



General Assembly

February Session, 2012

**Raised Bill No. 5457**

LCO No. 2031

\*02031\_\_\_\_\_PD\_\*

Referred to Committee on Planning and Development

Introduced by:  
(PD)

**AN ACT CONCERNING THE SOUTHEASTERN COUNCIL OF GOVERNMENTS AND THE SOUTHEASTERN CONNECTICUT WATER AUTHORITY.**

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

1 Section 1. Subsections (a) and (b) of section 4 of number 381 of the  
2 special acts of 1967, as amended by section 1 of number 206 of the  
3 special acts of 1969 and section 1 of public act 02-76, is amended to  
4 read as follows (*Effective from passage*):

5 [(a) The representative advisory board to the Southeastern  
6 Connecticut Water Authority shall consist of two electors from each  
7 town within the district who shall be appointed by the board of  
8 selectmen or town council, as the case may be, on September 1, 1969,  
9 and whose successors shall be so appointed on or before September  
10 first biennially thereafter. One of such members of the advisory board  
11 from each town shall be appointed by the members of the board of  
12 selectmen or town council, as the case may be, of the political party  
13 having the greatest representation on such board or council and the  
14 other member of said advisory board shall be appointed by the  
15 members of the board of selectmen or town council of the political

16 party having the next greatest representation. Nothing in this  
17 subsection shall be construed to prohibit any member of the  
18 Southeastern Connecticut Regional Council of Governments from  
19 serving as a member of the representative advisory board. Members  
20 shall serve for a term of two years and until their successors are  
21 appointed and have qualified and shall serve without compensation.  
22 They shall elect a chairman, a vice-chairman and a secretary and  
23 establish such bylaws as they deem necessary. Members of the  
24 advisory board shall not vote on any matter before the advisory board  
25 other than in person.

26 (b) The advisory board shall meet at least quarterly with the  
27 authority to review the progress and financial condition of the  
28 authority, and may, as it deems necessary, call special meetings with  
29 the authority to review such progress and financial condition and to  
30 discuss issues relating to water supply and the operations of the  
31 authority. The advisory board shall establish procedures and policies,  
32 jointly with the authority, to govern the basis on which the authority  
33 shall coordinate its activities to cooperatively develop the water supply  
34 and distribution system necessary for an integrated regional water  
35 supply system. The advisory board shall select the certified public  
36 accountant to conduct the annual audit of the accounts, books and  
37 records of the authority.]

38 (a) The Southeastern Connecticut Council of Governments shall  
39 replace the Representative Advisory Board to the Southeastern  
40 Connecticut Water Authority, assuming all of such board's previous  
41 responsibilities, and shall serve as the appointing and managing  
42 authority of the Southeastern Connecticut Water Authority, providing  
43 a direct link back to the municipalities that both the Southeastern  
44 Connecticut Council of Governments and Southeastern Connecticut  
45 Water Authority serve.

46 (b) The Southeastern Connecticut Council of Governments shall  
47 meet at least biannually to review the activity and progress of the

48 authority, and shall meet quarterly to review the financial condition of  
49 the authority. The Southeastern Connecticut Council of Governments  
50 shall select the certified public accountant to conduct the annual audit  
51 of the accounts, books and records of the authority.

52 Sec. 2. Section 5 of number 381 of the special acts of 1967, as  
53 amended by section 2 of public act 02-76 and section 1 of special act 03-  
54 7, is amended to read as follows (*Effective from passage*):

55 A corporation known as the "Southeastern Connecticut Water  
56 Authority" is created for the purposes, charged with the duties and  
57 granted the powers provided in [this act] number 381 of the special  
58 acts of 1967. The authority shall be a body corporate and politic. The  
59 authority shall consist of seven members who [shall not be members of  
60 the advisory board] may be members of the Southeastern Connecticut  
61 Council of Governments, all of whom shall be residents of the district,  
62 [ Five members shall be appointed directly by a majority of those  
63 members of the representative advisory board present and voting at a  
64 meeting. The remaining two members shall be appointed by the  
65 representative advisory board, subject to the conditions described in  
66 this section, from a slate of no fewer than three nominees provided by  
67 the Southeastern Connecticut Regional Council of Governments. The  
68 term of appointment shall be five years and until their successors are  
69 appointed except that of the five members first appointed one shall be  
70 appointed for a term of five years, one for a term of four years, one for  
71 a term of three years, one for a term of two years and one for a term of  
72 one year and the two members selected from nominees provided by  
73 the Southeastern Connecticut Regional Council of Governments shall  
74 be appointed for terms of four and three years, respectively. Not more  
75 than four members of the authority shall be members of the same  
76 political party. Vacancies on the authority shall be filled by  
77 appointments by the advisory board for the unexpired terms,  
78 including the replacement of members nominated by the Southeastern  
79 Connecticut Regional Council of Governments by selecting and  
80 appointing new members from a slate of nominees provided by the

