

**Proposed Substitute
Bill No. 87**

LCO No. 3363

**AN ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY.**

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

1 Section 1. Section 1 of special act 77-98, as amended by section 5 of
2 special act 99-12, section 2 of public act 02-85 and section 1 of special
3 act 13-20, is amended to read as follows (*Effective from passage*):

4 It is found and declared as a matter of legislative determination that
5 the creation of the South Central Connecticut Regional Water
6 Authority for the primary purpose of providing and assuring the
7 provision of an adequate supply of pure water and the safe disposal of
8 wastewater at reasonable cost within the South Central Connecticut
9 Regional Water District and such other areas as may be served
10 pursuant to cooperative agreements and acquisitions authorized by
11 section 11 of special act 77-98, as amended by section 5 of special act
12 78-24, section 3 of special act 84-46, [and] section 7 of public act 02-85
13 and section 3 of this act, and, to the degree consistent with the
14 foregoing, of advancing water conservation and the conservation and
15 compatible recreational use of land held by the authority, conducting
16 [water or environmental related activities] or investing in businesses
17 related to water, energy, agriculture, the environment or any other
18 activity, provided such other activity is determined to be in the best
19 interests of customers by a majority of the total weighted votes of the

20 membership of the representative policy board, in each case within or
21 without the district [, provided] and that, at the time of any additional
22 investment in such activities, the authority's [outstanding principal
23 debt] original capital investment less returns of or on such capital in
24 such [activities] businesses made on and after June 30, [2013] 2016,
25 shall not exceed the greater of five per cent of the authority's net utility
26 plant devoted to water supply and distribution and wastewater
27 collection and treatment or such higher amount approved by a
28 majority of the total weighted votes of the membership of the
29 representative policy board and the carrying out of its powers,
30 purposes, and duties under sections 1 to 33, inclusive, of special act 77-
31 98, as amended by special act 78-24, special act 84-46, sections 5 to 7,
32 inclusive, of special act 99-12, sections 2 to 21, inclusive, of public act
33 02-85, [and this act] special act 13-20, this section and sections 2 to 7,
34 inclusive, of this act, and for the benefit of the people residing in the
35 South Central Connecticut Regional Water District and the State of
36 Connecticut, and for the improvement of their health, safety and
37 welfare, that said purposes are public purposes, and that the authority
38 will be performing an essential governmental function in the exercise
39 of its powers under sections 1 to 33, inclusive, of special act 77-98, as
40 amended by special act 78-24, special act 84-46, sections 5 to 7,
41 inclusive, of special act 99-12, section 2 of public act 02-85, [and this
42 act] special act 13-20, this section and sections 2 to 7, inclusive, of this
43 act.

44 Sec. 2. Subsection (a) of section 4 of special act 77-98, as amended by
45 section 3 of special act 78-24, section 2 of special act 84-46, section 5 of
46 public act 02-85, section 2 of special act 03-11 and section 10 of special
47 act 13-20, is amended to read as follows (*Effective from passage*):

48 (a) There shall be a representative policy board of the South Central
49 Connecticut Regional Water District which shall consist of one elector
50 from each city and town within the district who shall be appointed by
51 the chief elected official of such city or town, with the approval of its
52 legislative body, and one elector of the state who shall be appointed by
53 the governor. Members shall serve for a term of three years

54 commencing July 1, except that the members first appointed shall
55 serve terms commencing July 1, 1977, and such members appointed
56 from Bethany, East Haven, Killingworth, New Haven, Orange and
57 West Haven shall serve until June 30, 1978, such members appointed
58 from Branford, Guilford, Madison, North Branford, Prospect and
59 Woodbridge shall serve until June 30, 1979, such members appointed
60 from Cheshire, Hamden, Milford, North Haven and Wallingford shall
61 serve until June 30, 1980, and the member first appointed by the
62 governor shall serve for a term commencing upon appointment and
63 ending on the third June thirtieth thereafter; provided members shall
64 continue to serve until their successors are appointed and have
65 qualified. In the event of the resignation, death or disability of a
66 member from any city or town or the state, a successor may be
67 appointed by the chief elected official of such city or town, or in the
68 case of the member appointed by the governor, for the unexpired
69 portion of the term. The chief elected official of each such city or town
70 may appoint a provisional member to serve until December 1, 1977,
71 with full authority to act as a member until said date. Members and
72 provisional members shall receive one hundred dollars, adjusted as
73 provided in this subsection, for each day in which they are engaged in
74 their duties and shall be reimbursed for their necessary expenses
75 incurred in the performance of their duties. Such one-hundred-dollar-
76 per-day compensation amount shall be adjusted on January 1, 2015,
77 and every fifth year thereafter to reflect [changes] increases since 2012
78 in the Consumer Price Index for All Urban Consumers, Northeast
79 Urban, All Items (1982-84=100) published by the United States Bureau
80 of Labor Statistics or a comparable successor index. They shall elect a
81 chairman and a vice-chairman, who shall be members or provisional
82 members of the representative policy board, and a secretary. The
83 chairman shall receive a per diem payment of 1.5 times the amount
84 paid to members and provisional members. The representative policy
85 board shall meet at least quarterly with the authority and such
86 members of the staff of the authority as the representative policy board
87 deems appropriate.

