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**Testimony of the City of New Haven
Before the Planning and Development Committee**

Regarding
**HB 5492 AN ACT PROVIDING MUNICIPAL STORMWATER AUTHORITIES
WITH CERTAIN CORPORATE POWERS**

Submitted by
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March 16, 2012

Senator Cassano, Representative Gentile, and members of the Committee,

The City of New Haven is pleased to have the opportunity to comment in support of HB 5492 AN ACT PROVIDING MUNICIPAL STORMWATER AUTHORITIES WITH CERTAIN CORPORATE POWERS.

Public Act 07-154 established a municipal Stormwater Authority Pilot program in three municipalities. New Haven was one of these municipalities and conducted a Stormwater feasibility study.

It was demonstrated that Stormwater Authorities would:

- offer a greater level of oversight and management of stormwater assets
- Allow a user fee that assesses properties based upon the amount that they impact the system – not the value of the property
 - Non-profits would be assessed
 - Incentives could be given for implementing technologies that reduce runoff, such as reducing paved surfaces, and using rain barrels, rain gardens or retention systems
- Prioritize education about the effects of stormwater runoff and the benefits of reducing runoff

As part of the feasibility study the City engaged both environmental and legal council – and it was determined there would be challenges presented in implementing an effective Stormwater Authority as initial legislation did not give these authorities powers to bond or collect fees nor did it contemplate the benefits of regional authorities or merging Stormwater Authorities with existing Water Pollution Control Authorities.

The City of New Haven strongly supports the concept of clarifying these points and the underlining concepts of this legislation. We would be happy to work with the committee to ensure that proposed language would accomplish these goals and have attached potential substitute language modeled after the existing powers granted to Water Pollution Control authorities for your consideration. Thank you for your time.

Legislative Amendments

AN ACT EXPANDING THE POWERS OF MUNICIPAL STORMWATER AUTHORITIES.

Sec. 1. (NEW) (*Effective from passage*): **Definitions.**

(a) As used in this act, the following words and terms shall have the following meanings unless the context clearly indicates another meaning or intent:

(1) "Stormwater authority" means a stormwater authority created under the provisions of this act or any entity which is a successor of a stormwater authority;

~~(2) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough;~~

(3) "Impervious Surface" means those areas that prevent or impede the infiltration of stormwater into the soil as it entered in natural conditions prior to development. Impervious surfaces include, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, compacted gravel surfaces, awnings and other fabric or plastic coverings, and other surfaces that prevent or impede the natural infiltration of stormwater runoff which existed prior to development;

(4) "Sewage" means human and animal excretions and all domestic and such manufacturing wastes as may tend to be detrimental to the public health;

(5) "Storm Sewer" means any pipe, conduit or other structure, outlet or drain, designed to carry stormwater, drainage, groundwater or unpolluted water from any source, but excludes sewage and polluted industrial wastes.

(6) "Stormwater" means surface runoff resulting from precipitation falling on land or building surface.

(7) "Stormwater services" means all administrative, engineering, operational, regulatory, and capital improvement activities and functions performed in the course of managing the stormwater system of a stormwater authority and all other activities and functions necessary to support the provision of stormwater programs and services.

(8) "Stormwater System" means a system, including without limitation, a storm sewer, which is designed, constructed, or implemented to control discharges caused by precipitation events and incorporates methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, or otherwise affect the quantity and quality of discharges from the system.

SEC 2. Section 22a-498 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any municipality [selected by the commissioner to participate in the pilot program established pursuant to section 22a-497] may, by ordinance adopted by its legislative body, designate any existing board or commission or establish a new board or commission as the stormwater authority for such municipality. If a new board or commission is created, such municipality shall, by ordinance, determine the number of members thereof, their compensation, if any, whether such members shall be elected or appointed, the method of their appointment, if appointed, and removal and their terms of office, which shall be so arranged that not more than one-half of such terms shall expire within any one year.

(b) The purposes of the stormwater authority shall be to: (1) Develop a stormwater management program, including, but not limited to, (A) a program for construction and post-construction site stormwater runoff control, including control detention and prevention of stormwater runoff from development sites; or (B) a program for control and abatement of stormwater pollution from existing land uses, and the detection and elimination of connections to the stormwater system that threaten the public health, welfare or the environment; (2) provide public education and outreach in the municipality relating to stormwater management activities and to establish procedures for public participation; (3) provide for the administration of the stormwater management program; and (4) establish geographic boundaries of the stormwater authority [district; and (5) recommend to the legislative body of the municipality in which such district is located the imposition of a levy upon the taxable interests in real property within such district, the revenues from which may be used in carrying out any of the powers of such district]. In accomplishing the purposes of this section, the stormwater authority may plan, layout, acquire, construct, reconstruct, repair, maintain, supervise, administer and manage Stormwater [control] systems.

(c) Any stormwater authority created by a municipality pursuant to subsection (a) of this section shall constitute a body politic and corporate with police powers commensurate with the furtherance of its purposes and may [levy] impose fees [from] on property owners of the municipality for the purposes described in subsection (b) of this section. In establishing fees for any property in its district, the stormwater authority may consider criteria, including, but not limited to, the following: The area of the property containing impervious surfaces from which stormwater runoff is generated, land use types that result in higher concentrations of stormwater pollution and the grand list valuation of the property. The stormwater authority may reduce or defer such fees for land classified as, or consisting of, farm, forest or open space land.

[(d) The authority may adopt municipal regulations to implement the stormwater management program.]

[(e) The authority may, subject to the commissioner's approval, enter into contracts with any municipal or regional entity to accomplish the purposes of this section.]

Sec. 3. (NEW) (Effective from passage): Powers of the stormwater authority.

(a) A Stormwater authority established under section 22a-498 of the general statutes may:

(1) Make and revise bylaws and rules governing the administration of its property and the conduct of its affairs. A copy of all bylaws, and amendments thereto, duly certified, shall be filed in the office of the clerk of the municipality. Any revision of the bylaws of a stormwater authority shall be initiated by the adoption of a resolution by a two-thirds vote of the entire board or commission of such stormwater authority and such resolution shall contain the complete draft of such revision;

(2) Have a seal;

(3) Employ staff and fix their compensation and benefits;

(4) Contract and be contracted with, sue and be sued including the seeking of liens or pre-trial attachments in the course of collecting unpaid levies or fees and to institute, prosecute, maintain and defend any action or proceeding in any court or before any agency or tribunal of competent jurisdiction;

(5) Retain by contract or employ legal counsel, accountants, engineers, professional advisors and other private consultants;

(6) Conduct such hearings, examinations and investigations as may be necessary or convenient to the conduct of its operations and the fulfillment of its responsibilities;

(7) Obtain access to public records and apply for the process of subpoena if necessary to produce books, papers, records and other data;

(8) Establish and impose fees, rates, charges and penalties and levy assessments on property benefited by the stormwater system of such stormwater authority, including municipal users and property owned by any municipality, the state or federal government in accordance with this act, for the services it performs and waive, suspend, reduce or otherwise modify such fees, rates, charges, penalties or assessments provided each such fee, rate, charge, penalty or assessment shall apply uniformly to all users and benefited properties with respect to a given type or category of property, in accordance with criteria established by the stormwater authority, and further provided no change may be made in user fees without at least sixty days prior notice to the users affected thereby;

(9) Purchase, lease or otherwise acquire the right to use such real and personal property and any interest in such property as it may deem necessary or convenient;

(10) Appoint such advisory councils as it may deem advisable to users of the stormwater system generally;

(11) Own, manage and use real property or any interest therein;