81 Southeastern Connecticut Regional Council of Governments. Members  
82 of the authority may be removed from office by the advisory board for  
83 cause. Members of the authority shall receive such compensation for  
84 their services as shall be fixed by the advisory board and shall be  
85 reimbursed for their necessary expenses incurred in the performance  
86 of their duties. Nothing in this section shall be construed to prohibit  
87 any member of the Southeastern Connecticut Regional Council of  
88 Governments from serving as a member of the authority] as defined in  
89 section 3 of number 381 of the special acts of 1967, and who shall be  
90 appointed by a majority of those members of the Southeastern  
91 Connecticut Council of Governments at a meeting at which two-thirds  
92 of the membership of the council are present, for terms of three years  
93 until their successors are appointed, except that of the members first  
94 appointed two shall be appointed for a term of three years, two shall  
95 be appointed for a term of two years, and one shall be appointed for a  
96 term of one year. In addition, the Executive Director of the  
97 Southeastern Connecticut Council of Governments, or his or her  
98 designee, shall serve as a nonvoting, ex-officio member of the  
99 authority. Vacancies on the authority shall be filled by the  
100 Southeastern Connecticut Council of Governments for the unexpired  
101 term in the manner prescribed above. Members of the authority may  
102 be removed from office for cause by the Southeastern Connecticut  
103 Council of Governments.

104 Sec. 3. Section 8 of number 381 of the special acts of 1967 is amended  
105 to read as follows (*Effective from passage*):

106 The authority may employ such persons as it may require for the  
107 performance of its duties and may fix and determine their  
108 qualifications, duties and compensation. The authority may also from  
109 time to time contract for expert professional services. The Southeastern  
110 Connecticut Council of Governments, or by delegation its executive  
111 committee, shall be authorized to ratify the appointment of the chief  
112 executive officer of the authority and any contract for professional  
113 services in excess of one hundred thousand dollars.

114 Sec. 4. Section 13 of number 381 of the special acts of 1967, as  
115 amended by section 2 of number 206 of the special acts of 1969 and  
116 section 1 of special act 73-133, is amended to read as follows (*Effective*  
117 *from passage*):

118 When a city, town, borough, corporation, company, association or  
119 person intends to develop for water supply purposes within the  
120 district a potential surface reservoir site with an estimated dependable  
121 yield of more than five hundred thousand gallons per day, or one or  
122 more potential wells having estimated combined yields of more than  
123 fifty gallons per minute, except for wells which are within one  
124 thousand feet of an existing water main belonging to such city, town,  
125 borough, corporation, company, association or person, it shall first  
126 declare such intention to the authority and to the Southeastern  
127 Connecticut Council of Governments and shall indicate its anticipated  
128 water requirements. Within three months of being so notified, the  
129 authority shall determine whether or not such water supply  
130 development would affect the regional water supply plan of the  
131 authority. If in the authority's judgment such plan will not be affected,  
132 the authority shall release such potential water supply site for  
133 development by such city, town, borough, corporation, company,  
134 association or person; otherwise the authority shall promptly select an  
135 engineer satisfactory to such city, town, borough, corporation,  
136 company, association or person to design and supervise construction  
137 of facilities to satisfy such water requirements, construction of which  
138 shall be commenced by the authority upon approval of plans by such  
139 city, town, borough, corporation, company or person. Failure of the  
140 authority to act within the prescribed time limit shall constitute  
141 approval for development of the site or well field by the city, town,  
142 borough, corporation, company, association or person concerned.  
143 Provisions of this section shall not apply to development of a water  
144 supply for a single dwelling or for water requirements of less than fifty  
145 gallons per minute. For the purpose of section 13 of number 381 of the  
146 special acts of 1967, as amended by section 2 of number 206 of the  
147 special acts of 1969, the intention to develop one or more wells having

148 estimated yields of fifty gallons per minute shall be presumed if the  
149 city, town, borough, corporation, company, association or person (1)  
150 commences the development of a well water supply on the basis of  
151 studies which indicate a maximum requirement in excess of fifty  
152 gallons per minute; or (2) commences construction of two or more  
153 dwelling units consisting of, but not limited to, single family or duplex  
154 homes, apartments, condominiums or cooperatives, to be served by a  
155 single water supply, pursuant to a plan of lots which, together with  
156 any adjacent tracts owned or controlled by the same person or persons,  
157 contains fifty acres or more. The cost of development of such a well  
158 shall be allocated between the Southeastern Connecticut Water  
159 Authority and such city, town, borough, corporation, company,  
160 association or person in accordance with such regulations as said  
161 authority shall adopt.

