



Senate

General Assembly

File No. 503

January Session, 2011

Substitute Senate Bill No. 764

Senate, April 13, 2011

The Committee on Planning and Development reported through SEN. CASSANO of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE MATTABASSETT DISTRICT.

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

1 Section 1. Section 2 of number 240 of the special acts of 1961, as
2 amended by section 1 of number 134 of the special acts of 1963 and
3 section 1 of number 124 of the special acts of 1967, is amended to read
4 as follows (*Effective October 1, 2011*):

5 (a) Within sixty days after action to establish said Mattabasset
6 District has been initiated as set forth in section 1 [hereof] of number
7 240 of the special acts of 1961, the legislative bodies of the city of New
8 Britain, and such of the towns of Berlin and Cromwell as have
9 indicated an intention of forming such district, shall meet individually
10 at a time and place designated by the presiding officer of the city
11 council in the case of New Britain and by the first selectman in the case
12 of Berlin and Cromwell, and each city and town shall provide, by
13 resolution of its legislative body, for the appointment of its
14 representative to the board of directors for said Mattabasset District,

15 which board of directors shall consist of seven representatives from the
16 city of New Britain, three representatives from the town of Berlin and
17 two representatives from the town of Cromwell. Of the representatives
18 so appointed by the city of New Britain, three shall serve for terms of
19 three years, three for terms of two years and one for a term of one year
20 as determined by the legislative body. Of the representatives so
21 appointed by the town of Berlin, two shall serve for terms of two years
22 and one for a term of one year, as so determined. Of the
23 representatives appointed by the town of Cromwell, one shall be
24 appointed for a term of two years and one shall be appointed for a
25 term of one year. Thereafter, appointments shall be for terms of three
26 years and [until successors have been appointed and have qualified,
27 but no person shall continue to serve as a member of said board after
28 removal of his residence from the municipality by which he was
29 appointed. Within sixty days following the publication of the 1980
30 federal census and within sixty days following the publication of each
31 subsequent federal census, the board of directors shall meet to
32 determine whether any reapportionment shall be made in the number
33 of members representing each constituent municipality on said board.
34 The total number of members on said board shall be twelve and each
35 constituent municipality having a population of five thousand or more
36 shall be entitled to two memberships on said board. The remaining
37 memberships on said board shall be allocated among the constituent
38 municipalities in the same proportion as the population of each
39 constituent municipality in excess of five thousand bears to the
40 aggregate amount of such excess population. An allocation factor shall
41 be computed by dividing said aggregate amount of excess population
42 by the number of memberships to be allocated under this formula.
43 Each constituent municipality shall be entitled to the number of
44 additional memberships, rounded to the nearest whole number,
45 resulting from dividing its population in excess of five thousand by the
46 allocation factor. If application of the above formula requires
47 reallocation of the membership of the board, such reallocation shall
48 become effective one year after the publication of the applicable census
49 unless the district board shall have set an earlier effective date] the

50 total number of representatives on the board of directors shall be
51 twelve. Not later than sixty days after October 1, 2011, and provided
52 the city of Middletown is admitted to said Mattabassett District
53 pursuant to subsection (c) of this section, each constituent
54 municipality, as defined in section 6 of number 134 of the special acts
55 of 1963, as amended by section 2 of this act, shall be entitled to three
56 representatives each on said board. The total number of
57 representatives on said board shall be twelve, and, provided the city of
58 Middletown is admitted to said Mattabassett District, the membership
59 of the board shall be modified as follows: (1) On or before October 30,
60 2011, the city of New Britain shall not reappoint its four
61 representatives whose terms expire on or before October 30, 2011, and
62 of its remaining three representatives, whose terms expire in October,
63 2012, one shall be reappointed to a term of one year, one shall be
64 reappointed for a term of two years and one shall be reappointed to a
65 term of three years; (2) not later than sixty days after October 1, 2011,
66 the city of Middletown shall appoint one representative for a term of
67 one year, one representative for a term of two years and one
68 representative for a term of three years; and (3) not later than sixty
69 days after October 1, 2011, the town of Cromwell shall appoint one
70 representative for a term of one year. Thereafter, appointments of
71 representatives by all constituent municipalities shall be for terms of
72 three years.

73 (b) The city of Middletown may apply for admission to said
74 Mattabassett District by vote of its legislative body. The board of
75 directors of said Mattabassett District may admit the city of
76 Middletown as a constituent member subject to the provisions of the
77 charter of said district.