(12) Determine the location and character of any stormwater system to be developed under the provisions of this act, subject to applicable statutes and regulations;

(13) Purchase, receive by gift or otherwise, and own, plan, design, construct, reconstruct, alter, enlarge, extend, improve, equip, furnish, operate and furnish any stormwater system and to sell or lease to any person all or any portion of a stormwater system of the stormwater authority, whenever, in the opinion of the stormwater authority, such actions are deemed to be in furtherance of the purposes of this act;

(14) Mortgage or otherwise encumber all or any portion of the stormwater authority whenever, in the opinion of the stormwater authority, such action is deemed to be in furtherance of the purposes of this act;

(15) Acquire, by purchase, gift, transfer or by condemnation for public purposes, and manage and operate, hold and dispose of real property and, subject to agreements with lessors or lessees, develop or alter such property by making improvements and betterments with the purpose of enhancing the value and usefulness of such property;

(16) Grant options to purchase, or to renew a lease for, any stormwater system of the stormwater authority on such terms as the stormwater authority may determine to be reasonable;

(17) Design or provide for the design of any stormwater system of the stormwater authority, including design for the alteration, reconstruction, improvement, enlargement, or extension of any existing stormwater system acquired by such stormwater authority;

(18) Construct, erect, build, acquire, alter, reconstruct, improve, enlarge or extend any stormwater system of the stormwater authority including provision for the inspection and supervision thereof and the engineering, architectural, legal, fiscal and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and any other actions incidental thereto;

(19) Contract with municipalities, regional authorities, municipal, state and other authorities, and state and federal agencies to provide stormwater services in accordance with the provisions of this act, and to plan, design, construct, manage, operate and maintain facilities on their behalf;

(20) Design and construct improvements or alterations on properties which it owns or which it operates by contract on behalf of other municipal or regional authorities, state agency, or municipality and restore storm sewers to beneficial public or private use;

(21) Contract for architectural, engineering and design, and construction supervision, stormwater system management and facility management services, if any, and for such other professional or technical services as may require either the prequalification of a contractor or the submission by any individual, firm or consortium or association of individuals or firms of a proposal in response to an official request for proposal or similar written communication of such stormwater authority, deemed necessary, desirable or convenient in carrying out the purposes of such stormwater authority;

(22) Contract for the construction, operation, administration or management of stormwater systems of the stormwater authority with municipalities, regional authorities, municipal, state and other authorities, and state and federal agencies, private persons or firms, or consortia of such persons or firms, pursuant to applicable provisions of this act, the requirements of applicable regulations and in accordance with such specifications, terms and conditions as the stormwater authority may deem necessary or advisable;

(23) Establish and maintain an annual budget;

(24) Accept from the state and any federal agency any loan or grant for use in carrying out its purposes and enter into agreements with such agency respecting any such loan or grant;

(25) Accept gifts, grants, or loans of funds, property, or service from any source, public or private, and comply, subject to the provisions of this act, with the terms and conditioned thereof;

(26) Receive funds from the sale of the stormwater authority's real and personal properties;

(27) Establish offices where necessary within the municipality;

(28) Own, operate, maintain, manage or make provisions for the management of the stormwater system;

(29) Indemnify and hold harmless any person or entity in connection with the financing, sale, purchase, receipt, lease, exchange, other disposition, acquisition, improvement or expansion of a stormwater system or real property of the stormwater authority;

(30) Enter upon lands and waters, as may be necessary, to make surveys, soundings, borings and examinations in order to accomplish the purposes of this act;

(31) Open the ground in any public street or way or public grounds for the purpose of laying, installing, maintaining, or replacing portions of the stormwater system, and to make provisions for the restoration of such grounds to their previous condition upon completion;

(32) Make plans, surveys, studies, and investigations necessary or desirable in conformity purposes of such stormwater authority;

(33) Deposit, keep and disperse all revenues and funds to its own accounts and not to any municipality's general fund;

(34) Make contracts authorized by this act on either a negotiated or an open-bid basis, and in the discretion of the stormwater authority based on the type of contract it deems most prudent, considering the scope of work and the management complexities therewith, the terms and conditions of such contracts and the fees or other compensation to be paid to any contracting persons pursuant to such contracts to be determined by the stormwater authority;

(35) Contract for and receive revenues in the form of rents, fees and charges paid by units or agencies of any municipality, by the state or federal government and by any private person or entity, to compensate the stormwater authority for the use of its facilities or the performance of its services; and

(36) Otherwise to do all things necessary for the performance of its duties, the fulfillment of its obligations, the conduct of its operations, and the maintenance of its working relationship with municipalities, the state, regions, and persons.

~~(b) A stormwater authority shall have the powers accorded to and the duties of a municipality or a municipal authority under the general statutes for the purpose of assessing benefits; imposing rates, fees, fines, and charges; issuing orders to connect; collecting assessments, rates, fees, fines and charges; and receiving grants and loans under the Clean Water Fund.~~

(c) Any stormwater authority created pursuant to section 22a-498 shall have all powers necessary to fulfill the purposes of this act, and to carry out its assigned responsibilities, the provisions of this act are to be construed liberally in furtherance of such purposes. The municipality creating any stormwater authority shall be deemed to have delegated to such stormwater authority all of its municipal powers consistent with the purposes of and necessary and convenient to own and operate a stormwater system and a stormwater authority shall have all of the powers of a municipality necessary and convenient to fulfill the purposes of this act, to conduct a comprehensive program for stormwater management and stormwater services in accordance with applicable law.

Sec. 4. (NEW) (*Effective from passage*) **Stormwater Authority Contracts.**

(a) Any stormwater authority created pursuant to this act may enter into contracts or agreements with any municipality, regional authority, municipal, state and other authorities, and state and federal agencies or any person or persons for stormwater services whereby such contracting entity or person agrees to make payments of fees or charges based on a percentage of actual or projected stormwater runoff or such other formula as such contract or agreement shall provide.

(b) Any existing permit, approval, license or other right, or any application filed or proceeding commenced in relation to the stormwater system or facilities of a municipality shall be transferred from such municipality to the stormwater authority established under this act and shall inure to and for the benefit of the stormwater authority and be binding upon the stormwater authority to the same extent and in the same manner as if the stormwater authority had been a party to such approval, permit, license, right, application or proceeding from its inception, and the stormwater authority shall be deemed a party thereto to the extent permitted by applicable law. Any permit, license, approval or decision heretofore or hereafter issued or granted pursuant to or as a result of any such application or proceeding shall inure to the benefit of and be binding upon the stormwater authority and shall be assigned and transferred by the municipality to the stormwater authority.

Sec. 5. (NEW) (*Effective from passage*): **Budgets.**

The fiscal year of a stormwater authority shall commence on July first of each year and continue to and including June thirtieth of the next succeeding year. Each stormwater authority shall be a municipality for purposes of chapters 55b, 111, and 112 and shall have such rights accorded to municipalities

thereby and be subject to all provisions, requirements and limitations pertaining to municipalities contained therein.

Sec. 6. (NEW) (Effective from passage): Employees. Benefits.

(a) In conformity with applicable state and federal law, the board or commission of a stormwater authority may adopt a method of selection and promotion of its employees in accordance with which it shall select and promote its employees and the board or commission of a stormwater authority shall make rules to carry out such purpose and shall investigate the enforcement and effect of such rules. The board or commission of a stormwater authority may also establish insurance, health care, retirement and other employee benefits as it deems necessary and convenient to the effective administration of the stormwater authority and may enter into contracts with any municipality, regional authority, municipal, state and other authorities, and state and federal agents or any person or persons, to provide or facilitate the provision of such benefits.