162 Sec. 5. Section 14 of number 381 of the special acts of 1967, as  
163 amended by section 3 of number 206 of the special acts of 1969 and  
164 section 2 of special act 73-133, is amended to read as follows (*Effective*  
165 *from passage*):

166 The authority shall have the power: (a) To sue and be sued; (b) to  
167 have a seal and alter the same at pleasure; (c) to acquire, in the name of  
168 the authority, lease, hold and dispose of personal property or any  
169 interest therein for its corporate purposes, including the power to  
170 purchase prospective or tentative awards in connection with the  
171 exercise of the power of eminent domain granted; (d) to purchase, in  
172 the name of the authority, any water supply system or parts thereof  
173 situated within or outside the district, except in the town of Lebanon,  
174 for the purpose of supplying water for domestic, commercial and  
175 public purposes at retail to individual consumers within the district or  
176 at wholesale in the manner provided by subdivision (h) of this section.  
177 As a means of so acquiring for such purposes and subject to the  
178 approval of the public utilities commission, the authority may  
179 purchase all of the stock of any existing privately owned water  
180 corporation or water company and thereafter such water corporation

181 or water company shall be convenient for the operation of any water  
182 supply system developed by the authority, on such terms and  
183 conditions as the parties may agree upon, or when necessary or  
184 convenient for resale by the authority under the provisions of  
185 subdivision (g) of this section; (i) to make bylaws for the management  
186 and regulation of its affairs and for the use of its properties and,  
187 subject to the provisions of any bond issue, rules for the sale of water  
188 and the collection of rents and charges therefor. A copy of such rules  
189 and bylaws and all amendments thereto, certified by the secretary of  
190 the authority, shall be filed in the office of the secretary of the state; (j)  
191 to make contracts and to execute all necessary or convenient  
192 instruments, including evidence of indebtedness, negotiable or non-  
193 negotiable; (k) to make surveys, soundings and examinations; (l) to  
194 borrow money and to issue negotiable bonds or notes and to fund and  
195 refund the same and to provide for the rights of the holders of the  
196 authority's obligations, subject to the approval of the Southeastern  
197 Connecticut Council of Governments; (m) to fix rates and collect  
198 charges for the use of the facilities of, or services rendered by, or for  
199 any commodities furnished by the authority such as to provide  
200 revenues sufficient at all times to pay, as the same shall become due,  
201 the principal and interest on the bonds or notes of the authority  
202 together with the maintenance of proper reserves, in addition to  
203 paying, as the same shall become due, the expense of operating and  
204 maintaining the properties of the authority together with proper  
205 reserves for depreciation, maintenance and contingencies and all other  
206 obligations and indebtedness of the authority, subject to the approval  
207 of the Southeastern Connecticut Council of Governments; (n) to enter  
208 into cooperative agreements with other water authorities,  
209 municipalities, water districts or utility or water supply companies  
210 within or without the district for the interconnection of the facilities,  
211 exchange or interchange of services and commodities or for any other  
212 lawful purposes necessary or desirable to effect the purpose of [this  
213 act] number 206 of the special acts of 1969, subject to the approval of  
214 the Southeastern Connecticut Council of Governments, such

215 agreements to be binding for a period specified therein; (o) to accept  
216 grants, loans or contributions from the United States, the state of  
217 Connecticut, or any agency or instrumentality of either of them, or an  
218 individual, by request or otherwise, and to expend the proceeds for  
219 any purposes of the authority, subject to the approval of the  
220 Southeastern Connecticut Council of Governments; (p) to do all things  
221 necessary or convenient to carry out the powers expressly given in  
222 [this act] number 206 of the special acts of 1969 and including the  
223 powers granted by the general statutes to stock corporations except the  
224 power to issue stock; (q) at any time after the authority has, upon  
225 petition by property owners representing a majority in number and  
226 frontage to be assessed for present benefits, authorized the acquisition  
227 or construction of a water supply system or portion thereof, the  
228 authority may apportion and assess the whole or any portion of the  
229 cost upon the lands and buildings in the district which, in its  
230 judgment, are especially benefited thereby, and upon the owners of  
231 such land and buildings, according to such rules as the authority  
232 adopts, subject to the right of appeal as hereinafter provided, and  
233 provided no assessment shall be made upon any land and buildings  
234 for which a water supply is currently available from any municipal  
235 water supply system. Such assessment may include a proportionate  
236 share of the cost of any part of the water supply system, including the  
237 cost of preliminary studies and surveys, detailing working plans and  
238 specifications, acquiring necessary land or property or any interest  
239 therein, damage awards, interest charges during construction, legal  
240 and other fees, and any other expense incidental to the completion of  
241 the work, provided the authority shall not assess for the cost of  
242 transmission or feeder mains into which the authority will not permit  
243 service connection to be made, or for the cost of any main in excess of  
244 the cost of an eight-inch main, except where a larger main is required  
245 for the benefit of a particular property or group of properties, against  
246 which the authority may then assess the additional costs of such larger  
247 mains. THE BASIS FOR THE ASSESSMENT FOR SUCH MAINS  
248 SHALL BE DETERMINED BY VOTE OF THE LEGISLATIVE BODY

