



General Assembly

Amendment

February Session, 2006

LCO No. 4770

HB0547004770HDO

Offered by:

REP. WILLIS, 64th Dist.
REP. MINER, 66th Dist.
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To: Subst. House Bill No. 5470

File No. 516

Cal. No. 356

**"AN ACT ESTABLISHING A DRINKING WATER QUALITY
MANAGEMENT PLAN FOR THE TOWN OF GROTON."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (*Effective from passage*) It is found and declared as a matter
4 of legislative determination that the creation of the Litchfield Hills
5 Regional Water Authority for the primary purpose of providing and
6 assuring the provision of an adequate supply of pure water at
7 reasonable cost within the Litchfield Hills Regional Water District and
8 such other areas as may be served pursuant to cooperative agreements
9 and acquisitions authorized by section 511 of this act to the degree
10 consistent with the foregoing, of advancing water conservation and the
11 conservation and compatible recreational use of land held by the
12 authority, and the carrying out of its powers, purposes, and duties

13 under sections 501 to 532, inclusive, of this act are for the benefit of the
14 people residing in the Litchfield Hills Regional Water District and the
15 state of Connecticut, and for the improvement of their health, safety
16 and welfare, that said purposes are public purposes, and that the
17 authority will be performing an essential governmental function in the
18 exercise of its powers under sections 501 to 532, inclusive, of this act.

19 Sec. 502. (*Effective from passage*) As used in sections 501 to 532,
20 inclusive, of this act:

21 (1) "Authority" means the Litchfield Hills Regional Water Authority
22 created by section 505 of this act;

23 (2) "District" means the Litchfield Hills Regional Water District
24 created by section 503 of this act;

25 (3) "Representative review board" means the representative review
26 board of the Litchfield Hills Regional Water District created by section
27 504 of this act;

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

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

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

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

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

40 (9) "Revenues" means all rents, charges and other income derived

41 from the operation of the properties of the authority;

42 (10) "Water supply system" means plants, structures and other real
43 and personal property acquired, constructed or operated for the
44 purpose of supplying water, basins, dams, canals, aqueducts,
45 standpipes, pumping stations, water distribution systems, including
46 land, reservoirs, conduits, pipelines, mains, compensating reservoirs,
47 waterworks or sources of water supply, wells, purification or filtration
48 plants or other plants and works, connections, rights of flowage or
49 diversion and other plants, structures, conveyances, real or personal
50 property or rights therein and appurtenances necessary or useful and
51 convenient for the accumulation, supply or distribution of water.

52 Sec. 503. (*Effective from passage*) There is created a district to be
53 known as the "Litchfield Hills Regional Water District" which
54 embraces the area and territory of the towns of Burlington, Goshen,
55 Harwinton, Litchfield, New Hartford, Norfolk, and the city of
56 Torrington. If, on or after June 30, 2006, the authority purchases land or
57 properties or sells water services directly to customers in any city or
58 town within the district, the area and territory of such city or town
59 thereupon shall be excluded from the district. The authority may
60 establish procedures to add towns or cities to the district.

61 Sec. 504. (*Effective from passage*) (a) There shall be a representative
62 review board of the Litchfield Hills Regional Water District which
63 shall consist of four electors from the city of Torrington and one elector
64 from each of the other towns within the district who shall be appointed
65 by the chief elected official of such city or town, with the approval of
66 the majority of the city council or board of selectmen, as the case may
67 be. Members shall serve for a term of three years commencing July
68 first, except that the members first appointed shall serve as follows:
69 One member appointed from Torrington, Harwinton and Norfolk shall
70 serve a one-year term, one member appointed from Torrington, New
71 Hartford and Burlington shall serve a two-year term, two members
72 appointed from Torrington and one member appointed from Goshen
73 and one member appointed from Litchfield shall serve a three-year

74 term. Members shall continue to serve until their successors are
75 appointed and have qualified. In the event of the resignation, death or
76 disability of a member from any city or town, a successor may be
77 appointed by the chief elected official of such city or town for the
78 unexpired portion of the term. Members shall receive one hundred
79 dollars for each day in which they are engaged in their duties and shall
80 be reimbursed for their necessary expenses incurred in the
81 performance of their duties. They shall elect a chairman and a vice-
82 chairman, who shall be members of the representative review board
83 and a secretary. The chairman shall receive a per diem payment of one
84 and one-half times the amount paid to members. The representative
85 review board shall meet at least quarterly with the authority and such
86 members of the staff of the authority as the representative review
87 board deems appropriate.

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

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

105 (3) Whenever a vote is taken on any matter by the representative
106 review board, the vote shall be determined in accordance with this

107 subsection. Members of the representative review board holding a
108 majority of the votes so weighted shall constitute a quorum.

109 (c) The representative review board shall adopt and may amend
110 such rules of procedure and bylaws for the conduct of its affairs as it
111 deems appropriate. It may establish (1) a standing committee on land
112 use and management to consult with the authority on all matters of
113 land use and management, including acquisition and sale, recreational
114 use, cutting of timber and other products, mining and quarrying; (2) a
115 standing committee on finance to consult with the authority on matters
116 relating to financial and budgetary matters and the establishment of
117 rates; and (3) a standing committee on consumer affairs to consult with
118 the authority and the officer of consumer affairs established pursuant
119 to section 515 of this act on matters concerning the interests of people
120 residing within the district. The representative review board may
121 appoint such other committees as it considers convenient from time to
122 time.

123 Sec. 505. (*Effective from passage*) A public corporation, to be known as
124 the "Litchfield Hills Regional Water Authority", constituting a public
125 instrumentality and political subdivision, is created for the purposes,
126 charged with the duties and granted the powers provided in sections
127 501 to 532, inclusive, of this act. The authority shall consist of five
128 members who shall not be members of the representative review
129 board, who shall be residents of the district and who shall be
130 appointed without regard to political affiliation by a majority of the
131 total unweighted votes of those members of the representative review
132 board present at a meeting at which members of said board holding
133 two-thirds of the total votes are present, and by affirmative votes from
134 representatives from a majority of towns, for terms of five years and
135 until their successors are appointed and have qualified, except that the
136 first members shall serve as follows: One shall be appointed for a one-
137 year term, one for a two-year term, one for a three-year term, one for a
138 four-year term, and one for a five-year term. Any vacancy occurring on
139 the authority shall be filled in the same manner for the unexpired
140 portion of the term. Any member of the authority may be removed

141 from office by the representative review board for cause. Members of
142 the authority may receive such compensation for their services as shall
143 be fixed by the representative review board and may be reimbursed
144 for their necessary expenses incurred in performance of their duties.