78 Sec. 2. Section 6 of number 134 of the special acts of 1963 is amended
79 to read as follows (*Effective October 1, 2011*):

80 As used in [this act] number 134 of the special acts of 1963, unless a
81 different meaning clearly appears from the context: (a) "District" means
82 the Mattabassett District; (b) "district board" means the board of

83 directors of the district; (c) "municipality" means any city, town,
84 borough or fire district; (d) "constituent municipality" means the city of
85 New Britain and the towns of Berlin and Cromwell, and the city of
86 Middletown upon admission to the district pursuant to section 2 of
87 number 240 of the special acts of 1961, as amended by section 1 of
88 number 134 of the special acts of 1963, section 1 of number 124 of the
89 special acts of 1967 and section 1 of this act; (e) the terms "sewage,"
90 "sewerage system," "acquire a sewerage system," "construct a sewerage
91 system," "operate a sewerage system," and "person" shall have the
92 meanings set forth in section 7-245 of the general statutes; (f) "bonds"
93 means bonds, notes or other obligations issued pursuant to this act; (g)
94 "service charges" means rents, rates, fees, or other charges for direct or
95 indirect connection with or the use or services of the sewerage system;
96 (h) "charter" means the charter adopted by the district as provided in
97 section 4 of number 240 of the special acts of 1961; (i) "charter
98 municipality" means the city of New Britain and the towns of Berlin
99 and Cromwell.

100 Sec. 3. Section 16 of number 134 of the special acts of 1963 is
101 amended to read as follows (*Effective October 1, 2011*):

102 Whenever the district has authorized the acquisition or construction
103 of all or any part of a sewerage system, it may issue bonds or notes
104 which are secured as to both principal and interest by (a) the full faith
105 and credit of the district and of each of the constituent municipalities,
106 or by (b) a pledge of and lien upon all or any portion of the revenues
107 and proceeds to be derived from sewerage system service charges,
108 connection charges, benefit assessments, amounts paid in lieu of
109 service charges by the constituent municipalities, payments due to the
110 district from the constituent municipalities, contributions from the
111 federal government, the state or any of the constituent municipalities,
112 or from any one or more of such sources, all of which sources are
113 hereafter in this section and sections 18, 20, 22, 24 and 26 of number
114 134 of the special acts of 1963 referred to as "sewer revenues," or by (c)
115 a pledge of and lien upon all or any portion of sewer revenues, and
116 also by the full faith and credit of the district and of each of the

117 constituent municipalities. Any such pledge pursuant to this section
118 shall be valid and binding from the time the pledge is made. The sewer
119 revenues so pledged by the district shall immediately be subject to the
120 lien of such pledge without any physical delivery thereof or further
121 act, and the lien of any such pledge shall be valid and binding against
122 all parties having claims of any kind in tort, contract or otherwise
123 against the district, irrespective of whether such parties have notice
124 thereof. Such lien shall have priority over all other liens, including,
125 without limitation, the lien of any person who in the ordinary course
126 of business furnishes services or materials to the district.
127 Notwithstanding any provision of the Uniform Commercial Code,
128 neither the bond resolution nor any financing statement, continuation
129 statement or other instrument by which a pledge or security interest is
130 created or by which the district's interest in sewer revenues is assigned
131 need be filed in any public records in order to perfect the security
132 interest or lien thereof as against third parties. Bonds of the district
133 shall not be issued unless such issue shall have been approved by a
134 two-thirds vote of the entire membership of the district board. Bonds
135 of the district which are secured by a pledge of the full faith and credit
136 of the constituent municipalities shall not be issued unless such issue
137 shall have been [approved by each constituent municipality by vote of
138 its] subjected to a vote of the electors and citizens qualified to vote at a
139 regular or special meeting called for such purpose. The question shall
140 be determined by the majority of those persons voting in the district as
141 a whole. The district board [shall determine the amount of each issue
142 of bonds or notes and] may determine or may authorize an officer or a
143 committee to determine the amount of each issue of bonds or notes,
144 the manner of sale of such bonds or notes, the form of such bonds or
145 notes, their date, the dates of principal and interest payments, the
146 manner of issuing such bonds or notes, [and] by whom such bonds or
147 notes shall be signed or countersigned, [and, except as otherwise
148 provided herein, all other particulars thereof. Such board may
149 determine] the rate or rates of interest for each issue of bonds or notes,
150 and all other particulars thereof. [or may provide that the rate or rates
151 of interest shall be determined by an officer or a committee upon the