249 OF THE TOWN WITHIN WHICH THE MAINS ARE LAID. The  
250 authority may divide the total territory to be benefited by a water  
251 supply system into local districts and may levy assessments against the  
252 property benefited in each local district separately. In assessing  
253 benefits against property in any local district the authority may add to  
254 the cost of the part of the water supply system located in the local  
255 district a proportionate share of the cost of any part of the water  
256 supply system located outside the local district but deemed by the  
257 authority to be necessary or desirable for the operation of the part of  
258 the system within the local district. In assessing benefits and  
259 apportioning the amount to be raised thereby among the properties  
260 benefited, the authority may give consideration to area, frontage,  
261 grand list valuation, present or permitted use or classification of  
262 benefit properties and any other relevant factors. The authority shall  
263 make a reasonable allowance in the case of a property having frontage  
264 on more than one street and whenever for any reason the particular  
265 situation of any property requires an allowance. Revenue from  
266 assessment of benefits shall be used solely for acquisition or  
267 construction of the water supply system providing such benefits or for  
268 payment of principal of and interest on bonds or notes issued to  
269 finance such acquisition or construction. No assessment shall be made  
270 against any property in excess of the special benefit to accrue to such  
271 property, and the aggregate of all assessments for the assessable  
272 portion of the entire water supply system of the authority shall at no  
273 time exceed the total construction cost of such assessable portion of  
274 such water supply system. In case of a property other than  
275 commercial, industrial or institutional which exceeds by more than one  
276 hundred percent the size of the smallest lot permitted in the lowest  
277 density residential zone allowed under zoning regulations or, in the  
278 case of a town having no zoning regulations, a lot size of one acre in  
279 area and one hundred fifty feet in frontage, assessment of such excess  
280 land shall be deferred until such time as such excess land shall be built  
281 upon or a building permit issued therefore or until approval of a  
282 subdivision plan of such excess property by the planning commission

283 having jurisdiction, whichever event occurs first, at which time  
284 assessment may be made as provided herein. No lien securing  
285 payment shall be filed until the property is assessed. No assessment or  
286 supplementary assessment shall be made until after a public hearing  
287 before the authority at which the owner of the property to be assessed  
288 shall have an opportunity to be heard concerning the proposed  
289 assessment. Notice of time, place and purpose of such hearing shall be  
290 published at least ten days before the date thereof in a newspaper  
291 having circulation in the district, and a copy of such notice shall be  
292 mailed to the owner of any property to be affected thereby, at least ten  
293 days before the date thereof, at such owner's address as shown in the  
294 last-completed grand list of the municipality in which such property is  
295 located or at any later address of which the authority may have  
296 knowledge. A copy of the proposed assessment shall be on file in the  
297 office of the authority and in the office of the town clerk of the town in  
298 which the property to be assessed is located, and such assessment shall  
299 be available for inspection by the public for at least ten days before the  
300 date of such hearing. When the authority has determined the amount  
301 of the assessment to be levied, it shall file a copy thereof in the office of  
302 the authority and shall record a copy thereof in the office of such town  
303 clerk and, not later than five days after such filing and recording, shall  
304 cause the name to be published in a newspaper having circulation in  
305 the district. Such publication shall state the date on which such  
306 assessment was filed and that any appeal from such assessment must  
307 be taken to the court of common pleas for the county wherein the  
308 property is located, within twenty-one days after such filing. Such  
309 court may appoint three disinterested persons to appraise the benefits  
310 to such property and to make a report of their doings to the court. Such  
311 appeal, during the pendency thereof, shall stay all proceedings for the  
312 collection of the particular assessment upon which the appeal is  
313 predicated. If any assessment is not valid or enforceable for any  
314 reason, a new assessment may be made. If any assessment is made  
315 which is not sufficient to cover the entire cost of the work to be paid  
316 for by such assessment, a supplementary assessment may be made by

317 the authority within six months after final completion of construction  
318 against those properties previously assessed, to the end that a sum  
319 sufficient to pay the cost of such work may be obtained, provided no  
320 such supplementary assessment, together with the original assessment,  
321 shall exceed the value of the special benefit to accrue to the property  
322 against which the benefit is assessed. Assessments shall be due and  
323 payable at such time as is fixed by the authority, provided no  
324 assessment shall become due until the work or particular portion  
325 thereof for which such assessment was levied has been completed. The  
326 authority shall give notice of the date when assessments are due and  
327 payable by publication at least twice within a period of fifteen days in  
328 a newspaper having circulation in the district. Such notice shall list the  
329 streets and describe the area within which are located any properties  
330 against which such assessments are due. No assessment shall be due  
331 and payable earlier than thirty days after first publication of such  
332 notice. The authority may provide for payment of any assessment in  
333 substantially equal annual installments, not exceeding twenty, and  
334 may provide for interest charges not exceeding six per cent for any  
335 deferred payments, provided the last instalment of any assessment  
336 shall be due not later than one year prior to the date of the last  
337 maturity of any bonds or notes issued by the authority to finance  
338 acquisition or construction of any water supply system or portion  
339 thereof in respect to which the assessment was levied. Any person may  
340 pay any instalment for which he is liable at any time prior to the due  
341 date thereof and no interest on any such instalment shall be charged  
342 beyond the date of such payment. Any assessment of benefits or any  
343 instalment thereof not paid within thirty days after the due date shall  
344 be delinquent and shall be subject to interest from such due date at the  
345 interest rate and in the manner provided by the general statutes for  
346 delinquent property taxes. Each addition of interest shall be collectible  
347 as a part of such assessment. Whenever any instalment of an  
348 assessment becomes delinquent, all remaining unpaid instalments of  
349 such assessment shall also become delinquent. Any unpaid assessment  
350 and any interest due thereon shall constitute a lien upon the real estate