145 Sec. 506. (*Effective from passage*) The duration of the representative
146 review board and of the authority shall be perpetual unless terminated
147 or altered by an act of the General Assembly, provided the General
148 Assembly shall not terminate the existence of the authority until all of
149 its liabilities have been met and its bonds have been paid in full or
150 such liabilities and bonds have otherwise been discharged.

151 Sec. 507. (*Effective from passage*) The officers of the authority shall be
152 a chairman and a vice-chairman, who shall be members of the
153 authority, and a treasurer and a secretary, who may be members of the
154 authority. The first chairman shall be designated by the representative
155 review board for a two-year term and subsequent chairman shall be
156 elected by the authority for two-year terms. All other officers shall be
157 elected by the authority for one-year terms. The treasurer shall execute
158 a bond conditioned upon the faithful performance of the duties of his
159 office, the amount and sufficiency of which shall be approved by the
160 authority and the premium therefor shall be paid by the authority. The
161 authority shall, from time to time, appoint an agent for the service of
162 process, and shall notify the Secretary of the State of the name and
163 address of said agent.

164 Sec. 508. (*Effective from passage*) The authority may employ such
165 persons as it may determine to be necessary or convenient for the
166 performance of its duties and may fix and determine their
167 qualifications, duties and compensation, provided the appointment of
168 the chief executive officer shall be subject to the approval of the
169 representative review board. The authority shall establish a position
170 with ongoing responsibilities for the use and management of its land
171 resources and such other senior managerial positions as it deems
172 appropriate, which shall be filled by appointment by the chief
173 executive officer with the approval of the authority. The authority may

174 also from time to time contract for professional services.

175 Sec. 509. (*Effective from passage*) The authority shall meet at least
176 monthly. Except as the bylaws of the authority may provide in
177 emergency situations, the powers of the authority shall be exercised by
178 the members at a meeting duly called and held. Three members shall
179 constitute a quorum, and no action shall be taken except pursuant to
180 the affirmative vote of at least three members. The authority may
181 delegate to one or more of its members, officers, agents or employees
182 such powers and duties as it may deem proper.

183 Sec. 510. (*Effective from passage*) Whenever a public hearing is
184 required under sections 501 to 532, inclusive, of this act, notice of such
185 hearing shall be published by the representative review board at least
186 twenty days before the date set therefor, in a newspaper or
187 newspapers having a general circulation in each city and town
188 comprising the district. Such notice shall set forth the date, time and
189 place of such hearing and shall include a description of the matters to
190 be considered at such hearing. A copy of the notice shall be filed in the
191 office of the clerk of each such city and town and shall be available for
192 inspection by the public. At such hearings, all the users of the water
193 supply system, owners of property served or to be served and other
194 interested persons shall have an opportunity to be heard concerning
195 the matter under consideration. When appropriate, the chairman of the
196 representative review board may convene more than one hearing on
197 any matter and direct such hearings to be held in suitable locations
198 within the district so as to assure broader participation by the general
199 public in discussion of the matters under consideration, provided in
200 sections 501 to 532, inclusive, of this act. A public hearing shall be held
201 in the city or town in which such real property is situated. Any
202 decision of the representative review board on matters considered at
203 such public hearing shall be in writing and shall be published in a
204 newspaper or newspapers having a general circulation in each city and
205 town comprising the district not later than thirty days after such
206 decision is made.

207 Sec. 511. (*Effective from passage*) Subject to the provisions of sections
208 501 to 532, inclusive, of this act, the authority shall have the power: (1)
209 To sue and be sued; (2) to have a seal and alter the same at its pleasure;
210 (3) to acquire in the name of the authority by purchase, lease or
211 otherwise and to hold and dispose of personal property or any interest
212 therein, including shares of stock of a subsidiary corporation; (4) to
213 acquire in the name of the authority by purchase, lease or otherwise
214 and to hold and dispose of any real property or interest therein,
215 including water rights and rights of way and water discharge rights,
216 which the authority determines to be necessary or convenient, and to
217 acquire any existing water supply system or parts thereof which are
218 wholly or partially within the district as described in section 503 of this
219 act. As a means of acquiring any real property or interests therein, the
220 authority or a subsidiary corporation may purchase all of the stock or
221 all of any part of the assets and franchises of any existing privately
222 owned water company, whereupon the authority or such subsidiary
223 corporation shall succeed to all rights, powers and franchises thereof.
224 Sections 16-43, 16-50c and 16-50d of the 2006 supplement to the general
225 statutes shall not apply to any action by the authority or a subsidiary
226 corporation or any action by any privately owned water company, as
227 defined in section 16-1 of the 2006 supplement to the general statutes,
228 taken to effectuate the acquisition of the stock or all or any part of the
229 assets and franchises of such water company by the authority.
230 Notwithstanding the provisions of section 25-32 of the general statutes,
231 land may be transferred to the authority or a subsidiary corporation of
232 the authority as part of such an acquisition. The Commissioner of
233 Public Health shall not grant a permit for a change in the use of any
234 class I or class II land owned by the authority on the effective date of
235 this section and not transferred to the authority or a subsidiary
236 corporation or a permit for the sale, lease or assignment of any such
237 class II land, unless (A) all provisions of said section 25-32 are
238 complied with; (B) the Commissioner of Public Health determines,
239 after a hearing, notice of which shall be published not later than thirty
240 days before the hearing in one or more newspapers having a
241 substantial circulation in the municipalities in which the land is

