of fact
1005 and conclusions of law, separately stated. By stipulation of all parties
1006 to the review proceedings, the record may be shortened. A party
1007 unreasonably refusing to stipulate to limit the record may be taxed by
1008 the court for the additional costs. The court may require or permit
1009 subsequent corrections or additions to the record.

1010 (e) If, before the date set for hearing, application is made to the court

1011 for leave to present additional evidence, and it is shown to the
1012 satisfaction of the court that the additional evidence is material and
1013 that there were good reasons for failure to present it in the proceeding
1014 before the representative review board, the court may refer the case
1015 back to the board with instructions to take such evidence as the court
1016 directs. The representative review board may modify its findings and
1017 decision by reason of the additional evidence and shall file that
1018 evidence and any modifications, new findings or decisions with the
1019 reviewing court.

1020 (f) The review shall be conducted by the court without a jury and
1021 shall be confined to the record. In cases of alleged irregularities in
1022 procedure before the representative review board, not shown in the
1023 record, proof thereon may be taken in the court. The court, upon
1024 request, shall hear oral argument and receive written briefs.

1025 (g) The court shall not substitute its judgment for that of the
1026 representative review board as to the weight of the evidence on
1027 questions of fact. The court shall affirm the decision of the
1028 representative review board unless the court finds that the substantial
1029 rights of the appellant have been prejudiced because the representative
1030 review board's findings, inferences, conclusions or decisions are: (1) In
1031 violation of constitutional provisions, any general statute or special act
1032 or the provisions of this act; (2) in excess of the authority of the
1033 representative review board; (3) made upon unlawful procedure; (4)
1034 affected by other error of law; (5) clearly erroneous in view of the
1035 reliable probative, and substantial evidence on the whole record; or (6)
1036 arbitrary or capricious or characterized by abuse of discretion or
1037 clearly unwarranted exercise of discretion. If the court finds such
1038 prejudice, it shall sustain the appeal and, if appropriate, may render a
1039 judgment under subsection (h) of this section or remand the case for
1040 further proceedings.

1041 (h) If a particular representative review board action is required by
1042 law, the court, on sustaining the appeal, may render a judgment that
1043 modifies the representative review board decision, orders the

1044 representative review board action, or orders the representative review
1045 board to take such action as may be necessary to effect the particular
1046 action.

1047 (i) In any case in which an aggrieved party claims that he cannot
1048 pay the costs of an appeal under this section and will thereby be
1049 deprived of a right to which he is entitled, he shall, within the time
1050 permitted for filing the appeal, file with the clerk of the court to which
1051 the appeal is to be taken an application for waiver of payment of such
1052 fees, costs and necessary expenses, including the requirements of
1053 bond, if any. The application shall conform to the requirements of
1054 section 28A of the Practice Book. After such hearing as the court
1055 determines is necessary, the court shall enter its judgment on the
1056 application, which judgment shall contain a statement of the facts the
1057 court has found, with its conclusions thereon. The filing of the
1058 application for the waiver shall toll the time limits for the filing of an
1059 appeal until such time as a judgment on such application is entered.

1060 (j) Neither the authority nor the representative review board shall be
1061 construed to be an agency within the scope of chapter 54 of the general
1062 statutes.

1063 Sec. 31. (*Effective from passage*) The State Bond Commission may
1064 insure in the name of the state and may make advance commitments to
1065 insure any sums borrowed by the authority, not exceeding in the
1066 aggregate five million dollars, for the purpose of providing working
1067 capital and organization funds for the authority. In the event the state
1068 becomes liable as a result of default with respect to any such sums
1069 borrowed by the authority which were so insured by the state,
1070 necessary payment shall be made by the state treasurer from funds
1071 appropriated for debt service. Whatever sums are borrowed by the
1072 authority under the provisions of this section shall be repaid to the
1073 lender or lenders of the same on or before July 1, 2016.

1074 Sec. 32. (*Effective from passage*) Neither the members of the authority,
1075 nor any person acting on its behalf nor any member or employee of the

1076 representative review board, while acting within the scope of their
 1077 authority shall be subject to any personal liability resulting from the
 1078 erection, construction, reconstruction, maintenance or operation of the
 1079 properties or any of the improvements of the authority or a subsidiary
 1080 corporation or resulting from carrying out any of the powers expressly
 1081 given in sections 1 to 32, inclusive, of this act.

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
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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

PD *Joint Favorable*