



General Assembly

Raised Bill No. 5551

February Session, 2006

LCO No. 2011

* HB05551GAE 040406 *

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: (A) Adding (i) the quotient obtained by
97 dividing the number of customers in the city or town by nine hundred,
98 rounded to the next whole number, and (ii) the quotient obtained by
99 dividing the number of acres of land in the city or town by dividing by
100 four thousand, rounded up to the next whole number, and (B) dividing
101 the sum obtained pursuant to subparagraph (A) of this subdivision by
102 the number of its representative members of each town and city.

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

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

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

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

143 Sec. 6. (*Effective from passage*) The duration of the representative
144 review board and of the authority shall be perpetual unless terminated

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

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

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

173 Sec. 9. (*Effective from passage*) The authority shall meet at least
174 monthly. Except as the bylaws of the authority may provide in
175 emergency situations, the powers of the authority shall be exercised by
176 the members at a meeting duly called and held. Three members shall
177 constitute a quorum, and no action shall be taken except pursuant to

178 the affirmative vote of at least three members. The authority may
179 delegate to one or more of its members, officers, agents or employees
180 such powers and duties as it may deem proper.

181 Sec. 10. (*Effective from passage*) Whenever a public hearing is required
182 under sections 1 to 32, inclusive, of this act, notice of such hearing shall
183 be published by the representative review board at least twenty days
184 before the date set therefor, in a newspaper or newspapers having a
185 general circulation in each city and town comprising the district. Such
186 notice shall set forth the date, time and place of such hearing and shall
187 include a description of the matters to be considered at such hearing. A
188 copy of the notice shall be filed in the office of the clerk of each such
189 city and town and shall be available for inspection by the public. At
190 such hearings, all the users of the water supply system, owners of
191 property served or to be served and other interested persons shall have
192 an opportunity to be heard concerning the matter under consideration.
193 When appropriate, the chairman of the representative review board
194 may convene more than one hearing on any matter and direct such
195 hearings to be held in suitable locations within the district so as to
196 assure broader participation by the general public in discussion of the
197 matters under consideration, provided in sections 1 to 32, inclusive, of
198 this act. A public hearing shall be held in the city or town in which
199 such real property is situated. Any decision of the representative
200 review board on matters considered at such public hearing shall be in
201 writing and shall be published in a newspaper or newspapers having a
202 general circulation in each city and town comprising the district not
203 later than thirty days after such decision is made.

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

212 rights and rights of way and water discharge rights, which the
213 authority determines to be necessary or convenient, and to acquire any
214 existing water supply system or parts thereof which are wholly or
215 partially within the district as described in section 3 of this act. As a
216 means of acquiring any real property or interests therein, the authority
217 or a subsidiary corporation may purchase all of the stock or all of any
218 part of the assets and franchises of any existing privately owned water
219 company, whereupon the authority or such subsidiary corporation
220 shall succeed to all rights, powers and franchises thereof. Sections 16-
221 43, 16-50c and 16-50d of the 2006 supplement to the general statutes
222 shall not apply to any action by the authority or a subsidiary
223 corporation or any action by any privately owned water company, as
224 defined in section 16-1 of the 2006 supplement to the general statutes,
225 taken to effectuate the acquisition of the stock or all or any part of the
226 assets and franchises of such water company by the authority.
227 Notwithstanding the provisions of section 25-32 of the general statutes,
228 land may be transferred to the authority or a subsidiary corporation of
229 the authority as part of such an acquisition. The Commissioner of
230 Public Health shall not grant a permit for a change in the use of any
231 class I or class II land owned by the authority on the effective date of
232 this section and not transferred to the authority or a subsidiary
233 corporation or a permit for the sale, lease or assignment of any such
234 class II land, unless (A) all provisions of said section 25-32 are
235 complied with; (B) the Commissioner of Public Health determines,
236 after a hearing, notice of which shall be published not later than thirty
237 days before the hearing in one or more newspapers having a
238 substantial circulation in the municipalities in which the land is
239 located, that such change in the use or sale, lease, or assignment of the
240 land will not have a significant adverse impact upon present and
241 future water supply needs of the authority or a subsidiary corporation
242 of the authority; (5) to construct and develop any water supply system;
243 (6) to own, operate, maintain, repair, improve, construct, reconstruct,
244 replace, enlarge and extend any of its properties; (7) notwithstanding
245 the provisions of any general statute, special act or charter, but subject
246 to the provisions of section 12 of this act to sell water, however

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

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

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

307 Sec. 13. (*Effective from passage*) (a) If the authority cannot agree with
308 any owner upon the terms of acquisition by the authority of any real or
309 personal property or interest therein which the authority is authorized
310 to acquire, the authority may proceed, at its election, in the manner
311 provided in subsection (b) of this section or in the manner provided in
312 subsection (c) of this section. The provisions of this section shall not
313 apply to the acquisition of (1) any real or personal property or interest
314 therein, the legal title to which is vested in the state or a political
315 subdivision thereof, or (2) any existing water supply system.