242 located, that such change in the use or sale, lease, or assignment of the
243 land will not have a significant adverse impact upon present and
244 future water supply needs of the authority or a subsidiary corporation
245 of the authority; (5) to construct and develop any water supply system;
246 (6) to own, operate, maintain, repair, improve, construct, reconstruct,
247 replace, enlarge and extend any of its properties; (7) notwithstanding
248 the provisions of any general statute, special act or charter, but subject
249 to the provisions of section 512 of this act to sell water, however
250 acquired, to customers within the district or to any municipality or
251 water company; (8) notwithstanding the provisions of the general
252 statutes or any special act or charter, to purchase water approved by
253 the Commissioner of Public Health from any person, private
254 corporation or municipality when necessary or convenient for the
255 operation of any water supply system operated by the authority; (9) to
256 adopt and amend bylaws, rules and regulations for the management
257 and regulation of its affairs and for the use and protection of the water
258 and properties of the authority or a subsidiary corporation and, subject
259 to the provisions of any resolution authorizing the issuance of bonds,
260 rules for the sale of water, and the collection of rents and charges for
261 water supply functions. A copy of such bylaws, rules and regulations
262 and all amendments thereto, certified by the secretary of the authority,
263 shall be filed in the office of the Secretary of the State and with the
264 clerk of each town and city within the district. Any superior court
265 located within the district shall have jurisdiction over any violation of
266 such bylaws, rules or regulations and the authority may prosecute
267 actions before the superior court to enforce such bylaws, rules and
268 regulations; (10) to make contracts and to execute all necessary or
269 convenient instruments, including evidences of indebtedness,
270 negotiable or nonnegotiable; (11) to borrow money, to issue negotiable
271 bonds or notes, to fund and refund the same and to provide for the
272 rights of the holders of the authority's obligations; (12) to open the
273 grounds in any public street or way or public grounds for the purpose
274 of laying, installing, maintaining or replacing pipes and conduits,
275 provided upon the completion of such work the grounds shall be
276 restored to the condition they were in previously; (13) to enter into

277 cooperative agreements with other water authorities, municipalities,
278 water districts, water companies within or without the district for
279 interconnection of facilities, for exchange or interchange of services
280 and commodities or for any other lawful purpose necessary or
281 desirable to effect the purposes of sections 501 to 532, inclusive, of this
282 act, such agreements to be binding for a period specified therein; (14)
283 to acquire, hold, develop and maintain land and other real estate and
284 waters for conservation and for compatible active and passive
285 recreational purposes and to levy charges for such uses, provided the
286 Department of Public Health finds that such uses will not harm the
287 quality of water provided by the authority; (15) to apply for and accept
288 grants, loans or contributions from the United States, the state of
289 Connecticut or any agency, instrumentality or subdivision of either of
290 them or from any person, and to expend the proceeds for any of its
291 purposes; (16) to create programs and policies for the purpose of
292 conserving water; and (17) to do any and all things necessary or
293 convenient to carry out the powers expressly given in sections 501 to
294 532, inclusive, of this act, including the powers granted by the general
295 statutes to stock corporations, except the power to issue stock.

296 Sec. 512. (*Effective from passage*) The authority shall not sell water to
297 customers in any part of the district with respect to which any person,
298 any firm or any corporation incorporated under the general statutes or
299 any special act has been granted a franchise to operate as a water
300 company, as defined in section 16-1 of the 2006 supplement to the
301 general statutes, or in which any town, city or borough or any district
302 organized for municipal purposes operates a municipal water supply
303 system, unless the legislative body of such town, city, borough or
304 district, such person, or the governing board of such firm or
305 corporation shall consent, in writing, to such sale by the authority. The
306 authority shall not extend water supply services into new areas
307 previously unserved without the approval of either the legislative
308 body of the town, city, borough or district in which such area is
309 located.

310 Sec. 513. (*Effective from passage*) (a) If the authority cannot agree with

311 any owner upon the terms of acquisition by the authority of any real or
312 personal property or interest therein which the authority is authorized
313 to acquire, the authority may proceed, at its election, in the manner
314 provided in subsection (b) of this section or in the manner provided in
315 subsection (c) of this section. The provisions of this section shall not
316 apply to the acquisition of (1) any real or personal property or interest
317 therein, the legal title to which is vested in the state or a political
318 subdivision thereof, or (2) any existing water supply system.

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

345 prejudiced by delay, said court or such judge may direct that the
346 authority be permitted to enter immediately upon the property to be
347 taken and devote it temporarily to the public use specified in such
348 petition upon the deposit with said court of a sum to be fixed by said
349 court or such judge, upon notice to the parties of not less than ten days,
350 and such sum when so fixed and paid shall be applied so far as it may
351 be necessary for the purpose of the payment of any award of damages
352 which may be made, with interest thereon from the date of the order of
353 said court or judge, and the remainder, if any, returned to the
354 authority. If such petition is dismissed or no award of damages is
355 made, said court or such judge shall direct that the money so
356 deposited, so far as it may be necessary, shall be applied to the
357 payment of any damages that the owner of such property or other
358 parties in interest may have sustained by such entry upon and use of
359 such property, and of the costs and expenses of such proceedings, such
360 damages to be ascertained by said court or such judge or a committee
361 to be appointed for that purpose, and if the sum so deposited is
362 insufficient to pay such damages and all costs and expenses so
363 awarded, judgment shall be entered against the authority for the
364 deficiency, to be enforced and collected in the same manner as a
365 judgment from the superior court; and the possession of such property
366 shall be restored to the owner or owners thereof. The expenses or costs
367 of any such proceedings shall be taxed by said court or such judge and
368 paid by the authority.

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

372 Sec. 514. (*Effective from passage*) With the approval of the
373 representative review board, the authority shall establish just and
374 equitable rates or charges for the use of the water supply system
375 authorized in this section, to be paid by any customer, and may change
376 such rates or charges from time to time. Such water supply system
377 rates or charges shall be established so as to provide funds sufficient in
378 each year, with other water supply related revenues, if any, (1) to pay

379 the cost of maintaining, repairing and operating the water supply
380 system and each and every portion thereof, to the extent that adequate
381 provision for the payment of such cost has not otherwise been made,
382 (2) to pay the principal of and the interest on outstanding water supply
383 bonds of the authority as the same shall become due and payable, (3)
384 to meet any requirements of any resolution authorizing, or trust
385 agreement securing, such bonds of the authority, (4) to make payments
386 in lieu of taxes as provided in section 521 of this act as the same
387 become due and payable, upon the water supply system properties of
388 the authority or of a subsidiary corporation to the municipalities in
389 which such properties are situated, (5) to provide for the maintenance,
390 conservation and appropriate recreational use of the land of the
391 authority, and (6) to pay all other reasonable and necessary expenses
392 of the authority and of the representative review board to the extent
393 that such expenses are allocable to the water supply system activities
394 of the authority and the representative review board. Any change in
395 such rates or charges shall be made in the same manner in which they
396 were established. The rates or charges levied upon any customer of
397 any water supply system acquired pursuant to subdivision (4) of
398 section 511 of this act or served pursuant to a cooperative agreement
399 pursuant to subdivision (13) of section 511 of this act shall not be
400 required to be equalized with the authority's existing rates, but may be
401 set on a separate basis, provided such rates are just, equitable and
402 nondiscriminatory. Such rates or charges, if not paid when due, shall
403 constitute a lien upon the premises served and a charge against the
404 owners thereof, which lien and charge shall bear interest at the same
405 rate as would unpaid taxes. Such lien shall take precedence over all
406 other liens or encumbrances except taxes and may be foreclosed
407 against the lot or building served in the same manner as a lien for
408 taxes, provided all such liens shall continue until such time as they
409 shall be discharged or foreclosed by the authority without the
410 necessity of filing certificates of continuation, but in no event for longer
411 than ten years. The amount of any such rate or charge which remains
412 due and unpaid for thirty days may, with interest thereon at the same
413 rate as unpaid taxes and with reasonable attorneys' fees, be recovered