(b) A stormwater authority shall be a municipality for purposes of part II of chapter 113 and shall have all rights accorded to municipalities thereby and be subject to all provisions, requirements and limitations pertaining to municipalities contained therein. Without a referendum, a stormwater authority may accept said part II of chapter 113 by resolution adopted by its board or commission and such stormwater authority shall be deemed a participating municipality for purposes of said part II of chapter 113.

(c) The relations between a stormwater authority and its employees with respect to collective bargaining and the arbitration of labor disputes, if any, shall be governed by sections 7-467 to 7-477, inclusive.

Sec. 7. (NEW) (Effective from passage): Acquisition of property. Construction of system. Notice. Hearing.

A stormwater authority may enter upon and take and hold by purchase, condemnation or otherwise the whole or any part of any real property or interest therein which it determines is necessary or desirable for use in connection with a stormwater system. No stormwater authority shall acquire or construct all or any part of a stormwater system until after a public hearing at which the affected property owners shall have an opportunity to be heard concerning the proposed acquisition or construction. Notice of the time, place and purpose of such hearing shall be mailed not later than fifteen days before the date of the hearing by certified mail, return receipt requested, to the owner of any property to be taken for the proposed acquisition or construction at such owner's address as shown in the last-completed grand list of the municipality in which such property is located or at any later address of which the stormwater authority may have knowledge, and shall be published at least ten days before the date thereof in a newspaper having a general circulation in the municipality in which such property is located.

Sec. 8. (NEW) (Effective from passage): Determination of compensation for taking of real property.

Whenever a stormwater authority is unable to agree with the owner of any property as to the compensation to be paid for the taking of such property, in its own name and in the manner specified for a redevelopment agency in accordance with sections 8-129 to 8-133, inclusive, a stormwater authority may determine such compensation and proceed in the acquisition and use of such property as provided therein.

Sec. 9. (NEW) (Effective from passage): Assessments, rates, fees, charges and penalties.

(a) A stormwater authority may (1) levy and collect benefit assessments upon the lands and buildings within its jurisdiction that, in its judgment, are especially benefited by a stormwater system; and (2) establish, revise and collect rates, fees, charges, penalties and assessments for the use and benefits of a stormwater system.

(b) Any assessment of benefits, including any installment thereof, and any rate, charge, fee, penalty, fine or other amount that is not paid within thirty days after the due date shall be delinquent, shall be subject to interest and shall constitute a lien upon the premises served and a charge upon the owner thereof all in the manner provided both by the provisions of the general statutes for delinquent property taxes and by section 7-258. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the stormwater authority without the necessity of filing certificates of continuation, but in no event for longer than ten years. The stormwater authority may institute a civil action against such owner to recover the amount of any such rate, fee or charge or other amount which remains due and unpaid for thirty days along with interest thereon at the same rate as unpaid taxes and with reasonable attorneys' fees.

(c) The rates, fees, charges, penalties and assessments established by a stormwater authority under this act shall be established so as to provide funds sufficient in each year, with other revenues, if any, (1) to pay the cost of maintaining, repairing and operating its stormwater system, to the extent that adequate provision for the payment of such cost has not otherwise been made; (2) to make agreed upon payments in lieu of taxes, as the same become due and payable, upon the properties of the stormwater authority to the municipality in which such properties are situated; (3) to provide for the maintenance, conservation and appropriate use of the land of the stormwater authority; and (4) to pay all other reasonable and necessary costs and expenses of the stormwater authority.

No such rate, fee, charge, penalty or assessment shall be established until it has been approved by the stormwater authority and after the stormwater authority has held a public hearing at which all owners of property served or to be served and benefited or to be benefited and other interested persons have had an opportunity to be heard concerning such proposed rate, fee, charge, penalty and assessment. The stormwater authority shall not approve such rates, fees, charges, penalties and assessments unless it finds that such rates, fees, charges, penalties and assessments will provide funds at least equal to the amounts required for the purposes described in subsection (c) of this section. The rates, fees, charges, penalties and assessments so established for any class of user or property served or to be served shall be extended to any additional user or property thereafter benefited or owned which are within the same class, without the necessity of a hearing thereon. Any change in such rates, fees, charges, penalties and assessments shall be made in the same manner in which they were established.

Sec. 10. (NEW) (Effective from passage) Tax exemption.

(a) The exercise of the powers granted by this act shall constitute the performance of an essential governmental function and the stormwater authority shall not be required to pay any taxes or assessments upon or in respect of a stormwater system, or any property or moneys of the stormwater authority, levied by any municipality or political subdivision or special district having taxing powers of the state, nor shall the stormwater authority be required to pay state taxes of any kind, and the stormwater authority, its stormwater system, property and moneys, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation. Nothing in this section shall prevent the stormwater authority from entering into agreements to make payments in lieu of taxes with respect to property acquired by it or by any person leasing a stormwater system from the stormwater authority or operating or managing a stormwater system on behalf of the

stormwater authority and neither the stormwater authority nor its stormwater systems, properties, or moneys shall be obligated, liable or subject to lien of any kind for the enforcement, collection or payment thereof. Notwithstanding any other provision of law, any lessee or operator of a stormwater system for which a payment in lieu of taxes has been made under this section shall not be required to pay any taxes in which a payment in lieu thereof has been made to the state or to any such municipality or other political subdivision or special district having taxing powers.

(b) Any real or personal property leased by the stormwater authority in connection with the operation of a stormwater system under the provisions of this act which would otherwise be subject to taxation under chapter 203 shall be exempt from the assessment of property taxes permitted and required under said chapter if such real or personal property is the subject of an agreement to make payments in lieu of taxes with respect to such property between the stormwater authority or the lessee of such system and the municipality in which such system is located. Any lessee or operator of such system from such stormwater authority who has made any payment of taxes due under such agreement shall not be required to make any payment of taxes of which a payment in lieu thereof has been made to the municipality.

Sec. 11. (NEW) (*Effective from passage*): **Jurisdiction.**

Any superior court located within a judicial district that includes any area within the jurisdiction of a stormwater authority shall have jurisdiction over any dispute involving a stormwater authority except actions commenced pursuant to section (b) of section 9 of this act.

Sec. 12. (NEW) (*Effective from passage*): **Indemnification of officers. Representation of stormwater authority by Attorney General. Legal fees of officers.**

(a) The stormwater authority shall protect, save harmless and indemnify its board or commission members, officers and employees from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence or alleged deprivation of any person's civil rights or any other act or omission resulting in damage or injury, if the board or commission member, officer or employee is found to have been acting in the discharge of his duties or within the scope of his office or employment and such act or omission is not found to have been wanton, reckless, willful or malicious.

(b) The state through the Attorney General shall provide for the defense of any such board or commission member, officer or employee in any civil action or proceeding in any state or federal court or alternative dispute resolution proceeding arising out of any alleged act, omission or deprivation which occurred or is alleged to have occurred while the board or commission member, officer or employee was acting in the discharge of his duties or in the scope of his employment, except that the state shall not be required to provide for such defense whenever the Attorney General, based on his investigation of the facts and circumstances of the case, determines that it would be inappropriate to do so and he so notifies the board or commission member, officer or employee in writing.

