

SA13-20

SB0964

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VETO
SESSION**

**VOL.56
PART 31
10451 - 10795**

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HOUSE OF REPRESENTATIVES

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further on the bill as amended? Representative
Willis.

REP. WILLIS (64th):

Yes, Mr. Speaker. May I -- this resolution --
bill be moved on the Consent Calendar.

SPEAKER SHARKEY:

The motion is to move this item to the Consent
Calendar. Is there objection? Is there objection?
So ordered. Will the Clerk please call Calendar 555.

THE CLERK:

Calendar 555, favorable report of the joint
standing Committee on Planning and Development,
substitute Senate Bill 964, AN ACT CONCERNING THE
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY.

SPEAKER SHARKEY:

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I'm about to list off a bunch of
Calendar numbers that we will be placing on the
Consent Calendar. It would be Calendar 555, Calendar
578, Calendar 596, Calendar 679, Calendar 684,
Calendar 692, Calendar 612, Calendar 665.

SB 964 SB 833
SB 383 SB 900
SJ 58 SB 1163
SB 1079
SB 709

SPEAKER SHARKEY:

If there's no objection, these items mentioned by

Representative Aresimowicz will be placed on the
Consent Calendar. Will the Clerk please call Calendar
591.

THE CLERK:

On page 22, Calendar 591, favorable report of the
joint standing Committee on Judiciary, substitute
Senate Bill 1040, AN ACT CONCERNING COUNTERFEIT AND
NONFUNCTIONAL AIRBAGS.

SPEAKER SHARKEY:

Representative Anthony Guerrero.

REP. GUERRERA (29th):

Good evening, Mr. Speaker. I move acceptance of
the joint Committee's favorable report and passage of
the bill in concurrence with the Senate.

SPEAKER SHARKEY:

The question is acceptance of the joint
committee's favorable report and passage of the bill
in concurrence with the Senate. Will you remark, Sir?

REP. GUERRERA (29th):

Yes. This is a good bill and I would ask
everyone to vote for it. Thank you.

SPEAKER SHARKEY:

Thank you, Sir. I believe there's an amendment.

REP. GUERRERA (29th):

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Nine four.

SPEAKER SHARKEY:

Nine four previously designated as Senate A.

THE CLERK:

Senate Amendment A, substitute Senate Bill 158,
LCO 5894.

REP. URBAN (43rd):

I move adoption.

REP. CAFERO (142nd):

Mr. Speaker. Mr. Speaker, we did not --

THE CLERK:

-- introduced by Senator Williams.

REP. URBAN (43rd):

Five eight nine four, I move adoption.

REP. CAFERO (142nd):

No. PT this. I mean I would request that.

Whatever you want to do.

SPEAKER SHARKEY:

The question is -- the question is PT. Without
objection so ordered. Clerk please call -- will the
Clerk please call Calendar 659. Six five nine. Yeah.

THE CLERK:

Bill number 1020, Bill number 1006, 963, 878,
964, 833, 383, 900, Senate Joint 58, 1163, 1079, 709,

1040, 326, 803, 886, 1065, 983, 190 and 158 on the
Consent Calendar.

SPEAKER SHARKEY:

Representative -- Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move adoption of the Consent
Calendar.

SPEAKER SHARKEY:

Staff and guests to the well of the House.

Members take your seats. The machine will be opened.
Open the board, Mr. Clerk. Open the board for the
Consent Calendar. Staff and guests to the well of the
House. Members take your seats. The machine will be
opened for the Consent Calendar.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will
members please come to the well of the Chamber please.
The House is voting immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members
voted? Members please check the board to make sure
your vote is properly cast. If all the members have
voted the machine will be locked and the Clerk will

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take a tally. Will the Clerk please announce the tally.

THE CLERK:

On the Consent Calendar, Mr. Speaker.

Total Number Voting 146

Necessary for Adoption 74

Those voting aye 146

Those voting nay 0

Absent and not voting 4

SPEAKER SHARKEY:

The bill -- or the Consent Calendar passes.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker.

SPEAKER SHARKEY:

Mr. Majority Leader.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move we adjourn sine die.

SPEAKER SHARKEY:

The motion is to adjourn sine die. Seeing no objection, so ordered.

(On motion of Representative Aresimowicz of the 30th District, the House adjourned at 12:02 o'clock a. m.,

**JOINT
STANDING
COMMITTEE
HEARINGS**

**PLANNING AND
DEVELOPMENT
PART 5
1337 - 1682**

2013

SENATOR CASSANO: Thank you very much. Bob, I have to note to the Committee that he is the longest-serving Mayor in Connecticut today.

