

Testimony to the Planning and Development Committee

HB 5602 - AN ACT CONCERNING REGIONALISM

March 11, 2016

Good afternoon, my name is Larry Bingaman and I am the President and CEO of the South Central Connecticut Regional Water Authority (RWA). The RWA is a non-profit, public corporation and political subdivision of the state. Our mission is to provide our customers with high quality water at a reasonable cost and we supply water to almost 430,000 consumers in our region.

I am here this morning to testify in favor of HB 5602 and to request consideration of our proposed language changes to the RWA enabling legislation, a copy of which I have attached to my testimony. HB 5602 seeks to promote and expand regional efficiency and we believe the changes we are seeking to our charter will further our mission to provide clean water to the communities in South Central Connecticut.

By way of background, the RWA was chartered under Special Act 77-98. That charter has been amended eight times for various reasons, most recently in 2013. The RWA is proposing changes to its enabling legislation to expand its ability to enter into a wider range of appropriate non-core revenue business activities, to correct a minor citation error, and to streamline the bidding process which would reduce the financial impact of doing business on customers' rates and mitigate future rate increases.

Section 1 – **Broaden the RWA's ability to provide revenue through non-utility water revenue opportunities.** New language in this area seeks to broaden the scope of non-core activities and investments from just water- and environmental-related areas by adding some new categories such as energy, agriculture, or any other Representative Policy Board-approved activity that would provide the RWA greater opportunities for non-water revenue to mitigate future rate increases for our customers.

The proposed investments for these activities shall not exceed five percent of the Authority's capital investment devoted to water supply and distribution and wastewater collection and treatment unless a higher amount is specifically approved by the Representative Policy Board.

Section 4 – **Language revision.** The 2013 change in Section 4 of the Authority's Enabling Legislation allows for adjustments every 5th year to the Representative Policy Board compensation. We are proposing that the word "changes" is replaced with "increases" to read "to reflect *increases* since 2012 in the Consumer Price Index for All Urban Consumers, Northeast Urban, All Items (1982-84=100) published by the United States Bureau of Labor Statistics or a comparable successor index."

Section 11 - **Correct minor citation error to previous Special Act 77-98.** The reference to special act 78-24 is replaced with 77-98 to correct the citation.

Section 14 – **Extension of lien obligations and interest rate of unpaid water bills.** This change will allow the RWA to extend the continuation of lien obligations for unpaid water bills from 10 to 15 years. This change puts the RWA on parity with municipalities and investor-owned utilities. It will also authorize the Representative Policy Board to approve the interest at a rate not to exceed the maximum interest rate allowed by state law for unpaid property taxes and with reasonable attorneys’ fees for the amount of any such rate or charge which remains due and unpaid for thirty days.

Section 16 – **Electronic Bid submission.** This change will streamline and improve the public bidding process for the RWA by allowing the use of technology to receive electronic receipt of bids or proposals in addition to sealed bids or proposals.

Section 18 – **Streamline small land transfers or easements.** The proposed streamlined process will apply to circumstances when easements are required in order to comply with the Department of Energy and Environmental Protection’s Open Space grant program. The change authorizes the Representative Policy Board Land Use Committee to allow for the sale or transfer of Authority land and interests in property following a thirty-day notice if the Land Use Committee concludes that the transfer will have “no significant adverse impact of the Authority’s open space, recreational or watershed protection policies.”

Our proposed changes to our enabling legislation were carefully considered and discussed by our policy board and received that body’s unanimous support.

Thank you for the opportunity to testify today. I am happy to answer any questions you may have.

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