351 against which the assessment was levied from the date of such levy.  
352 Each such lien may be continued, recorded and released in the manner  
353 provided by the general statutes for continuing, recording and  
354 releasing property tax liens. Each such lien shall take precedence over  
355 all other liens and encumbrances except taxes and may be foreclosed in  
356 the same manner as property tax liens. The authority may by  
357 resolution designate any person as collector of water supply system  
358 assessments, and the authority may recover any such assessment in a  
359 civil action against any person liable therefor. Whenever any person  
360 has become delinquent in the payment of any instalment and has paid  
361 all such past-due instalments together with any interest or other  
362 charges, the authority shall permit such person to pay any remaining  
363 instalments without additional penalty, except for subsequent default,  
364 in accordance with the original instalment schedule. The authority  
365 may establish and revise fair and reasonable charges for connection  
366 with a water supply system. The owner of property against which any  
367 such connection charge is levied shall be liable for payment thereof.  
368 Municipally-owned and other tax-exempt property which uses the  
369 water supply system shall be subject to such charges under the same  
370 conditions as are the owners of other property. No schedule of such  
371 charges for connection with a water supply system shall be established  
372 or revised until after a public hearing before the authority at which any  
373 parties having an interest in such charges shall have an opportunity to  
374 be heard. Notice of the time, place and purpose of such hearing shall  
375 be published at least ten days before the date thereof in a newspaper  
376 having circulation in the district. A copy of the proposed charges shall  
377 be on file in the office of the authority and in the office of the town  
378 clerk of the town in which the property being charged is located, and  
379 such charges shall be available for inspection by the public for at least  
380 ten days before the date of such hearing. When the authority has  
381 established or revised such charges, it shall file a copy thereof in the  
382 office of the authority and in the office of such town clerk and, not later  
383 than five days after such filing, shall cause the same to be published in  
384 a newspaper having circulation in the district. Such publication shall

385 state the date on which such charges were filed and the time and  
386 manner of paying such charges and shall state that any appeal from  
387 such charges must be taken within twenty-one days after such filing.  
388 Any person aggrieved by any charge for connection with a water  
389 supply system may appeal to the court of common pleas for the county  
390 wherein the local district is located. In establishing or revising such  
391 charges the authority may classify the property connected or to be  
392 connected with the water supply system and may give consideration  
393 to any factors relating to the kind, quality or extent of use of any such  
394 property or classification of property including anticipated maximum  
395 rate of flow to the property; size of service pipe and meter; private fire  
396 protection to be provided by the service pipe and appurtenances; and  
397 any other factors affecting the cost of rendering water service to the  
398 property. The authority may establish minimum charges for  
399 connection with a water supply system. Any charge for connection  
400 with or for use of a water supply system not paid within thirty days of  
401 the due date shall thereupon be delinquent and shall bear interest from  
402 the due date at the rate and in the manner provided by the general  
403 statutes for delinquent property taxes. Each addition of interest shall  
404 be collectible as a part of such connection or use charge. Any such  
405 unpaid connection or use charge shall constitute a lien upon the real  
406 estate against which such charge was levied from the date it became  
407 delinquent. Each such lien may be continued, recorded and released in  
408 the manner provided by the general statutes for continuing, recording  
409 and releasing property tax liens by the person designated as collector  
410 of connection charges. Each such lien shall take precedence over all  
411 other liens and encumbrances except taxes and may be foreclosed in the  
412 same manner as a lien for property taxes. The authority may by  
413 resolution designate any person as collector of water supply system  
414 connection and use charges, and such collector of water supply system  
415 connection and use charges may collect such charges in accordance  
416 with the provisions of the general statutes for the collection of property  
417 taxes. The authority may recover any such charges in a civil action  
418 against any person liable therefor. The authority shall have such other

419 rights in connection with the sale of water including the right to  
420 discontinue water service for nonpayment of delinquent bills, as its  
421 bylaws or regulations shall provide.