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

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

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

369 Sec. 14. (*Effective from passage*) With the approval of the
370 representative review board, the authority shall establish just and
371 equitable rates or charges for the use of the water supply system
372 authorized in this section, to be paid by any customer, and may change
373 such rates or charges from time to time. Such water supply system
374 rates or charges shall be established so as to provide funds sufficient in
375 each year, with other water supply related revenues, if any, (1) to pay
376 the cost of maintaining, repairing and operating the water supply
377 system and each and every portion thereof, to the extent that adequate
378 provision for the payment of such cost has not otherwise been made,
379 (2) to pay the principal of and the interest on outstanding water supply
380 bonds of the authority as the same shall become due and payable, (3)
381 to meet any requirements of any resolution authorizing, or trust
382 agreement securing, such bonds of the authority, (4) to make payments
383 in lieu of taxes as provided in section 21 of this act as the same become
384 due and payable, upon the water supply system properties of the

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

415 Sec. 15. (*Effective from passage*) (a) The representative review board
416 may establish an office of consumer affairs to act as the advocate for
417 consumer interests in all matters which may affect consumers,
418 including, without limitation, matters of rates, water quality and

419 supply service quality. The costs of such office of consumer affairs,
420 unless otherwise provided by the state, shall be paid by the authority.

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

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

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

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

451 bidder qualified to perform the contract.

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

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

479 Sec. 18. (*Effective from passage*) (a) Notwithstanding any other
 480 provision of sections 1 to 32, inclusive, of this act, the authority shall
 481 not sell or otherwise transfer any unimproved real property or any
 482 interest or right therein, except for access or utility purposes, or
 483 develop such property for any use not directly related to a water

484 supply function, other than for public recreational use not prohibited
485 by section 25-43c of the general statutes, until the land use standards
486 and disposition policies required by subsection (b) of this section have
487 been approved by the representative review board.

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

512 (c) After approval of land use standards and disposition policies in
513 the manner provided in subsection (b) of this section, the authority
514 shall not sell or otherwise transfer any real property or any interest or
515 right therein, except for access or utility purposes, or develop such
516 property for any use not directly related to a water supply function,
517 other than for public recreational use not prohibited by section 25-43c

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

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

552 preliminary assessment of the impact likely to occur in lieu of such
553 detailed statement of environmental impact, and the representative
554 review board may, on the basis of such preliminary assessment, waive
555 or modify the requirements for such detailed statement; and (4) a
556 summary of the final evaluation and recommendation of the authority.

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

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

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

580 (3) Not later than ninety days after such notice has been given under
581 subdivision (2) of this subsection, the legislative body of the city or
582 town or the Commissioner of Environmental Protection may give
583 written notice to the authority by certified mail, return receipt

584 requested, of the desire of the city, town or state to acquire such
585 property and the commissioner or city or town shall have the right to
586 acquire the interest in the property which the authority has declared its
587 intent to sell or otherwise transfer, provided the state's right to acquire
588 the property shall be secondary to that of the city or town.

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

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

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

613 (7) Notwithstanding the provisions of section 21 of this act, the
614 authority shall not be obligated to make payments in lieu of taxes on
615 such property for the period from the date the city or town gives notice

616 of its desire to acquire such property.

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

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

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

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

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

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

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

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

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

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

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

709 (c) In the event the authority in any year does not have sufficient
710 funds to make such payments in lieu of taxes, or any portion of them,
711 as the same become due and payable, the authority shall adjust its
712 rates and charges and the representative review board shall approve
713 such adjustment of rates and charges, after a public hearing thereon as

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

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

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

748 Commercial Code, the bonds shall be negotiable instruments within
749 the meaning of and for all the purposes of the Uniform Commercial
750 Code, subject only to the provisions of the bonds for registration.

