



## FIRST TAXING DISTRICT BOARD OF COMMISSIONERS

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12 New Canaan Avenue  
Post Office Box 27  
Norwalk, Connecticut 06852

Office 203.847.7387  
Fax 203.846.3482  
Email [fdwd@firstdistrictwater.org](mailto:fdwd@firstdistrictwater.org)

Commissioners  
Robert A. Corbo  
Thomas J. Cullen, Esq.  
Frank N. Zullo, Esq., Chairman

District Treasurer  
Marija V. Bryant

### **Testimony of Frank N. Zullo, Chairman of the Board of Commissioners First Taxing District of the City of Norwalk Senate Bill No. 109, An Act Concerning Rates of Certain Water Systems**

Senator Duff, Representative Reed, Senator Chapin, Representative Hoydick and members of the Energy and Technology Committee, I am Frank Zullo, Chairman of the First Taxing District of the City of Norwalk. I want to thank you for the opportunity to address Senate Bill No. 109, "An Act Concerning Rates of Certain Water Systems."

The First and Second Taxing Districts of the City of Norwalk are municipal water districts established by the General Assembly and given the responsibility of supplying water to the inhabitants of Norwalk. I oppose the bill because it seeks to equalize the rates of all customers served by the First Taxing District. Historically, we have charged Norwalk residents who live outside the geographical area of the First District a greater rate for water than Norwalk residents who live within the geographical area of the District. This bifurcated rate structure is fair and reasonable for a number of reasons.

Over the years, the First District has spent, and it continues to spend today, considerable sums of money to meet the demands of our "outside-the-District" customers that it would never have had to spend had it confined its supply to "inside-the-District" customers.

GEOGRAPHICALLY, it is more expensive to provide water outside the District, where elevations are higher OR properties are at the end of the system OR land is more sparsely populated than in the more thickly-settled area inside the District.

To serve the "outside-the-District" customers, general obligation loans have been necessary on a number of occasions (including the present time), and only the properties of residents of the District are obligated for the payment of these loans. When bonding is necessary to finance improvements to our water system—even when those improvements serve *only* residents outside the District -- District property owners *alone* stand behind the bonds issued for these improvements.

It should be noted that *all* of the water rates charged by the First District are so reasonable that even our "outside-the-District" customers pay a LOWER rate for water than people who live in our bordering towns and are serviced by other suppliers.



Residents who live inside the First District – who *own* the water system – have lower incomes *per capita* than residents who live outside the District. As a practical matter, this would mean that passage of this Bill and equalization of all rates would hurt most the people who are least able to pay for water.

Finally, it is a fact that a significant amount of new development is occurring today inside the District. Passage of this bill and equalization of all rates would increase the cost of doing business in the First District, and would serve to discourage this all important inner city development.