88 Sec. 3. Section 11 of special act 77-98, as amended by section 5 of

89 special act 78-24, section 3 of special act 84-46 and section 7 of public
90 act 02-85, is amended to read as follows (*Effective from passage*):

91 Subject to the provisions of sections 1 to 33, inclusive, of special act
92 77-98, as amended by special act 78-24, special act 84-46, sections 5 to 7,
93 inclusive, of special act 99-12, [and this act] public act 02-85, special act
94 13-20, this section and sections 2 to 7, inclusive, of this act, the
95 authority shall have the power: (a) To sue and be sued; (b) to have a
96 seal and alter the same at its pleasure; (c) to acquire in the name of the
97 authority by purchase, lease or otherwise and to hold and dispose of
98 personal property or any interest therein, including shares of stock of a
99 subsidiary corporation; (d) to acquire in the name of the authority by
100 purchase, lease or otherwise and to hold and dispose of any real
101 property or interest therein, including water rights and rights of way
102 and water discharge rights, which the authority determines to be
103 necessary or convenient, and to acquire any existing wastewater
104 system or water supply system or parts thereof which are wholly or
105 partially within the district as described under section 3 of special act
106 [78-24] 77-98, as amended by section 2 of special act 78-24, section 1 of
107 special act 84-46 and [this act] public act 02-85. As a means of so
108 acquiring, the authority or a subsidiary corporation may purchase all
109 of the stock or all or any part of the assets and franchises of any
110 existing privately owned water or wastewater company, whereupon
111 the authority or such subsidiary corporation shall succeed to all rights,
112 powers and franchises thereof. Sections 16-43, 16-50c and 16-50d of the
113 general statutes shall not apply to any action by the authority or a
114 subsidiary corporation or any action by any privately owned water
115 company or sewage company, as defined in section 16-1 of the general
116 statutes, taken to effectuate the acquisition of the stock or all or any
117 part of the assets and franchises of such water company or sewage
118 company by the authority, provided section 16-43 shall apply to any
119 action taken to effectuate the acquisition of the stock or all or any part
120 of the assets and franchises of the Ansonia Derby Water Company by
121 the authority. Notwithstanding any provision of section 25-32 of the
122 general statutes, land may be transferred to the authority or a
123 subsidiary corporation of the authority as part of such an acquisition.

124 The commissioner of health services shall not grant a permit for a
125 change in the use of any class I or class II land owned by the Ansonia
126 Derby Water Company on the effective date of this section and not
127 transferred to the authority or a subsidiary corporation or a permit for
128 the sale, lease or assignment of any such class II land, unless (1) all
129 provisions of section 25-32 are complied with, and (2) the
130 commissioner of health services determines, after holding a hearing,
131 notice of which shall be published not later than thirty days before the
132 hearing in one or more newspapers having a substantial circulation in
133 the municipalities in which the land is located, that such change in the
134 use or sale, lease, or assignment of the land will not have a significant
135 adverse impact upon present and future water supply needs of the
136 authority or a subsidiary corporation of the authority; (e) to construct
137 and develop any water supply system or any wastewater system; (f) to
138 own, operate, maintain, repair, improve, construct, reconstruct,
139 replace, enlarge and extend any of its properties; (g) any provision in
140 any general statute, special act or charter to the contrary
141 notwithstanding, but subject to the provisions of section 12 of special
142 act 77-98, as amended by [this act] section 8 of public act 02-85, and
143 section 28 of special act 77-98, as amended by section 9 of special act
144 78-24, to sell water, however acquired, to customers within the district
145 or to any municipality or water company; (h) any provisions in any
146 general statute, special act or charter to the contrary notwithstanding,
147 to purchase water approved by the commissioner of health from any
148 person, private corporation or municipality when necessary or
149 convenient for the operation of any water supply system operated by
150 the authority; (i) to adopt and amend bylaws, rules and regulations for
151 the management and regulation of its affairs and for the use and
152 protection of the water and properties of the authority or a subsidiary
153 corporation and, subject to the provisions of any resolution
154 authorizing the issuance of bonds, rules for the sale of water, the
155 collection and processing of wastewater and the collection of rents and
156 charges for both water supply and wastewater functions. A copy of
157 such bylaws, rules and regulations and all amendments thereto,
158 certified by the secretary of the authority, shall be filed in the office of