152 receipt of bids to purchase such bonds or notes but such rate shall not
153 exceed six per cent per annum. Bonds may be coupon or registered
154 bonds. If coupon bonds, they may be registerable as to principal only
155 or as to both principal and interest. Notes which mature not later than
156 one year from their date may be sold at discount and the amount of the
157 discount shall be treated as interest paid in advance. Any premium
158 received for sale of bonds or notes, less the cost of preparing, issuing
159 and marketing them, shall be applied to the payment of the principal
160 of the first bonds or notes of that particular issue to mature, and
161 contributions from other sources for payment of such bonds or notes
162 shall be reduced correspondingly.]

163 Sec. 4. Section 17 of number 134 of the special acts of 1963 is
164 amended to read as follows (*Effective October 1, 2011*):

165 [Bonds or notes issued under authority of this act shall be sold by
166 the district at public sale upon sealed proposals but at not less than par
167 and accrued interest except that any issue of notes which matures in its
168 entirety within one year from the date of issue may be sold at private
169 sale. Notice of such public sale shall be published at least seven days in
170 advance thereof in a recognized publication carrying municipal bonds
171 notices and devoted primarily to financial news or to the subject of
172 state and municipal bonds. The notice of sale shall describe the bond or
173 notes and shall set forth the terms and conditions of the sale. Such
174 notice may provide that all of the bonds or notes shall bear a single
175 rate of interest or may permit bidders to name not more than three
176 different rates of interest for different maturities, provided no such rate
177 shall be greater than six per cent. Such notice shall provide that, unless
178 all bids are rejected, the bonds or notes shall be awarded to the bidder
179 offering to purchase them at the lowest net cost to the district. Such net
180 cost shall be computed as to each bid by adding the total interest
181 which will be paid under the terms of the bid after deducting from
182 such total interest any premiums offered. If no bids were submitted or
183 if all bids are rejected, the bonds or notes may be re-offered by the
184 district in accordance with the above provisions for public sale or the
185 bonds or notes may be sold by the district at private sale.] The

186 proceeds arising from the sale of any bonds or notes issued under the
187 authority of [this section] number 134 of the special acts of 1963 shall
188 be delivered to the treasurer of the district and kept by him in accounts
189 separate from other funds of the district. Such proceeds shall be
190 expended only for the purposes and subject to the provisions of [this
191 act] number 134 of the special acts of 1963, provided the proceeds of
192 sale of any serial bonds or notes shall first be applied to the payment of
193 such temporary notes as may have been issued in anticipation of such
194 issue.

195 Sec. 5. Section 22 of number 134 of the special acts of 1963, as
196 amended by number 159 of the special acts of 1967, is amended to read
197 as follows (*Effective October 1, 2011*):

198 Bonds issued under the authority of [this act] number 134 of the
199 special acts of 1963 shall be (1) serial bonds maturing in annual or
200 semiannual installments of principal that shall substantially equalize
201 the aggregate amount of principal and interest due in each annual
202 period commencing with the first annual period in which an
203 installment of principal is due, (2) in serial form maturing in annual
204 [instalments] or semiannual installments of principal and no
205 [instalment] installment of any series shall exceed by more than fifty
206 per cent any prior [instalment] installment of such series, (3) term
207 bonds with mandatory deposit of sinking fund payments into a
208 sinking fund of amounts sufficient to redeem or amortize the principal
209 of the bonds in annual or semiannual installments that shall
210 substantially equalize the aggregate amount of principal redeemed or
211 amortized and interest due in each annual period commencing with
212 the first annual period in which a mandatory sinking fund payment
213 becomes due, or (4) sufficient to redeem or amortize the principal of
214 the bonds in annual or semiannual installments not one of which shall
215 exceed by more than fifty per cent the amount of any prior installment.
216 The first [instalment] installment of any such series of bonds [, other
217 than bonds secured solely by a pledge of and lien upon all or any
218 portion of sewer revenues,] shall mature, or the first sinking fund
219 payment of any series of bonds shall be due, not more than [two] three

220 years from the date of issue of such series and the last [instalment]
221 installment shall mature not more than thirty years from the date of
222 issue of each series, or, if any notes have been issued in anticipation
223 thereof or are to be paid from the proceeds thereof, from the date of
224 issue of the first such note. [The first instalment of any series of bonds
225 issued under the authority of this act which are secured solely by a
226 pledge of and lien upon all or any portion of sewer revenues shall
227 mature not more than four years from the date of issue of such series
228 and the last instalment shall mature not more than thirty years from
229 the date of the issue of such series, or if any notes shall have been
230 issued in anticipation thereof, or are to be paid from the proceeds
231 thereof, from the date of issue of the first such note.]