(c) Legal fees and costs incurred as a result of the retention by such board or commission member, officer or employee of an attorney to defend his interests in any civil action or proceeding shall be paid by the state in those cases where (1) the Attorney General has stated in writing to the board or commission member, officer or employee pursuant to this subsection, that the state shall not provide an attorney to defend the interests of such board or commission member, officer or employee and (2) the board or commission member, officer or employee is found to have acted in the discharge of his duties or within the scope of his employment and not to have acted wantonly, recklessly, willfully or

maliciously. Such legal fees and costs incurred by such board or commission member, officer or employee shall be paid to such board or commission member, officer or employee only after the final disposition of the suit, claim, demand or alternative dispute resolution proceeding and only in such amounts as determined by the Attorney General to be reasonable. In determining whether such amounts are reasonable, the Attorney General may consider whether it was appropriate for a group of board or commission members, officers, or employees to be represented by the same attorney.

Sec. 13 Section 22a-500 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in sections 22a-500 to 22a-519, inclusive, the following words and terms shall have the following meanings unless the context clearly indicates another meaning or intent:

(1) "Authority" means a regional water pollution authority created under the provisions of this section or any entity which is a successor of an authority;

(2) "Bonds" means any bonds, notes and other obligations issued by an authority pursuant to the provisions of section 22a-507 and any bonds issued to refund such bonds;

(3) "Cost" or "costs" as applied to any system means the cost of acquisition or construction, the cost of any subsequent additions or expansion of a wastewater system, the cost of the acquisition of all land and interests in land including rights-of-way, easements and other property rights acquired by the authority for such construction, addition or expansion, the cost of demolition or removal of any building or structure on land so acquired, including the cost of acquiring any lands to which such building or structures may be moved, the cost of dredging and filling underwater areas, all equipment, financing, insurance, interest, administrative and operating costs incurred prior to and during such construction of any addition or expansion, and, if deemed advisable by the authority, for a period not exceeding one year after completion of such construction, addition or expansion, any survey, engineering, architectural, legal, administrative, operating, research, development, operating capital and other such costs or expenses of the authority as may be necessary or incidental to the construction of the wastewater system and any component of any wastewater system, and of such subsequent addition or expansion, and the cost of financing such construction, addition or expansion and placing the project and such additions or expansion in operation;

(4) "Constituent municipality" means one of two or more municipalities which have adopted the provisions of this section and sections 22a-501 to 22a-519, inclusive, and which have created an authority by concurrent ordinances of their legislative bodies;

(5) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough;

(6) "Sewage" shall be as defined in section 22a-423; and

(7) "Stormwater" means stormwater runoff, snow melt runoff, precipitation runoff, surface runoff, street wash waters, infiltration and drainage; and

(~~7~~) (8) "Wastewater system" means any device, equipment, appurtenance, plant facility and method for receiving, collecting, transporting, conveying, reducing, treating, reclaiming, disposing, separating, storing, inhibiting, conserving, reusing, or discharging sewage and/or stormwater, or the residue from the treatment of sewage and/or stormwater, including any component of any of the foregoing, which the authority is authorized to acquire, plan, design, construct, manage, operate, maintain and finance under the provisions of this section and sections 22a-501 to 22a-519, inclusive, and which the authority may establish as its wastewater system pursuant to the provisions of this section and sections 22a-501 to 22a-519, inclusive, including any interest in real estate and improvements thereto and the

extension or provision of utilities and other appurtenant facilities and projects deemed necessary or desirable by the authority for the purpose of establishing and operating wastewater management, stormwater management, and water pollution control services.

(b) Notwithstanding the provisions of any special act or municipal charter, any two or more municipalities may, by concurrent ordinances of their legislative bodies, adopt and exercise the powers granted to a municipality by the provisions of this section and *sections 22a-501 to 22a-519*, inclusive, and designate any existing board, commission or agency, or create a new board, commission, agency or regional authority to be designated, as its regional authority and thereupon be a constituent municipality of such authority. Such ordinance shall contain a brief statement of the purpose of the authority and shall set forth the article or incorporation of the authority as follows: (1) The name of the authority and address of its principal office; (2) a statement that the authority is created an authority under this section; and (3) the names, addresses and terms of office of the first directors of the authority.

(c) The constituent municipalities of any authority shall, by concurrent ordinances, determine the number of directors thereof, the number of votes to be cast by each director, the method of determining the directors' compensation, if any, the method of their appointment and removal and their terms of office, which shall be so arranged that not more than one-half of such terms shall expire within any one year. The constituent municipalities shall prepare and submit a preliminary plan of operation for an authority which they propose to form to the Commissioner of Environmental Protection and the State Treasurer for their review and approval in accordance with this section. Each plan of operation shall include the procedure by which bonds of such authority shall be approved. The Commissioner of Environmental Protection shall review and may approve any preliminary plan of operation, after consultation with the Secretary of the Office of Policy and Management, if he finds that such plan of operations is in furtherance of the environmental protection laws of the state. The State Treasurer shall review and may approve any preliminary plan of operation if he finds a wastewater system undertaken by an authority operating under such plan of operation is eligible to apply for financing under *sections 22a-477 to 22a-483*, inclusive. Upon the adoption of such ordinances by the legislative bodies of each constituent municipality designating or creating an authority under this section, and the approval of a preliminary plan of operation for such authority by the Commissioner of Environmental Protection and the State Treasurer, the authority created thereby shall constitute a public body politic and corporate of the state, and a political subdivision of the state established and created for the performance of an essential public and governmental function. Any rejection of a preliminary plan of operation shall not preclude the submission of a revised plan. The approval of the preliminary plan of operation by the Commissioner of Environmental Protection and the Treasurer in accordance with this section shall constitute conclusive evidence of the state's approval of the creation of an authority under this section. An authority shall not change the procedure for approving the issuance of its bonds as prescribed by its plan of operations without the approval of each constituent municipality, the Commissioner of Environmental Protection and the State Treasurer.

(d) By ordinance of its legislative body, or by such other body as permitted by *section 7-157*, any municipality may become a member of an authority upon such terms and conditions as the authority may determine and thereupon be a constituent municipality of such authority.

(e) Any constituent municipality may elect to withdraw from such authority by the adoption of an ordinance by its legislative body or such other authority as permitted by *section 7-157*. Such withdrawal shall be effective only after compliance with the terms and conditions contained in any contracts between such constituent municipality and the authority or the holders of any bonds of the authority. No such withdrawal shall relieve such constituent municipality of any liability, responsibility or obligation incurred by it as a member of the authority or as a user of any of its wastewater system.

(f) Any authority and its corporate existence shall continue until terminated by law or the withdrawal of one of the last two constituent municipalities of such authority, provided no such law shall take effect as long as the authority shall have bonds, notes or other obligations outstanding unless adequate provision has been made for the payment or satisfaction of such obligations. Upon termination of the existence of the authority, all of the rights and properties of the authority then remaining shall pass to and vest in the constituent municipality in which it is located unless otherwise provided in an agreement of the authority and except as otherwise may be specified in such law.