414 by the authority in a civil action in the name of the authority against
415 such owners. Any municipality shall be subject to the same rate or
416 charges under the same conditions as other users of the water supply
417 system.

418 Sec. 515. (*Effective from passage*) (a) The representative review board
419 may establish an office of consumer affairs to act as the advocate for
420 consumer interests in all matters which may affect consumers,
421 including, without limitation, matters of rates, water quality and
422 supply service quality. The costs of such office of consumer affairs,
423 unless otherwise provided by the state, shall be paid by the authority.

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

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

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

440 Sec. 516. (*Effective from passage*) All contracts of the authority in
441 excess of fifty thousand dollars for any supplies, materials, equipment,
442 construction work or other contractual services shall be in writing and
443 shall be awarded upon sealed bids or proposals made in compliance
444 with a public notice advertised by publication at least ten days before
445 the time fixed for opening said bids or proposals, except for contracts

446 for professional services, when the supplies, materials, equipment or
447 work can only be furnished by a single party or when the authority
448 determines by a four-fifths vote of the entire authority that the award
449 of such contract by negotiation without public bidding will be in the
450 best interest of the authority. The authority may, in its sole discretion,
451 reject all such bids or proposals or any bids received from a person,
452 firm or corporation the authority finds to be unqualified to perform the
453 contract, and shall award such contract to the lowest responsible
454 bidder qualified to perform the contract.

455 Sec. 517. (*Effective from passage*) (a) If any member or employee of the
456 representative review board or of the authority is financially interested
457 in or has any personal beneficial interest, directly or indirectly, in any
458 proposed contract or proposed purchase order for any supplies,
459 materials, equipment or contractual services to be furnished to or used
460 by the representative review board or the authority, such member or
461 employee shall immediately so inform the representative review board
462 or the authority, whichever he is a member or employee of, and shall
463 take no part in the deliberations or vote concerning such contract or
464 purchase order. The representative review board and the authority, as
465 to its members and employees, as the case may be, may terminate the
466 membership or employment of any person who violates this
467 subsection.

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

480 provision of this subsection shall be fined not more than five hundred
481 dollars or imprisoned for not more than six months, or both.

482 Sec. 518. (*Effective from passage*) (a) Notwithstanding any other
483 provision of sections 501 to 532, inclusive, of this act, the authority
484 shall not sell or otherwise transfer any unimproved real property or
485 any interest or right therein, except for access or utility purposes, or
486 develop such property for any use not directly related to a water
487 supply function, other than for public recreational use not prohibited
488 by section 25-43c of the general statutes, until the land use standards
489 and disposition policies required by subsection (b) of this section have
490 been approved by the representative review board.

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

514 amendments substantial.

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

533 (d) Each request by the authority for approval pursuant to
534 subsection (c) of this section shall be accompanied by an evaluation of
535 the potential impact of the proposed action for which approval is
536 requested. The evaluation shall include the following: (1) A description
537 of the real property and its environment, including its existing
538 watershed function and the costs to the authority of maintaining such
539 property in its current use; (2) a statement that the proposed action
540 conforms to the land classification standards and disposition policies
541 of the authority; (3) a detailed statement of the environmental impact
542 of the proposed action and, if appropriate, of any alternatives to the
543 proposed action, considering (A) direct and indirect effects upon the
544 purity and adequacy of both present and future water supply, (B) the
545 relationship of the proposed action to existing land use plans,
546 including municipal and regional land use plans and the state plan of
547 conservation and development, (C) any adverse environmental effects

548 which cannot be avoided if the proposed action is implemented, (D)
549 any irreversible and irretrievable commitments of resources which
550 would be involved should the proposed action be implemented, and
551 (E) any mitigation measures proposed to minimize adverse
552 environmental impacts; except that for a sale or transfer identified in
553 accordance with subsection (b) of this section as being unlikely to have
554 any significant effect on the environment, the authority may submit a
555 preliminary assessment of the impact likely to occur in lieu of such
556 detailed statement of environmental impact, and the representative
557 review board may, on the basis of such preliminary assessment, waive
558 or modify the requirements for such detailed statement; and (4) a
559 summary of the final evaluation and recommendation of the authority.

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

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

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

581 or otherwise transfer such property and the terms of such sale or other
582 transfer.

583 (3) Not later than ninety days after such notice has been given under
584 subdivision (2) of this subsection, the legislative body of the city or
585 town or the Commissioner of Environmental Protection may give
586 written notice to the authority by certified mail, return receipt
587 requested, of the desire of the city, town or state to acquire such
588 property and the commissioner or city or town shall have the right to
589 acquire the interest in the property which the authority has declared its
590 intent to sell or otherwise transfer, provided the state's right to acquire
591 the property shall be secondary to that of the city or town.

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

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

610 (6) If the city or town or the state fails to acquire the property or to
611 proceed as provided in sections 8-128 to 8-132, inclusive, of the general
612 statutes not later than eighteen months after notice has been given by

613 the city or town or the state of its desire to acquire the property, such
614 city or town or the state shall have waived its rights to acquire such
615 property in accordance with the terms of this subsection.

616 (7) Notwithstanding the provisions of section 521 of this act, the
617 authority shall not be obligated to make payments in lieu of taxes on
618 such property for the period from the date the city or town gives notice
619 of its desire to acquire such property.