Larry. Then Mark Paquette, Shawn Wooden.

LARRY BINGAMAN: Good morning, Mr. Chairman, members of the Committee. My name is Larry Bingaman, and I'm the president and chief executive officer of the South Central Connecticut Regional Water Authority, and I am delighted to be here today to offer comments in support of S.B. 964 which is an ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY.

By way of background, as a result of reduced demand since 1999 and an aging infrastructure, there's been an upward pressure on our water rates. However, this past year our two governing boards conducted a thorough review of our charter for ways to reduce the financial impact of doing business on our customer's rates, and have proposed a number of changes to the charter which is contained in the Bill 964. While most of the changes are administrative in nature that will improve the efficiency of RWA, there are two sections that I would like to comment on first.

In Sections 1, 2 and 6 of Raised Bill 964, those expand RWA's ability to generate additional revenues through non-utility water or environmental-related business activities. This would allow our RWA to generate additional revenues other than through water rates. The total investment in these activities would be limited to 5 percent of the RWA's net utility

plant devoted to water supply, distribution, and treatment, and the earnings would help offset periodic increases in customer water rates by offsetting a portion of the increase on a dollar-for-dollar basis.

In Section 9, this concerns the sale of dwelling on RWA land. In 2003 the Legislature passed Special Act 03-12 that permitted RWA to sell existing houses and a barn on Class I and II lands, many of which preservation groups wanted to restore. The provision sunset on October 1, 2008. RWA was not able to sell those 14 structures before the sunset. This proposed change would remove the sunset provision to allow RWA time to ramp up and for the economy to recover. All other restrictions in the 2003 legislation would remain.

Other provisions of Raised Bill 964 include Sections 3 and 4 which enable RWA to participate in State purchasing contracts to procure goods and services at a lower cost as part of an alliance.

Section 5 simply eliminates vacancies from calculations of RPB voting requirements when a super-majority of 75 percent is required. There would be no impact to the number of weighted votes that each member town has in our district.

Section 7 clarifies that the Authority Board can approve refinancing of existing bonds without RPB approval. This would allow the RWA to take advantage of lower interest rates very quickly in the debt market.

Section 8 extends the time that RWA can issue notes from five to eight years to obtain lower cost financing until such time that it is rolled into lower debt.

And Section 10 adjusts RPB member compensation beginning on January 1, 2015 and would therefore take place every five years thereafter according to changes in the consumer price index.

And I'd just finally note that the title of this bill needs to be changed, as it's exclusively for the South Central Connecticut Regional Water Authority.

Overall we believe these changes will improve the efficiency of RWA which will benefit our rate-payers, and I thank you for the opportunity to testify in support of 964.

SENATOR CASSANO: Senator Fasano.

SENATOR FASANO: I thank you for coming up here to testify. Just out of curiosity, what type of investments would you be -- do you have any idea of what type of those investments we're talking about?

LARRY BINGAMAN: Well we are still looking at it. Some of them would be -- could be investments in, for instance, alternative energy projects, which would support the State's energy program. For instance, we might be able to invest in a solar project, or co-generation projects, for instance. So -- but we're still examining that.

SENATOR FASANO: And -- and the income from that, or profit from that, however, you derive that -- define it, would help lower rates. Is that the idea?

LARRY BINGAMAN: It would offset future proposed increases in rates on a dollar-for-dollar basis.

SENATOR FASANO: And under the refinancing, which makes a lot of sense to do, you're restricted by current statutory authority to do refinancing at these low rates?

LARRY BINGAMAN: What it is is there -- there's a question in our charter about how many approvals that we need to receive. Currently the Authority Board, which is our Board of Directors, can approve our refinancing, but it's unclear whether or not the Representative Policy Board which is our -- our regulator, whether they have to approve it, and many times that can take two or three months in order to get that accomplished. So this is just streamlining that process by allowing just the Authority Board to approve the refinancing. It's no new money. It's all ready been approved previously.

SENATOR FASANO: Okay. Once again I thank you for your testimony. I think the changes here make a lot of sense to me at least. Thank you.

LARRY BINGAMAN: Thank you, Senator.

SENATOR CASSANO: Are there questions? Seeing none, thank you very much for your testimony.