Sec. 14 Section 22a-501 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An authority created pursuant to *section 22a-500* may:

(1) Make and revise bylaws and rules governing the administration of its property and the conduct of its affairs and may revise its plan of operation to better fulfill the purposes of *sections 22a-500 to 22a-519*, inclusive. A copy of all bylaws, and amendments thereto, duly certified, shall be filed in the offices of the clerks of the constituent municipalities and with the Secretary of the State. Any revision of the bylaws of an authority shall be initiated by the adoption of a resolution by a two-thirds vote of the entire board of directors of such authority and such resolution shall contain the complete draft of such revision;

(2) Establish offices where necessary in any constituent municipality or the region;

(3) Employ a staff and fix their duties, compensation and benefits;

(4) Have a seal;

(5) Contract and be contracted with, sue and be sued and institute, prosecute, maintain and defend any action or proceeding in any court or before any agency or tribunal of competent jurisdiction;

(6) Retain by contract or employ legal counsel, accountants, engineers, private consultants and other professional advisers;

(7) Conduct such hearings, examinations and investigations as may be necessary or convenient to the conduct of its operations and the fulfillment of its responsibilities;

(8) Obtain access to public records and apply for the process of subpoena if necessary to produce books, papers, records and other data;

(9) Establish and impose fees, rates, charges and penalties and levy assessments on property benefited by the wastewater system of such authority, including municipal users and property owned by any municipality, including without limitation a constituent municipality, in accordance with *sections 22a-500 to 22a-519*, inclusive, for the services it performs and waive, suspend, reduce or otherwise modify such fees, rates, charges, penalties or assessments provided each such fee, rate, charge, penalty or assessment shall apply uniformly to all users and benefited properties within the constituent municipalities with respect to a given type or category of wastewater and/or stormwater, as applicable, in accordance with criteria established by the authority, and further provided no change may be made in user fees without at least sixty days prior notice to the users affected thereby;

(10) Purchase, lease or otherwise acquire the right to use such real and personal property and any interest in such property as it may deem necessary or convenient;

(11) Appoint such advisory councils as it may deem advisable to benefit the people of a constituent municipality within the region of the authority or the region generally;

(12) Own, manage and use real property or any interest therein;

(13) Determine the location and character of any wastewater system to be developed under the provisions of *sections 22a-500 to 22a-519*, inclusive, subject to applicable statutes and regulations, and establish a wastewater treatment and disposal system;

(14) Purchase, receive by gift or otherwise, lease, exchange or otherwise acquire and construct, reconstruct, improve, maintain, equip and furnish any wastewater system as required by the Commissioner of Environmental Protection or this chapter;

(15) Sell or lease to any person all or any portion of a wastewater system of the authority whenever, in the opinion of the authority, such action is deemed to be in furtherance of the purposes of *sections 22a-500 to 22a-519*, inclusive;

(16) Mortgage or otherwise encumber all or any portion of the authority whenever, in the opinion of the authority, such action is deemed to be in furtherance of the purposes of *sections 22a-500 to 22a-519*, inclusive;

(17) Grant options to purchase, or to renew a lease for, all or any portion of a wastewater system of the authority on such terms as the authority may determine to be reasonable;

(18) Acquire, by purchase, gift, transfer or by condemnation for public purposes, and manage and operate, hold and dispose of real property and, subject to agreements with lessors or lessees, develop or alter such property by making improvements and betterments with the purpose of enhancing the value and usefulness of such property;

(19) Make plans, surveys, studies and investigations necessary or desirable in conformity with the state plan and the plan of operation of such authority;

(20) Design or provide for the design of any wastewater system of the authority, including design for the alteration, reconstruction, improvement, enlargement or extension of any existing wastewater system acquired by such authority;

(21) Construct, erect, build, acquire, alter, reconstruct, improve, enlarge or extend all or any portion of a wastewater system of the authority including provision for the inspection and supervision thereof and the engineering, architectural, legal, fiscal and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and any other actions incidental thereto;

(22) Open the ground in any public street or way or public grounds for the purpose of laying, installing, maintaining or replacing pipes and conduits provided the grounds shall be restored to their previous conditions upon the completion of such work;

(23) Own, operate and maintain the wastewater systems of the authority and make provision for their management;

(24) Enter upon lands and waters, as may be necessary, to make surveys, soundings, borings and examinations in order to accomplish the purposes of *sections 22a-500 to 22a-519*, inclusive;

(25) Contract with municipalities, municipal, state and regional authorities, and state and federal agencies to provide ~~waste~~ wastewater system management and ~~water~~ water pollution control services and stormwater services in accordance with the provisions of *sections 22a-500 to 22a-519*, inclusive, and to plan, design, construct, manage, operate and maintain facilities on their behalf;

(26) Design and construct improvements or alterations on properties which it owns or which it operates by contract on behalf of other municipal or regional authority, state agency or municipality, including without limitation any constituent municipality, and restore sewers and storm sewers to beneficial public or private use;

(27) Contract for architectural, engineering and design, and construction supervision, wastewater system management and facility management services, and for such other professional or technical

services as may require either the prequalification of a contractor or the submission by any individual, firm or consortium or association of individuals or firms of a proposal in response to an official request for proposal or similar written communication of such authority, deemed necessary, desirable or convenient in carrying out the purposes of such authority;

(28) Contract for the construction, operation or management of all or any portion of the wastewater systems of the authority with private persons or firms, or consortia of such persons or firms, pursuant to applicable provisions of *sections 22a-500 to 22a-519*, inclusive, the requirements of applicable regulations and the state plan and in accordance with such specifications, terms and conditions as the authority may deem necessary or advisable;

(29) Accept gifts, grants or loans of funds, property or service from any source, public or private, and comply, subject to the provisions of *sections 22a-500 to 22a-519*, inclusive, with the terms and conditions thereof;

~~(30) Receive funds from the sale of the authority's bonds and of its real and personal properties;~~

(31) Contract for and receive revenues in the form of rents, fees and charges paid by units or agencies of any municipality, including without limitation any constituent municipality, by the state and by any private person or entity, to compensate the authority for the use of its facilities or the performance of its services;

(32) Accept from the state and any federal agency any loan or grant for use in carrying out its purposes and enter into agreements with such agency respecting any such loan or grant;

(33) Make a loan of the proceeds of its bonds, notes or other funds to any private person or entity, any municipality, including without limitation any constituent municipality, any municipal authority, any state agency or authority or any regional authority for the planning, design, acquisition, construction, reconstruction, improvement, equipping and furnishing of all or any portion of a wastewater system of the authority, which loans may be secured by loan agreements, contracts or any other instruments or agreements containing such terms and conditions as the authority shall determine necessary or desirable, including provisions for the establishment and maintenance of reserve funds, and for the construction, use, operation and maintenance and the payment of operating and other costs of all or any portion of a wastewater system. In connection with the making of any such loan, an authority may purchase, acquire and take assignments of any note or bond of any municipality, including without limitation any constituent municipality, any municipal, state or regional authority and any private entity or person and may receive other forms of security and evidence of indebtedness, and in furtherance of the purposes of *sections 22a-500 to 22a-519*, inclusive, and in order to assure the payment of the principal of and interest on such loans, and in order to assure the payment of the principal of and interest on bonds of the authority issued to provide funding for such loans, may attach, seize, purchase, acquire, accept or take title to all or any portion of a wastewater system, and may sell, lease or rent all or any portion of a wastewater system for a use specified in *sections 22a-500 to 22a-519*, inclusive;

(34) Indemnify and hold harmless any person or entity in connection with the financing, operation, sale, purchase, receipt, lease, exchange, other disposition, acquisition, improvement or expansion of all or any portion of a wastewater system;

(35) In connection with the sale, purchase, receipt, lease, exchange, other disposition, acquisition, improvement or expansion of all or any portion of a wastewater system of the authority or of real property, indemnify and hold harmless any person or entity including, without limitation, indemnification against taxation by the federal and state governments respecting any state or local property taxes and any realization of tax benefits or incentives associated with ownership of all or any portion of a wastewater system or of real property; and

(36) Otherwise do all things necessary for the performance of its duties, the fulfillment of its obligations, the conduct of its operations and the maintenance of its working relationships with the state, other municipalities, regions and persons.

(b) An authority shall have the powers accorded to and the duties of a municipality or a municipal authority under the general statutes for the purpose of assessing benefits; imposing rates, fees, fines, and charges; issuing orders to connect; collecting assessments, rates, fees, fines and charges; and receiving grants and loans under the Clean Water Fund.