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

763 (c) Any resolution or resolutions authorizing any bonds or any issue
764 of bonds may contain provisions which shall be a part of the contract
765 with the holders of the bonds thereby authorized as to (1) pledging all
766 or any part of the moneys, earnings, income and revenues derived
767 from all or any part of the properties of the authority to secure the
768 payment of the bonds or of any issue of the bonds subject to such
769 agreement with the bondholders as may then exist; (2) the rates,
770 rentals, fees and other charges to be fixed and collected and the
771 amounts to be raised in each year thereby, and the use and disposition
772 of the earnings and other revenues; (3) the setting aside of reserves and
773 the creation of sinking funds and the regulation and disposition
774 thereof; (4) limitations on the rights of the authority to restrict and
775 regulate the use of the properties in connection with which such bonds
776 are issued; (5) limitations on the purposes to which, and the manner in
777 which, the proceeds of the sale of any issue of bonds may be applied;
778 (6) limitations on the issuance of additional bonds, the terms upon
779 which additional bonds may be issued and secured, and the refunding
780 of outstanding or other bonds; (7) the procedure, if any, by which the
781 terms of any contract with bondholders may be amended or

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

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

814 (e) In connection with or incidental to the carrying of bonds or notes
815 or in connection with or incidental to the sale and issuance of bonds or

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

839 (f) It is the intention of the General Assembly that any pledge of
840 earnings, revenues or other moneys made by the authority shall be
841 valid and binding from the time when the pledge is made; that the
842 earnings, revenues or other moneys so pledged and thereafter received
843 by the authority shall immediately be subject to the lien of such pledge
844 without any physical delivery thereof or further act, and that the lien
845 of any such pledge shall be valid and binding as against all parties
846 having claims of any kind in tort, contract or otherwise against the
847 authority irrespective of whether such parties have notice thereof.
848 Neither the resolution nor any other instrument by which a pledge is
849 created need be recorded.

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

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

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

876 (j) Notwithstanding any other provision of sections 1 to 32,
877 inclusive, of this act, any resolution or resolutions authorizing bonds
878 or notes of the authority shall contain a covenant by the authority that
879 it will at all times maintain rates, fees, rentals or other charges
880 sufficient to pay, and that any contracts entered into by the authority
881 for the sale and distribution of water shall contain rates, fees, rentals or
882 other charges sufficient to pay, the cost of operation and maintenance

883 of the properties and the principal of and interest on any obligation
884 issued pursuant to such resolution or resolutions as the same severally
885 become due and payable, and to maintain any reserves or other funds
886 required by the terms of such resolution or resolutions.

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

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

905 Sec. 24. (*Effective from passage*) The state of Connecticut does pledge
906 to and agree with the holders of the bonds or notes of the authority
907 that the state will not limit or alter the rights vested in the authority to
908 acquire, construct, maintain, operate, reconstruct and improve the
909 properties, to establish and collect the revenues, rates, rentals, fees and
910 other charges referred to in sections 1 to 32, inclusive, of this act and to
911 fulfill the terms of any agreements made with the holders of the bonds
912 or notes, or in any way impair the rights and remedies of the
913 bondholders or noteholders until the bonds or notes together with
914 interest thereon, interest on any unpaid installments of interest and all
915 costs and expenses in connection with any action or proceeding by or

916 on behalf of the bondholders or noteholders are fully met and
917 discharged.

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

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

942 Sec. 27. (*Effective from passage*) The state of Connecticut covenants
943 with the purchasers and with all subsequent holders and transferees of
944 bonds or notes issued by the authority, in consideration of the
945 acceptance of and payment for the bonds or notes, that the bonds and
946 notes of the authority, the income therefrom and all moneys, funds
947 and revenues pledged to pay or secure the payment of such bonds or
948 notes shall at all times be free from taxation.

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

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

969 Sec. 30. (*Effective from passage*) (a) The authority or any person who is
970 aggrieved by a decision of the representative review board with
971 respect to the establishment of rates or charges, the establishment of
972 land use standards and disposition policies, the sale or other transfer
973 or change of use of real property, the location of purification, filtration
974 treatment plants, the commencement of any project costing more than
975 two million dollars to repair, improve, construct, reconstruct, enlarge
976 or extend any of the properties or systems of the authority or the
977 acquisition by purchase, lease or otherwise of any existing water
978 supply system, or part thereof, is entitled to review by the Superior
979 Court as provided in this section. For the purposes of this section the
980 holders of any bonds or notes of the authority and any trustee acting
981 on behalf of such holders shall be deemed aggrieved persons with
982 respect to any decision of the representative review board which

983 violates any covenant or other provision of the resolution or
984 resolutions authorizing such bonds or notes.