FOR THE COMMITTEE ON PLANNING AND DEVELOPMENT
 TESTIMONY OF RIVERS ALLIANCE OF CONNECTICUT RE
BILL 964, AAC THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY AND
CONCERNING THE SALE OF WATER TO COMMUNITY WATER SYSTEMS
 And amended testimony for Bill 963, AAC The Expiration of Approvals for On-Site
Sewage Disposal Systems with Design Flows of Less than 5,000 gpd.

Public Hearing, March 18, 2013

To the Chairmen, Sen. Steve Cassano and Rep. Jason Rojas, and Members of the Committee:

Rivers Alliance of Connecticut is the statewide, non-profit coalition of river organizations, individuals, and businesses formed to protect and enhance Connecticut's waters by promoting sound water policies, uniting and strengthening the state's many river groups, and educating the public about the importance of water stewardship. Our 450 members include almost all of the state's river and watershed conservation groups, representing many thousand Connecticut residents.

Thank you for the opportunity to comment on Bill 964, concerning the South Central Regional Water Authority. I am suggesting a small change to ensure transparency. The bill expands benefits to the Regional Water Authority for "water or environmental related activities within or without the district." This is a quite broad and vague category of activities.

My particular concern is with Section 2, which inserts these activities within the list of items constituting the utility's "water supply system." Other items in that list are basically infrastructure and property rights. **All information relating to a water supply system is currently exempt from the Freedom of Information Act disclosure requirements, according to recent rulings by the Freedom of Information Commission.** Critical information about a water supply system not only *can* be kept secret when requested by a member of the public, in most cases the agencies of cognizance believe the information *must* be kept secret. For this reason, we ask that there be no inserts into the definition of "water supply system" in Section 2.

I believe the RWA can achieve its objectives without changing the definition of "water supply system."

LARRY BINGAMAN



South Central Connecticut Regional Water Authority
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<http://www.rwater.com>

Testimony to the Planning and Development Committee
 March 18, 2013

**SB-964 ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT REGIONAL
 WATER AUTHORITY AND CONCERNING THE SALE OF WATER TO COMMUNITY
 WATER SYSTEMS**

The South Central Connecticut Regional Water Authority (RWA) is a non-profit, public corporation and political subdivision of the state. RWA was chartered under Special Act 77-98. That charter has been amended seven times for various reasons and most recently in 2003. RWA's mission is to provide its customers with high quality water at a reasonable cost while promoting the preservation of watershed land and aquifers. We provide public water service to some 430,000 consumers and have 20 member towns in our water district. The source of this water is a system of watershed and aquifer areas that cover about 120 square miles within 24 municipalities. Much of our 27,000 acres of land is managed for watershed protection, timber resource conservation, wildlife habitat, open space, education, and research.

Thank you for the opportunity to provide testimony **in support** of **Raised Bill 964, An ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY AND CONCERNING THE SALE OF WATER TO COMMUNITY WATER SYSTEMS**

As a result of reduced demand since 1999 caused by more efficient water using appliances, the long-lasting weakened economy, a loss of industrial and commercial customers and other factors that are placing upward pressure on water rates, the following proposed charter changes will enable the RWA to become more efficient from an operating standpoint, and as a result our rate-payers will benefit.

Sections 1, 2 & 6 – To Expand RWA's ability to provide revenue through non-utility water- or environmental-related revenue opportunities.

These changes would benefit our customers by off-setting our periodic rate increases by allowing the RWA to generate additional revenue through non-utility water- or environmental-related business activities. If enacted, RWA will be able to conduct these activities within or outside the district. The total investment will not exceed 5% of the RWA's net utility plant devoted to water supply, distribution and treatment. The earnings from these non-utility operations will reduce periodic increases in customer water rates by offsetting a portion on a dollar for dollar basis.

Examples of non-utility water- or environmental-related investments could be meter testing or hydrant maintenance for other water utilities; purchasing a specialty water treatment chemical business or a packaged water treatment system manufacturer; or, investing in alternative energy projects, which would help us support the Governor's Energy Strategy.

Sections 3 & 4 – Allows RWA to take advantage of state purchasing contracts and change public notice requirements. The change in section 4 would expand RWA's ability to procure goods and services by being able to participate in contracts in which the State of Connecticut is authorized to take part in, including those with other state or federal government entities.

This would allow the RWA to be more efficient because the bidding process requires monetary and personnel resources. Also, by utilizing state or federal contracts, competitiveness in pricing will take place and this will help eliminate single sources. Thus, reducing RWA's cost of doing business and thereby offset a part of future water rate increases. Additionally, both sections 3 & 4 would allow RWA to provide public notice in electronic media and on the RWA's web site.