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

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

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

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

642 (h) The authority shall use the proceeds of any sale or transfer under
643 this section solely for capital improvements to its remaining properties,

644 acquisition of real property or any interest or right therein, retirement
645 of debt or any combination of such purposes.

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

650 (j) In recognition that land that is classified as Class I or II land
651 pursuant to section 25-37c of the general statutes is used and useful to
652 protect the purity of the water supply, all land owned by the authority
653 that is classified as Class I or II land pursuant to said section 25-37c
654 may not be sold, leased or assigned unless a permanent conservation
655 easement on the land is entered into to preserve the land in perpetuity
656 predominantly in its natural scenic and open condition for the
657 protection of natural resources and public water supplies while
658 allowing for recreation consistent with such protection and
659 improvements necessary for the protection or provision of safe and
660 adequate potable water. As used in this section, "preservation in
661 perpetuity" shall not be construed to include permission for the land to
662 be developed for any commercial, residential or industrial uses, nor
663 shall it include permission for recreational purposes requiring intense
664 development, including, but not limited to, golf courses, driving
665 ranges, tennis courts, ballfields, swimming pools and uses by
666 motorized vehicles other than vehicles needed by water companies to
667 carry out their purposes, provided trails or pathways for pedestrians,
668 motorized wheelchairs or nonmotorized vehicles shall not be
669 considered intense development.

670 (k) In order to conserve the land of the authority and in recognition
671 of the ecological value of the land of the authority that is classified as
672 Class III land pursuant to section 25-37c of the general statutes, the
673 authority may sell, lease or assign any parcel of land of the authority
674 that is classified as Class III land, provided such land is subject to a
675 permanent conservation easement with the same conservation
676 restrictions and development prohibitions set forth in subsection (j) of

677 this section for permanent conservation easements, except that the
678 authority may sell, lease or assign a parcel of Class III land owned by
679 the authority not subject to such an easement if such sale, lease or
680 assignment (1) is approved unanimously by each member of the
681 representative review board and each member of the authority, and (2)
682 is consistent with all other requirements of this section.

683 Sec. 519. (*Effective from passage*) The authority shall not acquire, by
684 purchase, lease or otherwise, any existing water supply system or parts
685 thereof, or commence any project costing more than two million
686 dollars to repair, improve, construct, reconstruct, enlarge and extend
687 any of its properties or systems without the approval, following a
688 public hearing, of a majority of the total weighted votes of the
689 membership of the representative review board. In the case of the first
690 acquisition by the authority of an existing water supply system or part
691 thereof, after such approval by the representative review board the
692 authority shall file with the town clerk of each city and town in the
693 district its plan for such acquisition. The legislative body of each such
694 city and town shall approve or disapprove such acquisition plan not
695 later than sixty days after such filing, provided failure to disapprove
696 within said sixty days shall be deemed approval of such acquisition
697 plan. The authority shall not first acquire an existing water supply
698 system or part thereof except in accordance with an acquisition plan
699 approved by at least sixty per cent of such legislative bodies, except
700 that the authority shall acquire the municipally-owned Torrington
701 Water Supply.

702 Sec. 520. (*Effective from passage*) (a) The authority shall have an
703 annual audit of its accounts, books and records by a certified public
704 accountant selected by the representative review board. A copy of the
705 audit shall be filed in the office of the town clerk in each town within
706 the district and with the Public Utilities Control Authority, and shall
707 be available for public inspection during the ordinary business hours
708 of the authority at the principal office of the authority. A concise
709 financial statement shall be published annually, at least once, in a
710 newspaper of general circulation in the municipality where the

711 principal office of the authority is located. If such publication is not
712 made by the authority, the representative review board shall publish
713 such statement at the expense of the authority.

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

716 Sec. 521. (*Effective from passage*) (a) The authority or a subsidiary
717 corporation shall not be required to pay taxes or assessments upon any
718 of the properties acquired by it or under its jurisdiction, control or
719 supervision. In lieu of such taxes or assessments the authority shall
720 make annual payments to each city or town in which it or a subsidiary
721 corporation owns property related to the water supply system equal to
722 the taxes which would otherwise be due for the property of the
723 authority or such subsidiary corporation in such municipality,
724 excluding any improvements made to or constructed on any such real
725 property by the authority or such subsidiary corporation, provided
726 land owned by the authority or a subsidiary corporation related to the
727 water supply system shall be assessed in accordance with section 12-63
728 of the general statutes. Payments for property acquired by the
729 authority or a subsidiary corporation during any tax year shall be
730 adjusted for such fractional year in accordance with the customary
731 practice in such city or town for adjusting taxes between the buyer and
732 seller of real property. The authority or a subsidiary corporation shall
733 reimburse each such city or town for its expenses in providing
734 municipal services to any improvements made to or constructed on
735 any real property by the authority or such subsidiary corporation
736 within such city or town. As used in this section, "improvements" shall
737 not include water pipes or improvements to water pipes.

738 (b) The authority may contest the assessed valuation of any
739 properties owned by the authority or a subsidiary corporation with
740 respect to which any payment in lieu of taxes is determined in the
741 same manner as any owner of real property in such city or town.
742 Payments in lieu of taxes payable to any city or town shall be paid by
743 the authority to the city or town upon the date and in the manner

744 provided for the payment of real property taxes of the city or town.

745 (c) In the event the authority in any year does not have sufficient
746 funds to make such payments in lieu of taxes, or any portion of them,
747 as the same become due and payable, the authority shall adjust its
748 rates and charges and the representative review board shall approve
749 such adjustment of rates and charges, after a public hearing thereon as
750 provided in section 514 of this act, so as to provide funds not later than
751 one year after the date on which such payment became due and
752 payable to make such payment. Any city or town or any holder of
753 bonds or notes of the authority aggrieved by the failure of the
754 authority to make any payment in lieu of taxes or portion thereof as
755 the same becomes due and payable may apply to the superior court for
756 the county in which such city or town is situated for an order directing
757 the authority to appropriately increase its rates and charges.

758 (d) Neither the authority nor a subsidiary corporation shall be
759 required to pay taxes imposed upon or measured by the receipts or
760 earnings derived by the authority or such subsidiary corporation
761 through the ownership or operation of a water supply system, or
762 imposed as a result of the income, powers, activities or items reflected
763 on the balance sheet of the authority or such subsidiary corporation.