232 Sec. 6. Section 24 of number 134 of the special acts of 1963 is
233 amended to read as follows (*Effective October 1, 2011*):

234 The district board having authorized the acquisition or construction
235 of all or any part of a sewerage system and having made an
236 appropriation therefor may borrow temporarily upon the credit of the
237 district such sum or sums as may be necessary for such acquisition or
238 construction and may issue temporary notes for any such loan,
239 including temporary notes issued in anticipation of the sale of bonds of
240 the district. Each issue of any such temporary notes shall constitute a
241 separate loan and may be for a period of not more than [two years,
242 except that any temporary notes issued in anticipation of the sale of
243 bonds to be secured solely by a pledge of and lien upon all or any
244 portion of sewer revenues may be for a period of not more than four
245 years. Such temporary notes may be renewed from time to time by the
246 issue of other temporary notes, provided the period from the date of
247 issue of the original notes to the date of maturity of the last renewal
248 notes shall not be more than two or four years as the case may be. The
249 interest or discount on such temporary notes, including renewals
250 thereof, and the expense of preparing, issuing and marketing the same
251 may be included as a cost of the acquisition or construction of the
252 sewerage system and may either be borrowed temporarily under the
253 provisions of this section or funded by the issue of serial bonds or

254 notes under the provisions of this act. Temporary notes may be issued
255 under the authority of this section in anticipation of proceeds to be
256 derived from the sale of bonds, notwithstanding that, at the time of
257 issuing such temporary notes, the district shall not have actually
258 authorized the issue of such bonds] the term permitted to
259 municipalities pursuant to chapter 109 of the general statutes.

260 Sec. 7. Section 26 of number 134 of the special acts of 1963 is
261 amended to read as follows (*Effective October 1, 2011*):

262 In connection with any bonds or notes issued under the authority of
263 [this act] number 134 of the special acts of 1963, the district board may,
264 or may by resolution [of the district board] authorize an officer or a
265 committee to, and each constituent municipality may, by resolution of
266 the legislative body [having power to make annual appropriations for]
267 of such municipality, as defined in section 7-370c of the general
268 statutes, covenant and agree with the holders thereof as to (a) the rates
269 or charges to be imposed upon the users of such sewerage system,
270 including each constituent municipality, for connection with or the use
271 of such system; (b) the use and disposition of the revenue from such
272 rates or charges; (c) the creation and maintenance of special funds and
273 the management, use and disposition thereof; (d) the purpose for
274 which the proceeds of the sale of such bonds or notes may be used; (e)
275 the acts or conduct which shall constitute a default and the rights and
276 liabilities of the holders arising upon such default; (f) the terms and
277 conditions upon which bonds or notes issued under the authority of
278 [this act] number 134 of the special acts of 1963 shall become or may be
279 declared due before maturity and the terms and conditions upon
280 which such declaration and its consequences may be waived; (g) the
281 conditions upon which other or additional bonds or notes may be
282 issued and secured by a pledge of and lien upon all or any portion of
283 sewer revenues; (h) the insurance to be carried upon the sewerage
284 system or parts thereof, and the use and disposition of any insurance
285 moneys; (i) the maintenance of books of accounts and the inspection
286 and audit thereof.

287 Sec. 8. Section 27 of number 134 of the special acts of 1963 is
288 amended to read as follows (*Effective October 1, 2011*):

289 [Each] The district board may determine, or may by resolution
290 authorize an officer or a committee to determine, whether each bond
291 or note issued in accordance with [this act] number 134 of the special
292 acts of 1963 shall be exempt, both as to principal and interest, from
293 taxation, or in such form and manner that the interest on such bonds or
294 notes may be includable under the Internal Revenue Code of 1986, or
295 any subsequent corresponding internal revenue code of the United
296 States, as from time to time amended, in the gross income of the holder
297 or holders of such bonds or notes. Taxable bonds or notes may be
298 issued only upon a finding by the district board or other officers or by
299 a committee authorized by the board to determine the rate of interest
300 that such bonds or notes shall bear, that the issuance of such taxable
301 bonds or notes is in the public interest.