Section 5 – Adjusts the tallying process when a vacant RPB seat exists - This changes how the total number of Representative Policy Board, (RPB) votes is tallied when a RPB member's seat is vacant. A vacancy occurs when a member is no longer able to serve due to moving out of the district or choosing not to be reappointed and the town has not yet approved a successor.

This change would eliminate vacancies from calculations of RPB voting requirements when a super-majority is required. It will not impact the number of weighted votes each member town is allowed in the Charter. The weighted vote of each member town in RWA's district would continue to be determined based on a formula that takes into account the number of customers and number of acres of land owned by the Authority within the city or town.

Section 7 – Bond Refinancing - Clarifies that the Authority Board can approve the refinancing of existing bonds without RPB approval. This change would apply to the refinancing of existing bonds and not for new money. The existing bonds have already been reviewed and approved by the Authority and the RPB. The change is also consistent with the streamlined refinancing process permitted for municipal entities under State statute. Lastly, refinancing can lower debt service costs which helps reduce water rates, and will benefit rate-payers.

Section 8 – Issuance of Notes - This change would permit the Authority to extend the time the RWA can issue notes from five to eight years. By doing so, this would provide parity with municipalities' issuance capabilities; it would permit RWA to obtain lower cost short-term interest rate financing until such time as it is converted to permanent long-term debt. Overall, both changes would reduce interest expenses and save customers money.

Section 9 – Sale of Dwellings – In 2003, the Legislature enacted legislation (SA 03-12) that permitted RWA to sell existing houses & barn on its Class I or II land, but sunset October 1, 2008. The proposed change to our charter would remove the sunset provision. All other provisions and restrictions in the 2003 legislation would remain. However, removing the sunset provision would allow time for the real estate market to rebound and give RWA time to ramp up for disposition. The sale of the 14 structures would assist the Authority's efforts to reduce maintenance & liability costs; and the net proceeds will be used to purchase additional public water supply lands to protect our reservoirs and aquifers.

Page 3

Section 10 - Adjustments to RPB member compensation. RPB compensation has not been adjusted in ten years when it was increased from \$50 per 'duty day' to \$100. A 'duty day' is the time a member spends preparing for and attending to Authority-related business matters (meetings, hearings, etc.). The RWA business has become more complex, requiring additional time to analyze, understand and make decisions.

The proposed periodic adjustments would take place on January 1, 2015 and only every fifth year thereafter to reflect changes in the consumer price index. If this change is allowed in the legislation, it would provide for only two pay increases over a decade, equal to the latest CPI index.

Lastly, we believe that the title of S.B. 964 will need to be changed to reflect that this bill is exclusive for South Central Connecticut Regional Water Authority Charter changes. We request that the words, "and Concerning the Sale of Water to Community Water Systems" be removed. Also, we have forwarded a memo to the Chairs of the Planning and Development Committee that identifies two other technical changes which need to be addressed.

Thank you again for the opportunity to provide this testimony **in support of S.B. 964.** If you need further information or have any questions, I can be reached at 203-401-6720.

XXX

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

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On Page 12, Calendar 284, Substitute for Senate Bill Number 964, AN ACT CONCERNING THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY, Favorable Report of the Committee on Planning and Development. And there are amendments.

THE CHAIR:

Senator Cassano.

SENATOR CASSANO:

Thank you, Madam Chair.

THE CHAIR:

And, sir, will you use your mic? Thank you.

SENATOR CASSANO:

Thank you, Madam Chairman.

I would like to move acceptance of the joint committee's Favorable Report, move passage of the bill and its reading.

THE CHAIR:

The motion, the motion is on adoption of the bill. Will you remark, sir?

SENATOR CASSANO:

Yes. This is a very simple bill. It's -- it's done at the request of the South Central Connecticut Regional Water Authority. They are very technical changes in Sections 1 through 10. It allows them to be more efficient and brings their operation up to date. There is no fiscal impact on the, on municipality to the state.

THE CHAIR:

This is on the bill, sir; correct?

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And will you remark further on the bill? Will you
remark further on the bill?

If not, Senator Welch.

SENATOR WELCH:

Thank you, Madam President

If I may, through you, just a simple question to
Senator Cassano.

THE CHAIR:

Please proceed, sir.