(c) Any authority created under *section 22a-500* shall have all powers necessary to fulfill the purposes of *sections 22a-500 to 22a-519*, inclusive, and to carry out its assigned responsibilities and that the provisions of *sections 22a-500 to 22a-519*, inclusive, are to be construed liberally in furtherance of such purposes. The constituent municipalities of any authority shall be deemed to have delegated to such authority all of their respective municipal powers consistent with the preliminary and final plan of operation and necessary and convenient to own and operate a water pollution control system or a wastewater system and an authority shall have all of the powers of a municipality and a municipal water pollution control authority, as applicable, necessary and convenient to fulfill the purposes of *sections 22a-500 to 22a-519*, inclusive, to conduct a comprehensive program for water pollution control and for water pollution control management services, wastewater system management services, and stormwater management services in accordance with applicable law.

(d) Any contracts authorized by *sections 22a-500 to 22a-519*, inclusive, to be entered into by an authority may be entered into on either a negotiated or an open-bid basis, and the authority in its discretion may select the type of contract it deems most prudent, considering the scope of work, the management complexities associated therewith, the extent of current and future technological development requirements and the best interests of the region. The terms and conditions of such contracts and the fees or other compensation to be paid to any contracting persons pursuant to such contracts shall be determined by the authority.

Sec. 15 Section 22a-506 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An authority may (1) levy and collect benefit assessments upon the lands and buildings within its jurisdiction that, in its judgment, are especially benefited by all or any portion of a wastewater system; (2) establish, revise and collect rates, fees, charges, penalties and assessments for the use and benefits of all or any portion of a wastewater system; and (3) order the owner of any building which is accessible to all or any portion of a wastewater system to connect to such system, all in the manner provided in *sections 7-249 to 7-257*, inclusive, and *sections 22a-416 to 22a-599*, inclusive, as applicable.

(b) Any assessment of benefits, including any installment thereof, and any charge, fee, fine or other amount that is not paid within thirty days after the due date shall be delinquent, shall be subject to interest and shall constitute a lien upon the premises served and a charge upon the owner thereof all in the manner provided both by the provisions of the general statutes for delinquent property taxes and by *section 7-258*. The rules and regulations of the authority may provide for the discontinuance of water pollution control service and wastewater system service for nonpayment of taxes, special assessments, fees, rates, penalties or other charges therefor imposed under *sections 22a-500 to 22a-519*, inclusive. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no event for longer than ten years. The authority may institute a civil action against such owner to recover the amount of any such fee or

charge which remains due and unpaid for thirty days along with interest thereon at the same rate as unpaid taxes and with reasonable attorneys' fees.

Sec. 16 Section 22a-507 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An authority created pursuant to *sections 22a-500 to 22a-519*, inclusive, may issue bonds from time to time and use the proceeds thereof for the purposes and powers of the authority and to accomplish the purposes of *sections 22a-500 to 22a-519*, inclusive, or for the purpose of refunding such bonds, including providing for payment of the costs of its wastewater system or any portion of a wastewater system of the authority, providing for payment of any and all costs of the authority incident to or otherwise necessary to the construction thereof, including administrative, legal and financing expenses, and providing for the establishment and maintenance of reserves, sinking funds and any ~~other funds and accounts for such bonds.~~ The authority shall secure such bonds as to both principal and interest by any or all of the following: From its revenues generally, a pledge of the revenues to be derived from the operation of all or any portion of its wastewater system or a facility from which the revenues so pledged may be derived or a pledge of any lease of such system or facility or of the payments on any loan of the proceeds of such bonds. Prior to the preparation of definitive bonds the authority may authorize the issuance of interim receipts or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. If any of the officers whose signatures appear on the bonds cease to be officers before the delivery of any such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

(b) An authority may, to provide for the issuance of its bonds for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such bonds, and if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of a wastewater system. The proceeds of any such bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or at redemption on such date as may be determined by the authority.

(c) Whenever the issuance of bonds has been authorized pursuant to *sections 22a-500 to 22a-519*, inclusive, an authority, pending the issuance thereof and subject to any applicable terms or provisions of the proceedings authorizing such issuance, may issue bond anticipation notes and any renewals thereof. The principal of and interest on any bond anticipation notes issued pursuant to *sections 22a-500 to 22a-519*, inclusive, may be repaid from pledged revenues or other pledged receipts, funds or moneys, to the extent not paid from the proceeds of renewals thereof or of bonds. Upon the sale of bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and interest on any bond anticipation notes or shall be deposited in trust for such purpose. The date or dates of such bond anticipation notes, the maturities, denominations, form, details and other particulars of such bond anticipation notes, including the method, terms and conditions for the issue and sale thereof, shall be determined by the authority.

(d) An authority created under *sections 22a-500 to 22a-519*, inclusive, shall not be subject to the bond limitation provided in *section 7-374*. No provision of any special act enacted prior to July 13, 1995, shall be construed to prohibit the issuance of bonds or notes under the terms of said sections. Any bonds reciting that they are issued under *sections 22a-500 to 22a-519*, inclusive, shall, in any

action or proceeding involving their validity, be conclusively deemed to be fully authorized by *sections 22a-500 to 22a-519*, inclusive, and to have been issued, sold, executed and delivered in conformity with this section and with all provisions of statutes applicable thereto and shall be incontestable unless service of process of such action or proceedings are served within sixty days after the approval of their sale.

(e) Bonds issued pursuant to *sections 22a-500 to 22a-519*, inclusive, may be issued pursuant to a resolution or indenture, which resolution or indenture shall specify the dates of principal and interest payments, the rate or rates of interest for each issue of bonds or the manner of determining such rate or rates, the manner of issuance and sale of such bonds and by whom such bonds shall be signed or countersigned and all other particulars thereof and may contain for the benefit of bondholders from time to time and as a contract therewith any agreements and the provisions deemed necessary or appropriate by the authority in connection with the issuance of such bonds and may provide for the terms and security thereof, including, without limitation, terms respecting the fixing and collection of all revenues from all or any portion of any wastewater system covered by such indenture; provisions respecting custody of the proceeds from the sale of such bonds, including any requirements that such proceeds be held separate from or not to be commingled with other funds of the authority; provisions for the investment and reinvestment of bond proceeds until used to pay costs of a wastewater system and for the disposition of any excess bond proceeds or investment earnings thereon; provisions for the execution of reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations; provisions for the collection, custody, investment, reinvestment and use of revenues or other receipts, funds or moneys pledged therefor as provided in *sections 22a-500 to 22a-519*, inclusive; provisions regarding the establishment and maintenance of reserves, sinking funds and any other funds and accounts as shall be approved by the authority in such amounts as the authority may establish and the regulation and disposition thereof, including requirements that any such funds and accounts be held separate from or not be commingled with other funds of the authority; covenants for the establishment of pledged revenue coverage requirements for such bonds; covenants for the establishment of maintenance and insurance requirements with respect to all or any portion of a wastewater system or facility or facilities; provision for the issuance of additional bonds on a parity with bonds theretofore issued, including establishment of coverage requirements with respect thereto as provided in this section; the terms to be incorporated in any loan of the proceeds of such bonds and in any lease of all or any portion of a wastewater system or facility or facilities; the creation and maintenance of special funds from the revenues of all or any portion of a wastewater system or facility or facilities; the rights and remedies available in the event of default, the vesting in a trustee or trustees of such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds and notes and limiting or abrogating the right of the holders of any bonds and notes of the authority to appoint a trustee under *sections 22a-500 to 22a-519*, inclusive, or limiting the rights, powers and duties of such trustee; provision for a trust indenture by and between the authority and a corporate trust which may be any trust company or bank having the powers of a trust company within or without the state, which agreement may provide for the pledging or assigning of any assets or income from assets to which or in which the authority has any rights or interest, and may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds or notes and not otherwise in violation of law, and such agreement may provide for the restriction of the rights of any individual holder of bonds or notes of the authority and may contain any further provisions which are reasonable to delineate further the respective rights, duties, safeguards, responsibilities and liabilities of the authority, persons and collective holders of bonds or notes of the authority and the trustee; covenants to do or refrain from doing such acts and things as may be necessary or convenient or desirable in order to better secure any

bonds or notes of the authority, or which, in the discretion of the authority, will tend to make any bonds or notes to be issued more marketable notwithstanding that such covenants, acts or things may not be enumerated in this section; and any other matters of like or different character, which in any way affect the security or protection of the bonds or notes, all as the authority shall deem advisable and not in conflict with the provisions hereof.