159 the secretary of the state and with the clerk of each town and city
160 within the district. Any superior court located within the district shall
161 have jurisdiction over any violation of such bylaws, rules or
162 regulations and the authority may prosecute actions before the
163 superior court to enforce such bylaws, rules and regulations; (j) to
164 make contracts and to execute all necessary or convenient instruments,
165 including evidences of indebtedness, negotiable or non-negotiable; (k)
166 to borrow money, to issue negotiable bonds or notes, to fund and
167 refund the same and to provide for the rights of the holders of the
168 authority's obligations; (l) to open the grounds in any public street or
169 way or public grounds for the purpose of laying, installing,
170 maintaining or replacing pipes and conduits, provided upon the
171 completion of such work the grounds shall be restored to the condition
172 they were in previously; (m) to enter into cooperative agreements with
173 other water authorities, municipalities, water districts, water
174 companies or water pollution control authorities within or without the
175 district for interconnection of facilities, for exchange or interchange of
176 services and commodities or for any other lawful purpose necessary or
177 desirable to effect the purposes of sections 1 to 33, inclusive, of special
178 act 77-98, as amended by special act 78-24, special act 84-46 and
179 sections 5 to 7, inclusive, of special act 99-12, special act 13-20, this
180 section and sections 2 to 7, inclusive, of this act, such agreements to be
181 binding for a period specified therein; (n) to acquire, hold, develop and
182 maintain land and other real estate and waters for conservation and for
183 compatible active and passive recreational purposes and to levy
184 charges for such uses, provided the state department of health finds
185 that such uses will not harm the quality of water provided by the
186 authority; (o) to apply for and accept grants, loans or contributions
187 from the United States, the state of Connecticut or any agency,
188 instrumentality or subdivision of either of them or from any person,
189 and to expend the proceeds for any of its purposes; (p) to create
190 programs and policies for the purpose of conserving water; (q) to do
191 any and all things necessary or convenient to carry out the powers
192 expressly given in sections 1 to 33, inclusive, of special act 77-98, as
193 amended by special act 78-24, special act 84-76, and sections 5 to 7,

194 inclusive, of special act 99-12, [and this act] public act 02-85, special act
195 13-20, this section and sections 2 to 7, inclusive, of this act, including
196 the powers granted by the general statutes to stock corporations,
197 except the power to issue stock, and the powers granted by the general
198 statutes to water pollution control authorities.

199 Sec. 4. Section 14 of special act 77-98, as amended by section 6 of
200 special act 78-24, section 6 of special act 99-12 and section 10 of public
201 act 02-85, is amended to read as follows (*Effective from passage*):

202 With the approval of the representative policy board, the authority
203 shall establish just and equitable rates or charges for the use of the
204 water supply system and the wastewater system authorized herein, to
205 be paid by any customer, and may change such rates or charges from
206 time to time. Such water supply system rates or charges shall be
207 established so as to provide funds sufficient in each year, with other
208 water supply related revenues, if any, (a) to pay the cost of
209 maintaining, repairing and operating the water supply system and
210 each and every portion thereof, to the extent that adequate provision
211 for the payment of such cost has not otherwise been made, (b) to pay
212 the principal of and the interest on outstanding water supply bonds of
213 the authority as the same shall become due and payable, (c) to meet
214 any requirements of any resolution authorizing, or trust agreement
215 securing, such bonds of the authority, (d) to make payments in lieu of
216 taxes as provided in section 21 of special act 77-98, as amended by
217 section 8 of special act 78-24 and [this act] public act 02-85, as the same
218 become due and payable, upon the water supply system properties of
219 the authority or of a subsidiary corporation to the municipalities in
220 which such properties are situated, (e) to provide for the maintenance,
221 conservation and appropriate recreational use of the land of the
222 authority, and (f) to pay all other reasonable and necessary expenses of
223 the authority and of the representative policy board to the extent that
224 such expenses are allocable to the water supply system activities of the
225 authority and the representative policy board. Such wastewater system
226 rates or charges shall be established so as to provide funds sufficient in
227 each year with other wastewater related revenues, if any, (1) to pay the

