Testimony by Michael A. Milone
Town Manager, Cheshire
Judiciary Committee
Wednesday, March 13, 2013
Legislative Office Building

Re: H.B. No. 6587 -- An Act Concerning Amendments to Contracts Between the State and any Municipality in which a Correction Facility is Located.

Honorable Committee Members, good afternoon and thank you for allowing me to address you. My name is Michael A. Milone, and I am the Town Manager for the Town of Cheshire, and I am here to support H.B. No. 6587 – An Act Concerning Amendments to Contracts Between the State and any Municipality in which a Correction Facility is Located.

Cheshire is host to the second largest prison complex in the State of Connecticut, and our most recent formal relationship with the State was established in an agreement dated October 31, 1990. While this agreement addressed the Town's needs in 1990, much has changed resulting in a need to revisit this agreement and revise it to address the increasing demands that the Corrections facilities now impose on the Town of Cheshire.

Unfortunately, repeated efforts to renegotiate a successor agreement or an amendment have been rebuffed by the State Department of Corrections (DOC) and the Office of Policy and Management (OPM) dating back to September 2006. Consequently, our only remaining recourse is to seek relief from the Legislature.

By way of background, the State of Connecticut also has contractual agreements with other prison towns, which outline the parameters and more importantly, the financial conditions for this relationship. These agreements with other prison towns include ongoing financial support from the State for the capital costs incurred by the towns for treatment plant improvements, modifications and replacement or upgrades such that the costs "*shall be apportioned between the Town and the State on the basis of their respective average daily flows.*"

This contractual provision is extremely important to us since Cheshire is embarking on a $32.15 million Wastewater Treatment Plant upgrade.

Without State support, the full cost of the repayment of Clean Water funds, and the corollary benefit to the prison, will be borne by our local taxpayers.

Additionally, other prison towns have contractual provisions that allow them to impose a surcharge for excess flow beyond the gallons permitted in the contract. In Cheshire's agreement with the DOC the daily flow is permitted for 350,000 gallons per day yet their daily flow has averaged in excess of 450,000 gallons per day; and while the State is exceeding their contracted flows by at least 100,000 gallons a day and using up vital plant capacity, the State is not paying a surcharge under our current agreement.

Additionally, and as a result of the DOC's past history of exceeding their contractual capacity with significantly excess flows, about five years ago the Town of Cheshire reached 90% of plant capacity and had to conduct a very expensive and time consuming expansion/capacity study, which was the direct result of the prison's excess flows.

With no other recourse, the Town of Cheshire sued the State over this breach of contract about 6 months ago. However, we would prefer not to continue to pursue litigation if we can simply get the State DOC and OPM to negotiate a successor agreement that provides parity to Cheshire. By parity we are requesting that our contractual language mirrors that of Enfield and Suffield and that the State pay a proportionate share of the Treatment Plant upgrade as well as buying additional capacity in our plant or pay a surcharge for their excess flow of effluent.

Being a host community for a prison is not an asset or a benefit, and to exacerbate the situation the Governor's proposed budget would eliminate the PILOT-State Property for the prison, which is a revenue loss of $2.1 million for Cheshire.

Consequently, it is now more critical than ever that we realize some financial relief through an amendment to our Prison Agreement, and I urge your support of this legislation.

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