Sec. 17 Section 22a-509 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Bonds issued by an authority under *sections 22a-500 to 22a-519*, inclusive, may be issued under an indenture of trust or bond resolution, shall be general obligations of the authority, for which its full faith and credit shall be pledged, payable out of any revenues or other assets, receipts, funds or moneys of the authority and may be additionally secured by a pledge of revenues to be derived from the ~~operation of a facility or all or any portion of a wastewater system and other assets including a~~ mortgage on real property and facilities, revenues, receipts, moneys and funds pledged therefor, subject only to any agreements with the holders of particular bonds pledging any particular assets, revenues, receipts, funds or moneys, unless the authority shall otherwise expressly provide by the indenture or resolution that such bonds shall be special obligations of the authority payable solely from any revenues or other assets including a mortgage on real property and facilities, receipts, funds or moneys of the authority pledged therefor, subject only to any agreements with the holders of particular bonds pledging any particular revenues, receipts, funds or moneys.

(b) Any constituent municipality may enter into any agreement or agreements with such authority or with any person or persons to whom the proceeds of bonds issued pursuant to *sections 22a-500 to 22a-519*, inclusive, have been loaned, for such periods and containing such terms and conditions as the municipality shall determine to be necessary or convenient to aid and cooperate in the planning, undertaking, construction, operation or financing of all or any portion of a wastewater system by such constituent municipality or by an authority, including, but not limited to, the guarantee by such constituent municipality of the punctual payment of all or some of the principal and interest on any bonds issued by an authority and the pledge of the full faith and credit of such constituent municipality to the payment thereof. As part of the guarantee of such constituent municipality for payment of principal and interest on the bonds, such constituent municipality may pledge to and agree with the owners of the bonds issued under *sections 22a-500 to 22a-519*, inclusive, and with those persons who may enter into contracts with the authority or any successor agency pursuant to the provisions of *sections 22a-500 to 22a-519*, inclusive, that it will not limit or alter the rights thereby vested in the bondowners, the authority or any contracting party until such bonds, together with the interest thereon are fully met and discharged and such contracts are fully performed on the part of the authority, provided nothing contained in *sections 22a-500 to 22a-519*, inclusive, shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the owners of such bonds of the authority or those entering into such contracts with the authority. The authority may include this pledge and undertaking of a constituent municipality in such bonds or contracts. To the extent provided in such agreement or agreements, the obligations of such constituent municipality thereunder shall be obligatory upon such constituent municipality and the inhabitants and property thereof. Thereafter such constituent municipality shall appropriate in each year during the term of such agreement, and there shall be available on or before the date when the same are payable, an amount of money which, together with other revenues available for such purpose, shall be sufficient to meet such obligation. Any such agreement shall be valid, binding and enforceable against such constituent municipality if approved by an ordinance adopted by the legislative body of such constituent municipality or such other body as permitted by *section 7-157*.

(c) Any authority created pursuant to *sections 22a-500 to 22a-519*, inclusive, may enter into long-term contracts or agreements with any municipality or any person or persons for water pollution control services and/or stormwater services whereby such contracting municipality or person agrees to connect its municipal wastewater and/or stormwater facilities with the wastewater system of the authority for wastewater and/or stormwater treatment and disposal service and to make payments of fees or charges based on a percentage of actual or projected flow or such other formula as such contract or agreement shall provide. Any such contract or agreement may require the continuation of such payments by such contracting municipality whether or not the agreed services are being provided but only until all bonds issued by any of the contracting parties for development and construction of water pollution control facilities, stormwater facilities or regional water pollution control facilities have been paid or the payment of such bonds shall have been duly provided for. Such contract may further require or permit one or more of the contracting municipalities to pay obligations of another contracting municipality in the event such other contracting municipality fails to make such payments and to bring appropriate legal action against the defaulting municipality to recover the amounts so paid, together with the costs and expenses of such action. The obligation of a contracting municipality to make payments pursuant to any such agreement shall not be included in the aggregate indebtedness of the contracting municipality for the purposes of any state statutory provision limiting the aggregate indebtedness of the municipality. Any such agreement shall be valid, binding and enforceable against the contracting municipality if approved by the adoption of an ordinance by the legislative body of such contracting municipality or by such other body as permitted by *section 7-157*. The municipality may but need not be a member of the authority to execute any agreement under this subsection.

(d) Any constituent municipality may enter into an agreement with the authority for the transfer to the authority, for use in the exercise of its corporate powers and purposes hereunder, of any water pollution control facilities or wastewater system of such constituent municipality as the same then shall be owned by such constituent municipality. Any such agreement may provide for the transfer of title of said facilities or wastewater system by deed, lease or other arrangement to the authority. To the extent it is not inconsistent with *sections 22a-500 to 22a-519*, inclusive, any such agreement may impose such limitations or conditions as may be agreed upon with respect to the power thereafter to sell or otherwise dispose of any property acquired pursuant to such agreement and may provide for or authorize the authority to return property no longer required for water pollution control purposes or the wastewater system. Notwithstanding the provisions of any other general, special or local law or charter, any action taken by such constituent municipality pursuant to this subsection shall not be subject to referendum. Any such agreement shall set forth the liabilities of such constituent municipality which are contemplated to be paid by the authority from moneys available to it, unless such agreement does not require the authority to assume any such liabilities. Notwithstanding the provisions of any other general, special or local law or charter, any moneys received by any constituent municipality in consideration for the transfer of such water pollution control facilities or wastewater system to the authority may be deposited in the general fund of such constituent municipality and used for any lawful municipal purpose or may be deposited in a special fund for the purpose of paying or redeeming any existing indebtedness issued for water pollution control purposes or the wastewater system. A constituent municipality and the authority may make or enter into any contracts, agreements, deeds, leases, conveyances or other instruments as may be necessary or appropriate to effectuate the purposes of *sections 22a-500 to 22a-519*, inclusive, and they shall have the power and authority to do so and to authorize the doing of all things incidental, desirable or necessary to implement the provisions of said sections. Upon the filing by the authority with the clerk of the constituent municipality and the Secretary of the State of a copy of the instruments or documents effectuating the transfer authorized by *sections 22a-500 to 22a-519*, inclusive, the authority shall take possession of the water pollution control facilities or wastewater system of the constituent municipality. Any application filed or proceeding heretofore commenced in relation to the water pollution control facility or wastewater