764 Sec. 522. (*Effective from passage*) (a) The authority, subject to the
765 approval of the representative review board, may, from time to time,
766 issue its negotiable bonds for any of its corporate purposes, including
767 incidental expenses in connection therewith, and to secure the
768 payment of the same by a lien or pledge covering all or part of its
769 contracts, earnings or revenues. The authority shall have power, from
770 time to time, whenever it deems refunding expedient, to refund any
771 bonds by the issuance of new bonds within the terms of any refunding
772 provisions of its bonds, whether the bonds to be refunded have or
773 have not matured, and may issue bonds partly to refund bonds then
774 outstanding and partly for any of its public purposes. Except as may
775 be otherwise expressly provided by the authority every issue of bonds
776 by the authority shall be preferred obligations, taking priority over all

777 other claims against the authority, including payments in lieu of taxes
778 to any municipality, and payable out of any moneys, earnings or
779 revenues of the authority, subject only to any agreements with the
780 holders of particular bonds pledging any particular moneys, earnings
781 or revenues. Notwithstanding the fact that the bonds may be payable
782 from a special fund, if they are otherwise of such form and character as
783 to be negotiable instruments under the terms of the Uniform
784 Commercial Code, the bonds shall be negotiable instruments within
785 the meaning of and for all the purposes of the Uniform Commercial
786 Code, subject only to the provisions of the bonds for registration.

787 (b) The bonds shall be authorized by resolution of the authority and
788 shall bear such date or dates, mature at such time or times, not
789 exceeding forty years from their respective dates, bear interest at such
790 rates per annum, not exceeding statutory limitations, be payable at
791 such times, be in such denomination, be in such form, either coupon or
792 registered, carry such registration privileges, be executed in such
793 manner, be payable in lawful money of the United States of America,
794 at such place or places, and be subject to such terms of redemption as
795 such resolution or resolutions may provide. All bonds of the authority
796 shall be sold through a negotiated sale or a public sale to the bidder
797 who shall offer the lowest true interest cost to the authority, to be
798 determined by the authority.

799 (c) Any resolution or resolutions authorizing any bonds or any issue
800 of bonds may contain provisions which shall be a part of the contract
801 with the holders of the bonds thereby authorized as to (1) pledging all
802 or any part of the moneys, earnings, income and revenues derived
803 from all or any part of the properties of the authority to secure the
804 payment of the bonds or of any issue of the bonds subject to such
805 agreement with the bondholders as may then exist; (2) the rates,
806 rentals, fees and other charges to be fixed and collected and the
807 amounts to be raised in each year thereby, and the use and disposition
808 of the earnings and other revenues; (3) the setting aside of reserves and
809 the creation of sinking funds and the regulation and disposition
810 thereof; (4) limitations on the rights of the authority to restrict and

811 regulate the use of the properties in connection with which such bonds
812 are issued; (5) limitations on the purposes to which, and the manner in
813 which, the proceeds of the sale of any issue of bonds may be applied;
814 (6) limitations on the issuance of additional bonds, the terms upon
815 which additional bonds may be issued and secured, and the refunding
816 of outstanding or other bonds; (7) the procedure, if any, by which the
817 terms of any contract with bondholders may be amended or
818 abrogated, the amount of bonds the holders of which must consent
819 thereto and the manner in which such consent may be given; (8) the
820 creation of special funds into which any earnings or revenues of the
821 authority may be deposited; (9) the terms and provisions of any trust
822 deed or indenture securing the bonds or under which bonds may be
823 issued; (10) definitions of the acts or omission to act which shall
824 constitute a default in the obligations and duties of the authority to the
825 bondholders and providing the rights and remedies of the
826 bondholders in the event of such default, including as a matter of right
827 the appointment of a receiver, provided such rights and remedies shall
828 not be inconsistent with the general laws of this state; (11) limitations
829 on the power of the authority to sell or otherwise dispose of its
830 properties; (12) any other matters, of like or different character, which
831 in any way affect the security or protection of the bonds; and (13)
832 limitations on the amount of moneys derived from the properties to be
833 expended for operating, administrative or other expenses of the
834 authority.

835 (d) The authority may obtain from a commercial bank or insurance
836 company a letter of credit, line of credit or other liquidity facility or
837 credit facility for the purpose of providing funds for the payments in
838 respect of bonds, notes or other obligations required by the holder
839 thereof to be redeemed or repurchased prior to maturity or for
840 providing additional security for such bonds, notes or other
841 obligations. In connection therewith, the authority may enter into
842 reimbursement agreements, remarketing agreements, standby bond
843 purchase agreements and any other necessary or appropriate
844 agreements. The authority may pledge all or any part of the moneys,

845 earnings, income and revenues derived from all or any part of the
846 properties of the authority and any other property which may be
847 pledged to bondholders to secure its payment obligations under any
848 agreement or contract entered into pursuant to this section subject to
849 such agreements with the bondholders as may then exist.

850 (e) In connection with or incidental to the carrying of bonds or notes
851 or in connection with or incidental to the sale and issuance of bonds or
852 notes, the authority may enter into such contracts to place the
853 obligation of the authority, as represented by the bonds or notes, in
854 whole or in part, on such interest rate or cash flow basis as the
855 authority may determine, including without limitation, interest rate
856 swap agreements, insurance agreements, forward payment conversion
857 agreements, contracts providing for payments based on levels of, or
858 changes in, interest rates or market indices, contracts to manage
859 interest rate risk, including, without limitation, interest rate floors or
860 caps, options, puts, calls and similar arrangements. Such contracts
861 shall contain such payment, security, default, remedy and other terms
862 and conditions as the authority may deem appropriate and shall be
863 entered into with such party or parties as the authority may select,
864 after giving due consideration, where applicable, for the
865 creditworthiness of the counter party or counter parties, provided such
866 parties or counter parties shall be a financial institution whose
867 unsecured long-term obligations are rated within the top two rating
868 categories of any nationally recognized rating service. The authority
869 may pledge all or any part of the moneys, earnings, income and
870 revenues derived from all or any part of the properties of the authority
871 and any other property which may be pledged to bondholders to
872 secure its payment obligations under any agreement or contract
873 entered into pursuant to this section subject to such agreements with
874 the bondholders as may then exist.