302 Sec. 9. Number 134 of the special acts of 1963 is amended by adding
303 sections 32 and 33 as follows (*Effective October 1, 2011*):

304 Sec. 32. The board of directors of the district shall constitute the
305 planning commission of the district and shall be the only planning
306 commission to which a project must be submitted for purposes of
307 section 8-24 of the general statutes.

308 Sec. 33. Notwithstanding the provisions of number 240 of the special
309 acts of 1961, number 134 of the special acts of 1963, number 124 of the
310 special acts of 1967, number 159 of the special acts of 1967, number 178
311 of the special acts of 1969 and special act 85-28, upon vote of the
312 district board, the district may issue bonds, notes and other obligations
313 in the manner provided in chapter 103 of the general statutes and shall
314 have those powers of municipalities as provided in sections 7-369b, 7-
315 370b, 7-370c, 7-374b, 7-376, 7-377, 7-378b and 7-379 of the general
316 statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	Number 240 of the special acts of 1961, Sec. 2
Sec. 2	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 6
Sec. 3	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 16
Sec. 4	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 17
Sec. 5	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 22
Sec. 6	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 24
Sec. 7	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 26
Sec. 8	<i>October 1, 2011</i>	Number 134 of the special acts of 1963, Sec. 27
Sec. 9	<i>October 1, 2011</i>	Number 134 of the special acts of 1963

Statement of Legislative Commissioners:

In section 33, "number 28 of the special acts of 1985" was changed to "special act 85-28" for accuracy.

PD *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 12 \$	FY 13 \$
Middletown	Savings	See Below	See Below

Explanation

The bill will result in a savings to Middletown of approximately \$1 million in capital costs over a 20-year period because it will cost the municipality less to join the Mattabassett District and use the Mattabassett Water Pollution Control Facility (WPCF) for wastewater treatment than to make improvements to Middletown's own WPCF facility.

The table below compares the estimated cost to Middletown to construct a new sewage treatment facility vs. the cost to join the Mattabassett District. A portion of the funding for either of these projects would be provided through a grant-in-aid and low-cost loan from the state's Clean Water Fund Program.

Comparison of Costs to Middletown			
	Total (\$-mil)	Less CWF* grant (\$-mil)	Source of financing
Cost Associated with a New Middletown Sewage Treatment Plant			
Demolition of old plant/ Construction of plant	45.0	36.0	20% CWF grant-in-aid CWF loan for remainder
Intra-municipal pump station	12.0	9.6	20% CWF grant-in-aid CWF loan for remainder
Intra-municipal force main (pressure pipe)	5.5	4.4	20% CWF grant-in-aid CWF loan for remainder

Comparison of Costs to Middletown			
	Total (\$-mil)	Less CWF* grant (\$-mil)	Source of financing
Additional pump stations	2.8	2.8	Middletown bond issuance (not eligible for CWF program)
Additional force mains	3.4	3.4	Middletown bond issuance (not eligible for CWF program)
Total	68.7	56.2	
Costs for Middletown to Join Mattabassett District			
Demolition of old plant/ construction of pump station and force main to Mattabassett	22.9	18.3	20% CWF grant-in-aid CWF loan for remainder
Buy-in for Mattabassett District	13.0	13.0	Middletown bond issuance (not eligible for CWF program)
Middletown's share of Mattabassett plant expansion	31.2	24.0	22.9% CWF grant-in-aid CWF loan for remainder
Total	67.1	55.3	
* The Clean Water Fund (CWF) Program provides grant-in-aid and loans for municipal wastewater treatment facilities.			

The bill has no state fiscal impact because it does not authorize additional General Obligation bonds for the Clean Water Fund Program.

Background

Mattabassett District is currently comprised of the towns of New Britain, Berlin, and Cromwell.

The Out Years

State Impact: None

Municipal Impact: The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: *Town of Middletown; Department of Environmental Protection*

OLR Bill Analysis

sSB 764

AN ACT CONCERNING THE MATTABASSETT DISTRICT.

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Planning and Development

Joint Favorable

Yea 20 Nay 0