422 Sec. 6. Section 16 of number 381 of the special acts of 1967 is  
423 amended to read as follows (*Effective from passage*):

424 (a) The authority, subject to review and comment by the  
425 Southeastern Connecticut Council of Governments, shall have the  
426 power and is authorized from time to time to issue its negotiable  
427 bonds for any of its corporate purposes, including incidental expenses  
428 in connection therewith, and to secure the payment of the same by a  
429 lien or pledge covering all or part of its contracts, earnings or revenues.  
430 The authority shall have power from time to time, whenever it deems  
431 refunding expedient, to refund any bonds by the issuance of new  
432 bonds within the terms of any refunding provisions of its bonds,  
433 whether the bonds to be refunded have or have not matured, and may  
434 issue bonds partly to refund bonds then outstanding and partly for  
435 any of its corporate purposes. Except as may be otherwise expressly  
436 provided by the authority, every issue of bond by the authority shall  
437 be preferred obligations, taking priority over all other claims against  
438 the authority, and payable out of any moneys, earnings or revenues of  
439 the authority, subject only to any agreements with the holders of  
440 particular bonds pledging any particular moneys, earnings or  
441 revenues. Notwithstanding the fact that the bonds may be payable  
442 from a special fund, if they are otherwise of such form and character as  
443 to be negotiable instruments under the terms of the uniform  
444 commercial code, the bonds shall be negotiable instruments within the  
445 meaning of and for all the purposes of the uniform commercial code,  
446 subject only to the provisions of the bonds for registration. (b) The  
447 bonds shall be authorized by resolution of the authority and shall bear  
448 such date or dates, mature at such time or times, not exceeding forty  
449 years from their respective dates, bear interest at such rates per  
450 annum, not exceeding statutory limitations, payable at such times, be  
451 in such denomination, be in such form, either coupon or registered,

452 carry such registration privileges, be executed in such manner, be  
453 payable in lawful money of the United States of America, at such place  
454 or places, and be subject to such terms of redemption as such  
455 resolution or resolutions may provide. All bonds of the authority shall  
456 be sold through a negotiated sale or a public sale upon sealed bids to  
457 the bidder who shall offer the lowest net interest cost to the authority,  
458 to be determined by the authority. The notice of sale shall be published  
459 at least once, not less than ten nor more than forty days before the date  
460 of sale, in a financial newspaper circulated in the state of Connecticut  
461 and the city of New York and designated by the authority. The notice  
462 shall call for the receipt of sealed bids and shall fix the date, time and  
463 place of sale. (c) Any resolution or resolutions authorizing any bonds  
464 or any issue of bonds may contain provisions which shall be a part of  
465 the contract with the holders of the bonds thereby authorized as to (1)  
466 pledging all or any part of the moneys, earnings, income and revenues  
467 derived from all or any part of the properties of the authority to secure  
468 the payment of the bonds or of any issue of the bonds subject to such  
469 agreement with the bondholders as may then exist; (2) the rates,  
470 rentals, fees and other charges to be fixed and collected and the  
471 amounts to be raised in each year thereby, and the use and disposition  
472 of the earnings and other revenues; (3) the setting aside of reserves and  
473 the creation of sinking funds and the regulation and disposition  
474 thereof; (4) limitations on the right of the authority to restrict and  
475 regulate the use of the properties in connection with which such bonds  
476 are issued; (5) limitations on the purposes to which, and the manner in  
477 which, the proceeds of sale of any issue of bonds may be applied; (6)  
478 limitations on the issuance of additional bonds, the terms upon which  
479 additional bonds may be issued and secured, and the refunding of  
480 outstanding or other bonds; (7) the procedure, if any, by which the  
481 terms of any contract with bondholders may be amended or  
482 abrogated, the amount of bonds the holders of which must consent  
483 thereto, and the manner in which such consent may be given; (8) the  
484 creation of special funds into which any earnings or revenues of the  
485 authority may be deposited; (9) the terms and provisions of any trust

486 deed or indenture securing the bonds or under which bonds may be  
487 issued; (10) defining the acts or omission to act which shall constitute a  
488 default in the obligations and duties of the authority to the  
489 bondholders and providing the rights and remedies of the  
490 bondholders in the event of such default, including as a matter of right  
491 the appointment of a receiver, provided such rights and remedies shall  
492 not be inconsistent with the general laws of this state; (11) limitations  
493 on the power of the authority to sell or otherwise dispose of its  
494 properties; (12) any other matters, of like or different character, which  
495 in any way affect the security or protection of the bonds; (13)  
496 limitations on the amount of moneys derived from the properties to be  
497 expended for operating administrative or other expenses of the  
498 authority. (d) It is the intention of the legislature that any pledge of  
499 earnings, revenues or other moneys made by the authority shall be  
500 valid and binding from the time when the pledge is made; that the  
501 earnings, revenues or other moneys so pledged and thereafter received  
502 by the authority shall immediately be subject to the lien of such pledge  
503 without any physical delivery thereof or further act, and that the lien  
504 of any such pledge shall be valid and binding as against all parties  
505 having claims of any kind in tort, contract or otherwise against the  
506 authority irrespective of whether such parties have notice thereof.  
507 Neither the resolution nor any other instrument by which a pledge is  
508 created need be recorded. (e) Neither the members of the authority nor  
509 any person executing the bonds shall be liable personally on the bonds  
510 or be subject to any personal liability or accountability by reason of the  
511 issuance thereof. (f) The authority shall have the power out of any  
512 funds available to purchase, as distinguished from the power of  
513 redemption above provided, any bonds issued by it at a price of not  
514 more than the principal amount thereof and accrued interest, and all  
515 such bonds shall be cancelled. (g) In the discretion of the authority, the  
516 bonds may be secured by a trust indenture by and between the  
517 authority and a corporate trustee, which may be any trust company or  
518 bank having the powers of a trust company. Such trust indenture may  
519 contain such provisions for protecting and enforcing the rights and