875 (f) It is the intention of the General Assembly that any pledge of
876 earnings, revenues or other moneys made by the authority shall be
877 valid and binding from the time when the pledge is made; that the
878 earnings, revenues or other moneys so pledged and thereafter received

879 by the authority shall immediately be subject to the lien of such pledge
880 without any physical delivery thereof or further act, and that the lien
881 of any such pledge shall be valid and binding as against all parties
882 having claims of any kind in tort, contract or otherwise against the
883 authority irrespective of whether such parties have notice thereof.
884 Neither the resolution nor any other instrument by which a pledge is
885 created need be recorded.

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

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

894 (i) In the discretion of the authority, the bonds may be secured by a
895 trust indenture by and between the authority and a corporate trustee,
896 which may be any trust company or bank having the powers of a trust
897 company. Such trust indenture may contain such provisions for
898 protecting and enforcing the rights and remedies of the bondholders as
899 may be reasonable and proper and not in violation of any law,
900 including covenants setting forth the duties of the authority in relation
901 to the construction, maintenance, operation, repair and insurance of
902 the properties and the custody, safeguarding and application of all
903 moneys, and may provide that the properties shall be constructed and
904 paid for under the supervision and approval of consulting engineers.
905 The authority may provide by such trust indenture or other depository
906 for the methods of disbursement thereof, with such safeguards and
907 restrictions as it may determine. All expenses incurred in carrying out
908 such trust indenture may be treated as part of the cost of maintenance,
909 operation and repair of the properties. If the bonds are secured by a
910 trust indenture, bondholders shall have no authority to appoint a
911 separate trustee to represent them.

912 (j) Notwithstanding any other provision of sections 501 to 532,
913 inclusive, of this act, any resolution or resolutions authorizing bonds
914 or notes of the authority shall contain a covenant by the authority that
915 it will at all times maintain rates, fees, rentals or other charges
916 sufficient to pay, and that any contracts entered into by the authority
917 for the sale and distribution of water shall contain rates, fees, rentals or
918 other charges sufficient to pay, the cost of operation and maintenance
919 of the properties and the principal of and interest on any obligation
920 issued pursuant to such resolution or resolutions as the same severally
921 become due and payable, and to maintain any reserves or other funds
922 required by the terms of such resolution or resolutions.

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

928 Sec. 523. (*Effective from passage*) The authority shall have the power
929 and is authorized to issue negotiable notes and may renew the same
930 from time to time, but the maximum maturity of any such note,
931 including renewals thereof, shall not exceed five years from date of
932 issuance of such original note. Such notes shall be paid from any
933 moneys of the authority available therefor and not otherwise pledged
934 or from the proceeds of the sale of the bonds of the authority in
935 anticipation of which they were issued. The notes shall be issued and
936 may be secured in the same manner as the bonds and such notes and
937 the resolution or resolutions authorizing such notes may contain any
938 provisions, conditions or limitations which the bonds or a bond
939 resolution of the authority may contain. Such notes shall be as fully
940 negotiable as the bonds of the authority.

941 Sec. 524. (*Effective from passage*) The state of Connecticut does pledge
942 to and agree with the holders of the bonds or notes of the authority
943 that the state will not limit or alter the rights vested in the authority to
944 acquire, construct, maintain, operate, reconstruct and improve the

945 properties, to establish and collect the revenues, rates, rentals, fees and
946 other charges referred to in sections 501 to 532, inclusive, of this act
947 and to fulfill the terms of any agreements made with the holders of the
948 bonds or notes, or in any way impair the rights and remedies of the
949 bondholders or noteholders until the bonds or notes together with
950 interest thereon, interest on any unpaid installments of interest and all
951 costs and expenses in connection with any action or proceeding by or
952 on behalf of the bondholders or noteholders are fully met and
953 discharged.

954 Sec. 525. (*Effective from passage*) The bonds, notes or other obligations
955 of the authority shall not be a debt of the state of Connecticut or of any
956 municipality, and neither the state nor any municipality shall be liable
957 therefor, nor shall they be payable out of funds other than those of the
958 authority.

959 Sec. 526. (*Effective from passage*) The bonds and notes of the authority
960 shall be securities in which all public officers and bodies of this state
961 and all municipalities, all insurance companies and associations and
962 other persons carrying on an insurance business, all banks, bankers,
963 trust companies, savings banks, savings and loan associations,
964 investment companies and other persons carrying on a banking
965 business and all other persons whatever, except as provided in this
966 section, who are now or may be authorized to invest in bonds or other
967 obligations of the state, may properly and legally invest funds,
968 including capital in their control or belonging to them; provided,
969 notwithstanding the provisions of any general statute or special act,
970 such bonds shall not be eligible for the investment of funds, including
971 capital, of trusts, estates or guardianships under the control of
972 individual administrators, guardians, executors, trustees or other
973 individual fiduciaries. The bonds shall also be securities which may be
974 deposited with and may be received by all public officers and bodies
975 of this state and all municipalities and municipal subdivisions for any
976 purpose for which the deposit of bonds or other obligations of this
977 state is now or may be authorized.

978 Sec. 527. (*Effective from passage*) The principal and interest of any
979 bonds and notes issued under the provisions of section 522 of this act,
980 their transfer and the income therefrom, including revenues derived
981 from the sale thereof, shall at all times be free from taxation of every
982 kind by the state of Connecticut or under its authority, except for estate
983 or succession taxes, but the interest on such bonds and notes shall be
984 included in the computation of any excise or franchise tax.

985 Sec. 528. (*Effective from passage*) Nothing in sections 501 to 532,
986 inclusive, of this act, shall be construed to deprive the Commissioner
987 of Environmental Protection, the Commissioner of Public Health, any
988 representative review board or any successor commissioner or board
989 of any jurisdiction which such commissioners or boards may now or
990 hereafter have. Neither the Public Utilities Control Authority nor any
991 successor board or commissioner shall have jurisdiction of any kind
992 over the authority, a subsidiary corporation, the representative review
993 board or the rates fixed or charges collected by the authority. The
994 authority shall annually file the report required of municipalities
995 pursuant to section 16-29 of the general statutes with the Public
996 Utilities Control Authority or any successor board and the clerks of the
997 towns and cities within the district.

998 Sec. 529. (*Effective from passage*) If the provisions of sections 501 to
999 532, inclusive, of this act are inconsistent with the provisions of any
1000 general statute or special act or any municipal ordinance, the
1001 provisions of said sections 501 to 532, inclusive, shall be controlling,
1002 except that nothing contained in said sections 501 to 532, inclusive,
1003 shall exempt the authority from compliance with zoning regulations
1004 lawfully established by any city or town.