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

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

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

1009 (e) If, before the date set for hearing, application is made to the court
1010 for leave to present additional evidence, and it is shown to the
1011 satisfaction of the court that the additional evidence is material and
1012 that there were good reasons for failure to present it in the proceeding
1013 before the representative review board, the court may refer the case
1014 back to the board with instructions to take such evidence as the court

1015 directs. The representative review board may modify its findings and
1016 decision by reason of the additional evidence and shall file that
1017 evidence and any modifications, new findings or decisions with the
1018 reviewing court.

1019 (f) The review shall be conducted by the court without a jury and
1020 shall be confined to the record. In cases of alleged irregularities in
1021 procedure before the representative review board, not shown in the
1022 record, proof thereon may be taken in the court. The court, upon
1023 request, shall hear oral argument and receive written briefs.

1024 (g) The court shall not substitute its judgment for that of the
1025 representative review board as to the weight of the evidence on
1026 questions of fact. The court shall affirm the decision of the
1027 representative review board unless the court finds that the substantial
1028 rights of the appellant have been prejudiced because the representative
1029 review board's findings, inferences, conclusions or decisions are: (1) In
1030 violation of constitutional provisions, any general statute or special act
1031 or the provisions of this act; (2) in excess of the authority of the
1032 representative review board; (3) made upon unlawful procedure; (4)
1033 affected by other error of law; (5) clearly erroneous in view of the
1034 reliable probative, and substantial evidence on the whole record; or (6)
1035 arbitrary or capricious or characterized by abuse of discretion or
1036 clearly unwarranted exercise of discretion. If the court finds such
1037 prejudice, it shall sustain the appeal and, if appropriate, may render a
1038 judgment under subsection (h) of this section or remand the case for
1039 further proceedings.

1040 (h) If a particular representative review board action is required by
1041 law, the court, on sustaining the appeal, may render a judgment that
1042 modifies the representative review board decision, orders the
1043 representative review board action, or orders the representative review
1044 board to take such action as may be necessary to effect the particular
1045 action.

1046 (i) In any case in which an aggrieved party claims that he cannot

1047 pay the costs of an appeal under this section and will thereby be
1048 deprived of a right to which he is entitled, he shall, within the time
1049 permitted for filing the appeal, file with the clerk of the court to which
1050 the appeal is to be taken an application for waiver of payment of such
1051 fees, costs and necessary expenses, including the requirements of
1052 bond, if any. The application shall conform to the requirements of
1053 section 28A of the Practice Book. After such hearing as the court
1054 determines is necessary, the court shall enter its judgment on the
1055 application, which judgment shall contain a statement of the facts the
1056 court has found, with its conclusions thereon. The filing of the
1057 application for the waiver shall toll the time limits for the filing of an
1058 appeal until such time as a judgment on such application is entered.

1059 (j) Neither the authority nor the representative review board shall be
1060 construed to be an agency within the scope of chapter 54 of the general
1061 statutes.

1062 Sec. 31. (*Effective from passage*) The State Bond Commission may
1063 insure in the name of the state and may make advance commitments to
1064 insure any sums borrowed by the authority, not exceeding in the
1065 aggregate five million dollars, for the purpose of providing working
1066 capital and organization funds for the authority. In the event the state
1067 becomes liable as a result of default with respect to any such sums
1068 borrowed by the authority which were so insured by the state,
1069 necessary payment shall be made by the state treasurer from funds
1070 appropriated for debt service. Whatever sums are borrowed by the
1071 authority under the provisions of this section shall be repaid to the
1072 lender or lenders of the same on or before July 1, 2016.

1073 Sec. 32. (*Effective from passage*) Neither the members of the authority,
1074 nor any person acting on its behalf nor any member or employee of the
1075 representative review board, while acting within the scope of their
1076 authority shall be subject to any personal liability resulting from the
1077 erection, construction, reconstruction, maintenance or operation of the
1078 properties or any of the improvements of the authority or a subsidiary
1079 corporation or resulting from carrying out any of the powers expressly

1080 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
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

PD **Joint Favorable**

GAE *Joint Favorable*