

Testimony by Michael A. Milone
Town Manager, Cheshire
State Finance, Revenue and Bonding Committee
Monday, March 4, 2013
Legislative Office Building

Re: SB-842 – An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes

Honorable Committee Members, good day and thank you for allowing me to testify. My name is Michael A. Milone, I am the Town Manager for the Town of Cheshire, and I am here to speak in support of provisions in SB-842 which increase bond authorizations for the Clean Water Fund.

A key element in this critical bond authorization legislation is the provision to increase the grant for phosphorous removal projects from 30% to 50%.

The Town of Cheshire is about to go out to bid for the upgrade to our Wastewater Treatment Plant at an estimated cost of \$32.150 million, the largest capital expense incurred in our Town's history. Imbedded in this appropriation is an estimated \$7.2 million to address the State's mandated phosphorous reduction strategy. Five years ago we were mandated by the State to reduce nitrogen, which we implemented at a cost of \$7 million. Consequently, Cheshire will have committed approximately \$14.2 million to meet two environmental state mandates, which will impose a significant debt burden on our financial operation and force us to defer other critically important infrastructure capital projects. While we understand the importance and benefit of these environmental initiatives, it does create an unfair financial burden on residents in the affected municipalities.

This unfair financial burden has been significantly exacerbated by the fact that Cheshire is the host community to the second largest prison in the state and 25% - 30% of the total effluent treated at our Wastewater Treatment Plant is discharged by this prison. The Department of Corrections, in spite of their extensive reliance on our Waste Water Treatment facility, has refused to renegotiate our prison agreement to assist in the \$32.150 million cost of the Plant upgrade. Yet they agreed to partner with other prison towns for similar Wastewater Treatment Plant capital projects.

Additionally, the Department of Corrections has refused to pay a user charge back-billing of \$1.5 million incurred because their waste flow meter malfunctioned and many years of flow were underreported.

Finally, compounding this continuing financial burden, the Governor has proposed a budget that would eliminate the PILOT-State Property which would result in a \$2.3 million revenue loss to Cheshire as a host to a state prison.

So, in summary, we are faced with a state mandated phosphorous reduction plan costing \$7.2 million, a refusal by the State Department of Corrections to share in the cost of a Waste Water Treatment Plant upgrade of \$32.150 million, a refusal by DOC to pay the \$1.5 million due in user fee back-billings, and the loss of a prison PILOT payment of \$2.3 million.

Consequently, we are facing a confluence of significantly damaging and costly financial burdens around our Wastewater Treatment Plant, so I urge your committee to consider some modicum of financial relief by funding the phosphorous portion of the Clean Water Fund at 50%.

Thank you for allowing me to testify before you, and I wish you well in your deliberations this legislative session.