system transferred to the authority pending with the Department of Environmental Protection, the Department of Public Health or any other state agency or with the United States Environmental Protection Agency or any other federal agency or instrumentality shall inure to and for the benefit of the authority and be binding upon the authority to the same extent and in the same manner as if the authority had been a party to such application or proceeding from its inception, and the authority shall be deemed a party thereto to the extent not prohibited by any federal law. Any license, approval, permit or decision heretofore or hereafter issued or granted pursuant to or as a result of any such application or proceeding shall inure to the benefit of and be binding upon the authority and shall be assigned and transferred by the municipality to the authority unless such assignment and transfer is prohibited by federal law. If the municipality has outstanding general obligation bonds issued for acquiring or constructing water pollution control facilities and/or wastewater systems acquired by the authority, whether or not the bonds are also payable from revenues, special assessments or taxes, the municipality may authorize the authority pursuant to the agreement to issue bonds under *sections 22a-500 to 22a-519, inclusive, for the purpose of retiring the outstanding bonds or alternatively, the authority may* agree to pay the principal of and interest on such bonds until the obligation of such constituent municipality is discharged. No such agreement under the provisions of this subsection shall be executed until such constituent municipality shall have held a public hearing at which users of the water pollution control system and/or wastewater system and residents of such constituent municipality shall have had the opportunity to be heard concerning the proposed provisions thereof. Notice of such hearing shall be published at least thirty days in advance in the official newspaper or newspapers of the municipality.

(e) The rates, fees, charges, penalties and assessments established by an authority under *sections 22a-500 to 22a-519, inclusive*, shall be established so as to provide funds sufficient in each year, with other revenues, if any, available therefore (1) to pay the cost of maintaining, repairing and operating its wastewater system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (2) to pay the principal of and the interest on outstanding bonds of the authority as the same shall become due and payable, (3) to meet any requirements of any resolution authorizing, or trust indenture securing, such bonds or notes of the authority, including coverage requirements, (4) to make agreed upon payments in lieu of taxes, as the same become due and payable, upon the properties of the authority to the municipalities in which such properties are situated, (5) to provide for the maintenance, conservation and appropriate use of the land of the authority and (6) to pay all other reasonable and necessary expenses of the authority. No such rate, fee, charge, penalty or assessment shall be established until it has been approved by the authority and after the authority has held a public hearing at which all the users of its wastewater system, the owners of property served or to be served and benefited or to be benefited and other interested persons have had an opportunity to be heard concerning such proposed rate, fee, charge, penalty and assessment. The authority shall not approve such rates, fees, charges, penalties and assessments unless it finds that such rates, fees, charges, penalties and assessments will provide funds in excess of the amounts required for the purposes described previously in this section, or unless it finds that such rates, fees, charges, penalties and assessments will provide funds sufficient for such purposes. The rates, fees, charges, penalties and assessments so established for any class of user or property served or to be served shall be extended to any additional user or property thereafter benefited or owned which are within the same class, without the necessity of a hearing thereon. Any change in such rates, fees, charges, penalties and assessments shall be made in the same manner in which they were established.

(f) All required payments of rates, fees, charges, penalties and assessments, interest on loans, principal of loans and necessary fees and assessments related thereto required under any contract or agreement entered into pursuant to the provisions of this section, shall be considered expenditures for public purposes by a municipality and, notwithstanding the provisions of any other law, any necessary general or special assessments, fees, rates, charges, penalties and assessments or cost sharing or other

assessments authorized to be levied, charged or assessed and collected by municipalities within the state or with respect to fees, rates, charges, penalties and assessments by an authority in accordance with *sections 22a-500 to 22a-519*, inclusive, may be levied, charged, assessed or collected by said municipality or an authority without limitation as to rate or amount for the purpose of making such required payments.

Sec. 18 Section **22a-514** of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The exercise of the powers granted by *sections 22a-500 to 22a-519*, inclusive, shall constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect of all or any portion of a wastewater system, or any property or moneys of the authority, levied by any municipality or political subdivision or special district having taxing powers of the state, nor shall the authority be required to pay state taxes of any kind, and the authority, its wastewater system, property and money and any bonds issued under the provisions of *sections 22a-500 to 22a-519*, inclusive, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation, except for estate and gift taxes imposed by the state or any political subdivision thereof but the interest on such bonds shall be included in the computation of any excise or franchise tax. Nothing in this section shall prevent the authority from entering into agreements to make payments in lieu of taxes with respect to property acquired by it or by any person leasing all or any portion of a wastewater system from the authority or operating or managing all or any portion of a wastewater system on behalf of the authority and neither the authority nor its wastewater systems, properties, money or bonds shall be obligated, liable or subject to lien of any kind for the enforcement, collection or payment thereof. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of *sections 22a-500 to 22a-519*, inclusive, so provide, the authority may agree to cooperate with the lessee or operator of all or any portion of a wastewater system in connection with any administrative or judicial proceedings for determining the validity or amount of such payment and may agree to appoint or designate and reserve the right in and for such lessee or operators to take all action which the authority may lawfully take in respect of such payments and all matters related thereto, providing such lessee or operator shall bear and pay all costs and expenses of the authority thereby incurred at the request of such lessee or operator or by reason of any such action taken by such lessee or operator on behalf of the authority. Notwithstanding any other provision of law, any lessee or operator of all or any portion of a wastewater system for which a payment in lieu of taxes has been made under this section shall not be required to pay any taxes in which a payment in lieu thereof has been made to the state or to any such municipality or other political subdivision or special district having taxing powers.

(b) Any real or personal property leased by the authority in connection with the operation of all or any portion of a wastewater system under the provisions of *sections 22a-500 to 22a-519*, inclusive, which would otherwise be subject to taxation under chapter 203 shall be exempt from the assessment of property taxes permitted and required under said chapter if such real or personal property is the subject of an agreement to make payments in lieu of taxes with respect to such property between the authority or the lessee of such system and the municipality in which such system is located. Any lessee or operator of such system from such authority who has made any payment of taxes due under such agreement shall not be required to make any payment of taxes of which a payment in lieu thereof has been made to the municipality.

Sec. 19 Section **22a-519** of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The authority shall protect, save harmless and indemnify its directors, officers-, officials and employees from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence or alleged deprivation of any person's civil rights or any other act or omission resulting in damage or injury, if the director, officer-, official or employee is found to have been acting in the discharge of his duties or within the scope of his office or employment and such act or omission is not found to have been wanton, reckless, wilful or malicious.

(b) The state through the Attorney General shall provide for the defense of any such director, officer-, official or employee in any civil action or proceeding in any state or federal court or alternative dispute resolution proceeding arising out of any alleged act, omission or deprivation which occurred or is alleged to have occurred while the director, officer-, official or employee was acting in the discharge of his duties or in the scope of his employment, except that the state shall not be required to provide for such defense whenever the Attorney General, based on his investigation of the facts and circumstances of the case, determines that it would be inappropriate to do so and he so notifies the director, officer-, official or employee in writing.

(c) Legal fees and costs incurred as a result of the retention by such director, officer-, official or employee of an attorney to defend his interests in any civil action or proceeding shall be paid by the state in those cases where (1) the Attorney General has stated in writing to the director, officer-, official or employee pursuant to this subsection, that the state shall not provide an attorney to defend the interests of such director, officer-, official or employee and (2) the director, officer-, official or employee is found to have acted in the discharge of his duties or within the scope of his employment and not to have acted wantonly, recklessly, wilfully or maliciously. Such legal fees and costs incurred by such director, officer-, official or employee shall be paid to such director, officer-, official or employee only after the final disposition of the suit, claim, demand or alternative dispute resolution proceeding and only in such amounts as determined by the Attorney General to be reasonable. In determining whether such amounts are reasonable, the Attorney General may consider whether it was appropriate for a group of directors, officers-, officials or employees to be represented by the same attorney.