SENATOR WELCH:

And Senator Cassano, I -- I believe mentioned that
there was no fiscal impact on the municipalities. I'm
wondering if there's a fiscal impact of the people
that might live in those municipalities.

Through you, Madam President.

THE CHAIR:

Senator Cassano.

SENATOR CASSANO:

I'm sorry. I -- will -- I could --

THE CHAIR:

Senator --

SENATOR CASSANO:

-- not hear your question.

THE CHAIR:

Senator Welch, would you repeat that, sir?

SENATOR CASSANO:

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Through you.

SENATOR WELCH:

Thank you, Madam President, I will.

I'm -- I'm wondering if there's a potential impact on the people who reside in the municipalities that might use the services of this authority.

Through you, Madam President.

THE CHAIR:

Senator Cassano.

SENATOR CASSANO:

Yes, Madam President, through you.

The authority is a nonpublic, nonprofit, public corporation. It's a political subdivision of the State of Connecticut. They do provide services. This would enhance the operation of their services, but if these changes, themselves, would probably not lead directly to any increase in the cost of services; in fact, efficiencies, instead.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further on this bill?

Seeing none, Senator Cassano.

SENATOR CASSANO:

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SENATE

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Could I move that it go on Consent Calendar?

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR CASSANO:

Thank you, Madam Chair.

THE CHAIR:

Mr. Clerk.

SENATOR LOONEY:

Yes. Madam President?

THE CHAIR:

Sorry; Senator Looney.

SENATOR LOONEY:

Yes; thank you, Madam President.

Madam President, if we might mark the next item,
Calendar Page 12, Calendar 303, passed temporarily.

And if we might move to Calendar Page 13, Calendar
313, Senate Bill 333, to be followed by Calendar Page
16, Calendar 353.

THE CHAIR:

Thank --

SENATOR LOONEY:

And then Calendar Page 17, Calendar 359.

THE CHAIR:

Thank you, sir.

Mr. Clerk.

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So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Calendar page 48, Calendar 309, Senate Bill Number 899, Madam President, move to place this item on the foot of the Calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And Madam President, on Calendar page 50, Calendar 405, Senate Bill Number 848, Madam President, move to refer this item to the Committee on Finance, Revenue and Bonding.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the Clerk would now read the items on the first Consent Calendar and then if we might proceed to a vote on that first Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 1, Calendar 496, House Joint Resolution Number 98; Calendar 497, House Joint Resolution Number 99.

On page 2, Calendar 498, House Joint Resolution Number 100; Calendar 499, House Joint Resolution Number 101;

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also on page 2, Calendar 500, House Joint Resolution
Number 102.

On page 4, Calendar 119, Senate Bill 564.

On page 5, Calendar 155, Senate Bill 231.

On page 6, Calendar 169, Senate Bill 881; and Calendar
188, Senate Bill 1029.

On page 7, Calendar 192, Senate Bill 835.

On page 12, Calendar 284, Senate Bill 964.

Page 16, Calendar 353, House Bill 6481.

On page 18, Calendar 376, Senate Bill 878; Calendar
372, Senate Bill 977.

On page 19, Calendar 387, Senate Bill 386; and
Calendar 392, Senate Bill 366.

On page 20, Calendar 396, Senate Bill 991; and
Calendar 413, Senate Bill 1049.

On page 21, Calendar for 424, House Bill 6212.

And on page 25, Calendar 463, House Bill 6405.

THE CHAIR:

Those are all the bills on the Calendar.

At this point, Mr. Clerk, will you call for a roll
call vote of the first Consent Calendar of the day and
the machine will be open.

THE CLERK:

~~Immediate roll call has been ordered in the Senate.~~
Voting the first Consent Calendar of the day.
Immediate roll call has been ordered in the Senate.
Senators please return to the chamber.

(Senator Coleman of the 2nd in the Chair.)

THE CHAIR:

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Would members please check the board to see that your vote has been properly recorded? If all members have voted and all votes have been properly recorded, the machine will be closed.

And would the Clerk please take and announce the tally.

THE CLERK:

On the first Consent Calendar of the day.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The Consent Calendar has passed.

Senator Looney.

SENATOR LOONEY:

Yes, thank you, Mr. President.

If we might stand at ease for -- for just a moment.
Thank you.

THE CHAIR:

The Chamber please stand at ease.

(Chamber at ease.)

SENATOR LOONEY:

Mr. President.

THE CHAIR:

Senator Looney.

SENATOR LOONEY: