



Senate

General Assembly

File No. 565

February Session, 2014

Senate Bill No. 306

Senate, April 16, 2014

The Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT ALLOCATING FUNDING FOR THE PROVISION OF POTABLE WATER TO CERTAIN COMMUNITIES AND REAUTHORIZING THE COMMISSIONER OF ENERGY AND ENVIRONMENTAL PROTECTION TO PROVIDE POTABLE WATER TO COMMUNITIES UNDER CERTAIN CIRCUMSTANCES.

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

1 Section 1. (*Effective July 1, 2014*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have
3 the power from time to time to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate two million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Department of Energy and Environmental Protection for the purpose
9 of funding a new water main in the Lyman Drive area of Torrington in
10 order to provide residents of said area with potable drinking water.

11 (c) All provisions of section 3-20 of the general statutes, or the

12 exercise of any right or power granted thereby, which are not
13 inconsistent with the provisions of this section are hereby adopted and
14 shall apply to all bonds authorized by the State Bond Commission
15 pursuant to this section, and temporary notes in anticipation of the
16 money to be derived from the sale of any such bonds so authorized
17 may be issued in accordance with said section 3-20 and from time to
18 time renewed. Such bonds shall mature at such time or times not
19 exceeding twenty years from their respective dates as may be provided
20 in or pursuant to the resolution or resolutions of the State Bond
21 Commission authorizing such bonds. None of said bonds shall be
22 authorized except upon a finding by the State Bond Commission that
23 there has been filed with it a request for such authorization which is
24 signed by or on behalf of the Secretary of the Office of Policy and
25 Management and states such terms and conditions as said commission,
26 in its discretion, may require. Said bonds issued pursuant to this
27 section shall be general obligations of the state and the full faith and
28 credit of the state of Connecticut are pledged for the payment of the
29 principal of and interest on said bonds as the same become due, and
30 accordingly and as part of the contract of the state with the holders of
31 said bonds, appropriation of all amounts necessary for punctual
32 payment of such principal and interest is hereby made, and the State
33 Treasurer shall pay such principal and interest as the same become
34 due.

35 Sec. 2. Subdivision (1) of subsection (a) of section 22a-471 of the 2014
36 supplement to the general statutes is repealed and the following is
37 substituted in lieu thereof (*Effective July 1, 2014*):

38 (a) (1) If the Commissioner of Energy and Environmental Protection
39 determines that pollution of the groundwaters has occurred or can
40 reasonably be expected to occur and the Commissioner of Public
41 Health determines that the extent of pollution creates or can
42 reasonably be expected to create an unacceptable risk of injury to the
43 health or safety of persons using such groundwaters as a public or
44 private source of water for drinking or other personal or domestic
45 uses, the Commissioner of Energy and Environmental Protection shall,

46 within available appropriations, arrange for the short-term provision
47 of potable drinking water to those residential buildings and
48 elementary and secondary schools affected by such pollution until
49 either said commissioner issues an order pursuant to this section
50 requiring the provision of such short-term supply and the recipient
51 complies with such order or a long-term supply of potable drinking
52 water has been provided, whichever is earlier. The commissioner may
53 issue an order to the person or municipality responsible for such
54 pollution requiring that potable drinking water be provided to all
55 persons affected by such pollution. In determining if pollution creates
56 an unacceptable risk of injury, the Commissioner of Public Health shall
57 balance all relevant and substantive facts and inferences and shall not
58 be limited to a consideration of available statistical analysis but shall
59 consider all of the evidence presented and any factor related to human
60 health risks. If the Commissioner of Energy and Environmental
61 Protection finds that more than one person or municipality is
62 responsible for such pollution, the commissioner shall attempt to
63 apportion responsibility if the commissioner determines that
64 apportionment is appropriate. If the commissioner does not apportion
65 responsibility, all persons and municipalities responsible for the
66 pollution of the groundwaters shall be jointly and severally
67 responsible for the providing of potable drinking water to persons
68 affected by such pollution. If the commissioner determines that the
69 state or an agency or department of the state is responsible in whole or
70 in part for the pollution of the groundwaters, such agency or
71 department shall prepare or arrange for the preparation of an
72 engineering report and shall provide or arrange for the provision of a
73 long-term potable drinking water supply. If the commissioner is
74 unable to determine the person or municipality responsible or if the
75 commissioner determines that the responsible persons have no assets
76 other than land, buildings, business machinery or livestock and are
77 unable to secure a loan at a reasonable rate of interest to provide
78 potable drinking water, the commissioner may prepare or arrange for
79 the preparation of an engineering report and provide or arrange for
80 the provision of a long-term potable drinking water supply or the

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Treasurer, Debt Serv.	GF - Cost	None	200,000
Department of Energy and Environmental Protection	GF - Potential Cost	205,800	205,800

Municipal Impact: None

Explanation

The bill authorizes up to \$2.0 million in General Obligation (GO) bonds to the Department of Energy and Environmental Protection (DEEP) for a new water main in Torrington. The fiscal impact is summarized in the table below. Assuming that \$2 million is allocated through the State Bond Commission during FY 15 and the Office of the State Treasurer issues the bonds before the end of FY 15, the debt service cost in FY 16 will be \$200,000.

**New GO Bond Authorization and Estimated Debt Service Cost
\$ millions**

Fiscal Year	Authorization Amount	Total Debt Service Cost*	Interest	Principal
FY 15	2.00	3.05	1.05	2.00

*Figures assume that bonds are issued at 5.0% over 20 year term

Additionally, the bill requires DEEP to arrange for potable drinking water to be provided, on a short term basis, to residences and elementary and secondary schools affected by groundwater pollution

until a long-term solution is achieved. PA 13-247, Sec. 37 of the general government implementer eliminated this requirement. To provide potable water under these circumstances the agency would incur a cost of \$205,800 in both FY 15 and FY 16.

It should be noted that the bill requires that the potable water be provided within available appropriations. It does not appear that this mandates that the agency perform the activity regardless of available funding, therefore the cost described above is potential.

The Out Years

The General Fund debt service impact identified above would continue over the 20 year term of issuance for the bonds. The annualized ongoing fiscal impact described above for the provision of potable water by DEEP may continue into the future, subject to inflation.

OLR Bill Analysis**SB 306*****AN ACT ALLOCATING FUNDING FOR THE PROVISION OF POTABLE WATER TO CERTAIN COMMUNITIES AND REAUTHORIZING THE COMMISSIONER OF ENERGY AND ENVIRONMENTAL PROTECTION TO PROVIDE POTABLE WATER TO COMMUNITIES UNDER CERTAIN CIRCUMSTANCES.*****SUMMARY:**

This bill reinstates a requirement for the Department of Energy and Environmental Protection (DEEP) commissioner, within available appropriations, to arrange for potable drinking water to be provided on a short-term basis to residences and elementary and secondary schools affected by groundwater pollution. Under the bill, he must provide this water until the earlier of (1) compliance by the person who receives a DEEP order to supply the water or (2) a long-term potable water supply is provided. (PA 13-247, § 37, eliminated this requirement.)

Under existing law, unchanged by the bill, if the (1) DEEP commissioner determines that groundwater pollution has occurred or is reasonably expected to occur and (2) public health commissioner determines that the pollution creates or is reasonably expected to create an unacceptable risk to people using the water for drinking or other domestic or personal uses, the DEEP commissioner may order the person or municipality responsible for the pollution to provide potable drinking water to everyone affected by it.

The bill also authorizes up to \$2 million in state general obligation bonds for DEEP to use to fund a new water main in the Lyman Drive area of Torrington to provide residents with potable drinking water. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Related Bill

sHB 5420, File 407, favorably reported by the Environment Committee, permits funds from a DEEP potable water grant program to be used for municipal public health and firefighting water needs.

COMMITTEE ACTION

Environment Committee

Joint Favorable Change of Reference

Yea 28 Nay 0 (03/17/2014)

Appropriations Committee

Joint Favorable

Yea 49 Nay 0 (04/01/2014)