520 remedies of the bondholders as may be reasonable and proper and not  
521 in violation of any law, including covenants setting forth the duties of  
522 the authority in relation to the construction, maintenance, operation,  
523 repair and insurance of the properties, and the custody, safeguarding  
524 and application of all moneys, and may provide that the properties  
525 shall be constructed and paid for under the supervision and approval  
526 of consulting engineers. The authority may provide by such trust  
527 indenture or other depository for the methods of disbursement thereof,  
528 with such safeguards and restrictions as it may determine. All  
529 expenses incurred in carrying out such trust indenture may be treated  
530 as part of the cost of maintenance, operation and repairs of the  
531 properties. If the bonds are secured by a trust indenture, bondholders  
532 shall have no authority to appoint a separate trustee to represent them.  
533 Notwithstanding any other provisions of [this act] number 381 of the  
534 special acts of 1967, any resolution or resolutions authorizing bonds or  
535 notes of the authority shall contain a covenant by the authority that it  
536 will at all times maintain rates, fees, rentals or other charges sufficient  
537 to pay, and that any contracts entered into by the authority for the sale  
538 and distribution of water shall contain rates, fees, rentals or other  
539 charges sufficient to pay, the cost of operation and maintenance of the  
540 properties, the principal of and interest on any obligation issued  
541 pursuant to such resolution or resolutions as the same severally  
542 become due and payable, and to maintain any reserves or other funds  
543 required by the terms of such resolution or resolutions.

544 Sec. 7. Section 17 of number 381 of the special acts of 1967 is  
545 amended to read as follows (*Effective from passage*):

546 The authority, subject to review and comment by the Southeastern  
547 Connecticut Council of Governments, shall have the power and is  
548 authorized to issue negotiable bond anticipation notes and may renew  
549 the same from time to time, but the maximum maturity of any such  
550 note, including renewals thereof, shall not exceed five years from date  
551 of issue of such original note. Such notes shall be paid from any  
552 moneys of the authority available therefor and not otherwise pledged,

553 or from the proceeds of the sale of the bonds of the authority in  
554 anticipation of which they were issued. The notes shall be issued in the  
555 same manner as the bonds and such notes and the resolution or  
556 resolutions authorizing the same may contain any provisions,  
557 conditions or limitations which the bonds or a bond resolution of the  
558 authority may contain. Such notes may be sold at public or private sale  
559 at not less than par and shall bear interest at a rate not exceeding five  
560 per cent per annum. Such notes shall be as fully negotiable as the  
561 bonds of the authority.

562 Sec. 8. Section 18 of number 381 of the special acts of 1967, as  
563 amended by section 3 of public act 02-76, is amended to read as  
564 follows (*Effective from passage*):

565 (a) The authority, subject to any limitation on the amount of  
566 revenues available to be expended for such purposes, and subject to  
567 engineering and financial feasibility studies, shall plan, operate and  
568 maintain a water supply system and, where necessary, construct water  
569 supply systems for the Southeastern Connecticut Planning Region. In  
570 no event is [this act] public act 02-76 to be construed as requiring the  
571 authority to construct a water supply system in any area where  
572 expected revenues would not meet the expected expenditure for  
573 construction and operation of such a water supply system. [, provided,  
574 on the written request of the city council of the city of Groton, for the  
575 provision of water, said authority shall immediately proceed to  
576 establish a source of water supply for said city which will provide not  
577 less than four million gallons of water per day and shall connect such  
578 source to the water supply system of said city, the cost of such  
579 establishment and connection to be borne by said authority.]

580 (b) Notwithstanding any provision of subsection (a) of this section  
581 or any other provision of any special act or general statute, the  
582 authority shall, not later than July 1, 2003, either (1) amend or revise  
583 such authority's last water supply plan for the Southeastern  
584 Connecticut Planning Region, or (2) adopt a new water supply plan for

585 the Southeastern Connecticut Planning Region. The cost of such  
586 amendment, revision or adoption shall not exceed one hundred fifty  
587 thousand dollars. In the amendment, revision or adoption of any such  
588 plan pursuant to this subsection, the authority shall conduct an  
589 analysis of the potential to more fully interconnect and integrate the  
590 Southeastern Connecticut Planning Region water supply system. The  
591 authority shall submit for review any amendments, revisions or plan  
592 developed pursuant to this subsection to the water planning council  
593 established pursuant to public act 01-177, as amended by [this act]  
594 public act 02-76.