228 cost of maintaining, repairing and operating the wastewater system
229 and each and every portion thereof, to the extent that adequate
230 provision for the payment of such cost has not otherwise been made,
231 (2) to pay the principal of and the interest on outstanding wastewater
232 bonds of the authority as the same shall become due and payable, (3)
233 to meet any requirements of any resolution authorizing, or trust
234 agreement securing, such bonds of the authority, (4) to pay all other
235 reasonable and necessary expenses of the authority and of the
236 representative policy board to the extent that such expenses are
237 allocable to the wastewater activities of the authority and of the
238 representative policy board. No such rate or charge shall be
239 established until it has been approved by the representative policy
240 board, after said board has held a public hearing at which all the users
241 of the waterworks system or the wastewater system, the owners of
242 property served or to be served and others interested have had an
243 opportunity to be heard concerning such proposed rate or charge. The
244 representative policy board shall approve such rates and charges
245 unless it finds that such rates and charges will provide funds in excess
246 of the amounts required for the purposes described previously in this
247 section, or unless it finds that such rates and charges will provide
248 funds insufficient for such purposes. The rates or charges so
249 established for any class of users or property served shall be extended
250 to cover any additional premises thereafter served which are within
251 the same class, without the necessity of a hearing thereon. Any change
252 in such rates or charges shall be made in the same manner in which
253 they were established. The rates or charges levied upon any customer
254 of any water supply system acquired pursuant to subsection (d) of
255 section 11 of special act 77-98, as amended by section 5 of special act
256 78-24, section 3 of special act 84-46, [and this act] public act 02-85, this
257 section and sections 2 to 7, inclusive, of this act, or served pursuant to a
258 cooperative agreement pursuant to subsection (m) of said section 11
259 shall not be required to be equalized with the authority's existing rates,
260 but may be set on a separate basis, provided such rates are just,
261 equitable and nondiscriminatory. Such rates or charges, if not paid
262 when due, shall constitute a lien upon the premises served and a

263 charge against the owners thereof, which lien and charge shall bear
264 interest at the same rate as would unpaid taxes. Such lien shall take
265 precedence over all other liens or encumbrances except taxes and may
266 be foreclosed against the lot or building served in the same manner as
267 a lien for taxes, provided all such liens shall continue until such time as
268 they shall be discharged or foreclosed by the authority without the
269 necessity of filing certificates of continuation, but in no event for longer
270 than [ten] fifteen years. The amount of any such rate or charge which
271 remains due and unpaid for thirty days may, with interest thereon at
272 [the same rate as unpaid taxes] a rate approved by the representative
273 policy board but not to exceed the maximum interest rate allowed by
274 state law for unpaid property taxes and with reasonable attorneys'
275 fees, be recovered by the authority in a civil action in the name of the
276 authority against such owners. Any municipality shall be subject to the
277 same rate or charges under the same conditions as other users of the
278 water supply system or the wastewater system. The assets or the
279 revenues of the water system shall not be available to satisfy debts,
280 judgments or other obligations arising out of the operation of the
281 wastewater system and the assets or the revenues of the wastewater
282 system shall not be available to satisfy debts, judgments or other
283 obligations arising out of the operation of the water system.

284 Sec. 5. Section 16 of special act 77-98, as amended by section 12 of
285 public act 02-85 and section 4 of special act 13-20, is amended to read
286 as follows (*Effective from passage*):

287 All contracts in excess of fifty thousand dollars for any supplies,
288 materials, equipment, construction work or other contractual services
289 shall be in writing and shall be awarded upon either sealed bids or
290 proposals or, unless otherwise required by law, electronic submission
291 of bids or proposals, in each case made in compliance with a public
292 notice duly advertised by publication in one or more newspapers of
293 general circulation or, if there are no such newspapers, in appropriate
294 electronic media, including, without limitation, the authority's Internet
295 web site, as are likely to reach a broad segment of potential vendors, at
296 least ten days before the time fixed for [opening] review of said bids or

297 proposals, except for (1) contracts for professional services, (2) when
298 the supplies, materials, equipment or work can only be furnished by a
299 single party, (3) when the authority determines by a two-thirds vote of
300 the entire authority that the award of such contract by negotiation
301 without public bidding will be in the best interest of the authority, or
302 (4) when the procurement is made as a result of participation in a
303 procurement group, alliance or consortium made up of other state or
304 federal governmental entities in which the state of Connecticut is
305 authorized to participate. The authority may in its sole discretion reject
306 all such bids or proposals or any bids received from a person, firm or
307 corporation the authority finds to be unqualified to perform the
308 contract, and shall award such contract to the lowest responsible
309 bidder qualified to perform the contract.

310 Sec. 6. Subsection (c) of section 18 of special act 77-98, as amended
311 by section 7 of special act 78-24, section 14 of public act 02-85 and
312 section 5 of special act 13-20, is amended to read as follows (*Effective*
313 *from passage*):

314 (c) After approval of land use standards and disposition policies in
315 the manner provided in subsection (b) of this section, the authority
316 shall not sell or otherwise transfer any real property or any interest or
317 right therein, except for access or utility purposes or any sale or
318 transfer determined by the standing committee on land use and
319 management of the representative policy board to have no significant
320 adverse impact on the authority's open space, recreational or
321 watershed protection policies, without giving thirty days' advance
322 written notice to the representative policy board member from the
323 town in which the subject property lies, or develop such property for
324 any use not directly related to a water supply function, other than for
325 public recreational use not prohibited by section 25-43c of the general
326 statutes, without the approval of a majority of the weighted votes of all
327 of the members of the representative policy board, excluding
328 vacancies, in the case of a parcel of twenty acres or less, and by three-
329 fourths of the weighted votes of all of the members of said board,
330 excluding vacancies, in the case of a parcel in excess of twenty acres.

331 The representative policy board shall not approve such sale or other
332 transfer or development unless it determines, following a public
333 hearing, that the proposed action (1) conforms to the established
334 standards and policies of the authority, (2) is not likely to affect the
335 environment adversely, particularly with respect to the purity and
336 adequacy of both present and future water supply, and (3) is in the
337 public interest, giving due consideration, among other factors, to the
338 financial impact of the proposed action on the customers of the
339 authority and on the municipality in which the real property is located.

340 Sec. 7. Section 19 of special act 77-98, as amended by section 15 of
341 public act 02-85 and section 6 of special act 13-20, is amended to read
342 as follows (*Effective from passage*):

343 The authority shall not (1) acquire, by purchase, lease or otherwise,
344 any existing water supply system or parts thereof or any wastewater
345 system or parts thereof, (2) commence any project costing more than
346 two million dollars to repair, improve, construct, reconstruct, enlarge
347 and extend any of its properties or systems, or (3) acquire or make [a
348 subsequent] an investment in any [water or environment related]
349 business related to water, energy, agriculture, the environment or any
350 other activity determined to be in the best interests of customers
351 pursuant to section 1 of special act 77-98, as amended by section 5 of
352 special act 99-12, section 2 of special act 02-85, section 1 of special act
353 13-20, this section and sections 2 to 7, inclusive, of this act, in an
354 amount more than one million dollars without the approval, following
355 a public hearing, of a majority of the total weighted votes of the
356 membership of the representative policy board. In the case of the first
357 acquisition by the authority of an existing water supply system or part
358 thereof, after such approval by the representative policy board the
359 authority shall file with the town clerk of each city and town in the
360 district its plan for such acquisition. The legislative body of each such
361 city and town shall approve or disapprove such acquisition plan
362 within sixty days after such filing, provided failure to disapprove
363 within such sixty days shall be deemed approval of such acquisition
364 plan. The authority shall not first acquire an existing water supply

365 system or part thereof except in accordance with an acquisition plan
366 approved by at least sixty per cent of such legislative bodies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	SA 77-98, Sec. 1
Sec. 2	<i>from passage</i>	SA 77-98, Sec. 4(a)
Sec. 3	<i>from passage</i>	SA 77-98, Sec. 11
Sec. 4	<i>from passage</i>	SA 77-98, Sec. 14
Sec. 5	<i>from passage</i>	SA 77-98, Sec. 16
Sec. 6	<i>from passage</i>	SA 77-98, Sec. 18(c)
Sec. 7	<i>from passage</i>	SA 77-98, Sec. 19