1005 Sec. 530. (*Effective from passage*) (a) The authority or any person who
1006 is aggrieved by a decision of the representative review board with
1007 respect to the establishment of rates or charges, the establishment of
1008 land use standards and disposition policies, the sale or other transfer
1009 or change of use of real property, the location of purification, filtration
1010 treatment plants, the commencement of any project costing more than

1011 two million dollars to repair, improve, construct, reconstruct, enlarge
1012 or extend any of the properties or systems of the authority or the
1013 acquisition by purchase, lease or otherwise of any existing water
1014 supply system, or part thereof, is entitled to review by the Superior
1015 Court as provided in this section. For the purposes of this section the
1016 holders of any bonds or notes of the authority and any trustee acting
1017 on behalf of such holders shall be deemed aggrieved persons with
1018 respect to any decision of the representative review board which
1019 violates any covenant or other provision of the resolution or
1020 resolutions authorizing such bonds or notes.

1021 (b) Proceedings for review shall be instituted by filing a petition in
1022 the Superior Court for the judicial district of Litchfield not later than
1023 forty-five days after publication of the decision of the representative
1024 review board or, if a rehearing is requested, not later than forty-five
1025 days after the decision thereon. Copies of the petition shall be served
1026 upon the representative review board and published in a newspaper
1027 or newspapers having a general circulation in each town or city
1028 comprising the district.

1029 (c) The filing of the petition shall not of itself stay enforcement of the
1030 decision of the representative review board. The representative review
1031 board may grant, or the reviewing court may order, a stay upon
1032 appropriate terms, provided enforcement of a decision respecting the
1033 establishment of rates or charges may be stayed only after issuance of a
1034 judgment for the appellant by the reviewing court.

1035 (d) Not later than thirty days after service of the petition, or within
1036 such later time as may be allowed by the court, the representative
1037 review board shall transmit to the reviewing court the original or a
1038 certified copy of the entire record of the proceeding under review,
1039 which shall include the representative review board's findings of fact
1040 and conclusions of law, separately stated. By stipulation of all parties
1041 to the review proceedings, the record may be shortened. A party
1042 unreasonably refusing to stipulate to limit the record may be taxed by
1043 the court for the additional costs. The court may require or permit

1044 subsequent corrections or additions to the record.

1045 (e) If, before the date set for hearing, application is made to the court
1046 for leave to present additional evidence, and it is shown to the
1047 satisfaction of the court that the additional evidence is material and
1048 that there were good reasons for failure to present it in the proceeding
1049 before the representative review board, the court may refer the case
1050 back to the board with instructions to take such evidence as the court
1051 directs. The representative review board may modify its findings and
1052 decision by reason of the additional evidence and shall file that
1053 evidence and any modifications, new findings or decisions with the
1054 reviewing court.

1055 (f) The review shall be conducted by the court without a jury and
1056 shall be confined to the record. In cases of alleged irregularities in
1057 procedure before the representative review board, not shown in the
1058 record, proof thereon may be taken in the court. The court, upon
1059 request, shall hear oral argument and receive written briefs.

1060 (g) The court shall not substitute its judgment for that of the
1061 representative review board as to the weight of the evidence on
1062 questions of fact. The court shall affirm the decision of the
1063 representative review board unless the court finds that the substantial
1064 rights of the appellant have been prejudiced because the representative
1065 review board's findings, inferences, conclusions or decisions are: (1) In
1066 violation of constitutional provisions, any general statute or special act
1067 or the provisions of this act; (2) in excess of the authority of the
1068 representative review board; (3) made upon unlawful procedure; (4)
1069 affected by other error of law; (5) clearly erroneous in view of the
1070 reliable probative, and substantial evidence on the whole record; or (6)
1071 arbitrary or capricious or characterized by abuse of discretion or
1072 clearly unwarranted exercise of discretion. If the court finds such
1073 prejudice, it shall sustain the appeal and, if appropriate, may render a
1074 judgment under subsection (h) of this section or remand the case for
1075 further proceedings.

1076 (h) If a particular representative review board action is required by
1077 law, the court, on sustaining the appeal, may render a judgment that
1078 modifies the representative review board decision, orders the
1079 representative review board action, or orders the representative review
1080 board to take such action as may be necessary to effect the particular
1081 action.

1082 (i) In any case in which an aggrieved party claims that he cannot
1083 pay the costs of an appeal under this section and will thereby be
1084 deprived of a right to which he is entitled, he shall, within the time
1085 permitted for filing the appeal, file with the clerk of the court to which
1086 the appeal is to be taken an application for waiver of payment of such
1087 fees, costs and necessary expenses, including the requirements of
1088 bond, if any. The application shall conform to the requirements of
1089 section 28A of the Practice Book. After such hearing as the court
1090 determines is necessary, the court shall enter its judgment on the
1091 application, which judgment shall contain a statement of the facts the
1092 court has found, with its conclusions thereon. The filing of the
1093 application for the waiver shall toll the time limits for the filing of an
1094 appeal until such time as a judgment on such application is entered.

1095 (j) Neither the authority nor the representative review board shall be
1096 construed to be an agency within the scope of chapter 54 of the general
1097 statutes.

1098 Sec. 531. (*Effective from passage*) The State Bond Commission may
1099 insure in the name of the state and may make advance commitments to
1100 insure any sums borrowed by the authority, not exceeding in the
1101 aggregate five million dollars, for the purpose of providing working
1102 capital and organization funds for the authority. In the event the state
1103 becomes liable as a result of default with respect to any such sums
1104 borrowed by the authority which were so insured by the state,
1105 necessary payment shall be made by the state treasurer from funds
1106 appropriated for debt service. Whatever sums are borrowed by the
1107 authority under the provisions of this section shall be repaid to the
1108 lender or lenders of the same on or before July 1, 2016.

1109 Sec. 532. (*Effective from passage*) Neither the members of the
 1110 authority, nor any person acting on its behalf nor any member or
 1111 employee of the representative review board, while acting within the
 1112 scope of their authority shall be subject to any personal liability
 1113 resulting from the erection, construction, reconstruction, maintenance
 1114 or operation of the properties or any of the improvements of the
 1115 authority or a subsidiary corporation or resulting from carrying out
 1116 any of the powers expressly given in sections 501 to 532, inclusive, of
 1117 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
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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