595 Sec. 9. Section 27 of number 381 of the special acts of 1967 is  
596 amended to read as follows (*Effective from passage*):

597 (a) The authority shall have an annual audit of its accounts, books  
598 and records by a certified public accountant selected by the  
599 [representative advisory board] Southeastern Connecticut Council of  
600 Governments. A copy of the audit shall be delivered to the  
601 municipalities within the district, [and to the public utilities  
602 commission] the Southeastern Connecticut Council of Governments  
603 and the Public Utilities Regulatory Authority. A concise financial  
604 statement shall be published annually, at least once, in a newspaper of  
605 general circulation in the municipality where the principal office of the  
606 authority is located. If such publication is not made by the authority,  
607 the [representative advisory board] Southeastern Connecticut Council  
608 of Governments shall publish such statement at the expense of the  
609 authority. If the authority fails to make such an audit, the auditor or  
610 accountant designated by the [representative advisory board]  
611 Southeastern Connecticut Council of Governments shall examine, at  
612 the expense of the authority, the accounts and books of the authority,  
613 including its receipts, disbursements, contracts, leases, sinking funds,  
614 investments and any other matters relating to its finances, operation  
615 and affairs. (b) The attorney general shall have the right to examine the  
616 books, accounts and records of the authority.

617 Sec. 10. Section 33 of number 381 of the special acts of 1967, as  
618 amended by section 5 of number 206 of the special acts of 1969 and  
619 section 2 of special act 73-95, is amended to read as follows (*Effective*  
620 *from passage*):

621 The sum of two hundred fifty thousand dollars is appropriated for  
622 the purpose of providing working capital and organizational funds for  
623 the authority. Upon the effective date of sections 1 to 12, inclusive, of  
624 this act, the sum of one hundred thousand dollars is appropriated to  
625 the Southeastern Connecticut Council of Governments. Such  
626 appropriation may be used for administrative costs, for legal and  
627 professional consultant services and for other organizational purposes.

628 Sec. 11. Number 381 of the special acts of 1967, as amended by  
629 section 1 of special act 73-64, is amended to read as follows (*Effective*  
630 *from passage*):

631 (a) There shall be established a technical advisory board to the  
632 Southeastern Connecticut Water Authority and the [representative  
633 advisory board of said authority] Southeastern Connecticut Council of  
634 Governments. Said technical advisory board shall advise and assist the  
635 authority and [representative board] the council in arriving at technical  
636 consensus on future regional water requirements, assist in the  
637 establishment and implementation of long-range programs, and  
638 provide technical advice in the consideration on major technical  
639 projects, the acquisition of utilities, utility operation, rate exchanges  
640 and in other appropriate matters.

641 (b) Each town in the Southeastern Connecticut Water Authority  
642 district, having a water waste water utility or such other board or  
643 commission having functions directly relating to water supply may  
644 appoint one member. This member shall serve at the pleasure of the  
645 appointing municipality. Such member shall elect a chairman who  
646 shall serve for a term of one year.

647 (c) Technical advisory board members may attend any and all

648 meetings of the Southeastern Connecticut Water Authority, the  
 649 [representative advisory board] Southeastern Connecticut Council of  
 650 Governments or committees thereof. Such members shall offer such  
 651 advice as may be requested or as they shall deem appropriate. They  
 652 shall, in [liason] liaison with the [representative advisory board  
 653 members of their respective communities] Southeastern Connecticut  
 654 Council of Governments, report to their municipalities any matters  
 655 affecting those municipalities. Technical advisory board members shall  
 656 be representatives of their respective communities and shall be  
 657 governed by instructions of their municipalities. Technical advisory  
 658 board members shall serve in an advisory capacity and have no vote as  
 659 to the decisions of the Southeastern Connecticut Water Authority or  
 660 the [representative advisory board] Southeastern Connecticut Council  
 661 of Governments.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 4(a) and (b)
Sec. 2	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 5
Sec. 3	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 8
Sec. 4	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 13
Sec. 5	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 14
Sec. 6	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 16

Sec. 7	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 17
Sec. 8	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 18
Sec. 9	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 27
Sec. 10	<i>from passage</i>	Number 381 of the special acts of 1967, Sec. 33
Sec. 11	<i>from passage</i>	Number 381 of the special acts of 1967

***Statement of Purpose:***

To replace the Representative Advisory Board to the Southeastern Water Authority with the Southeastern Connecticut Council of Governments, to give said Council additional supervisory powers and to make technical and conforming changes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*