

Legislative History for Connecticut Act

SA 14-21

SB332

House	5876-5933	58
Senate	990-998, 3428-3430	12
Public Health	3512	1
Planning & Development	484-510, 592-594, 597- 606, 611-666, 721-727, <u>731-737, 740-775, 804</u>	147
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**CONNECTICUT
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**PROCEEDINGS
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Necessary for passage	73
Those voting Yea	145
Those voting Nay	0
Absent and not voting	6

DEPUTY SPEAKER GODFREY:

The bill is passed in concurrence with the
Senate.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Thank you very much, Mr. Speaker. Mr. Speaker, I
move we immediately transmit to the Senate all items
that acted -- awaiting further action in the Senate
acted upon in the House earlier.

DEPUTY SPEAKER GODFREY:

Is there objection? Hearing none, the items are
immediately transmitted.

Mr. Clerk, if you could kindly call 446.

THE CLERK:

On page 21, House Calendar 446, Favorable Report
of the Joint Standing Committee on Planning and
Development, substitute Senate Bill 332, AN ACT
AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN
HARTFORD COUNTY.

DEPUTY SPEAKER GODFREY:

The distinguished Chairman of the Planning and Development Committee, Representative Rojas.

REP. ROJAS (9th):

Thank you, Mr. Speaker. Good evening. I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER GODFREY:

The question is on acceptance and passage. Will you explain the bill please, sir?

REP. ROJAS (9th):

Through you, Mr. Speaker, the Clerk is in possession of an amendment, LCO 5236. I ask that the amendment be called and I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER GODFREY:

Council stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

Representative Rojas, the question -- the -- your request has not been met yet because I understand you have another one.

REP. ROJAS (9th):

I do. I would ask that the Clerk call LCO 3735 and I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 3735, previously designated House -- Senate Amendment Schedule "A". Mr. Clerk, would you kindly call it?

THE CLERK:

Senate Amendment "A", LCO 3735, introduced by Senator Cassano.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the Chamber to summarize. Is there objection? Hearing none, Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the amendment that came down from the Senate was an attempt to address some of the concerns that our non-member towns had and I move adoption.

DEPUTY SPEAKER GODFREY:

The question is on adoption. Will you remark, sir? Will you remark further on Senate Amendment Schedule "A"?

If not, let me try your minds. All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, Nay.

The Ayes have it. The amendment is adopted.

Representative Rojas.

REP. ROJAS (9th):

Mr. Speaker, the Clerk is in possession of an amendment, LCO 5236. I ask that the Clerk call the amendment and I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 5236, which will be designated House Amendment Schedule "A".
Mr. Clerk, kindly call it.

THE CLERK:

House Amendment "A," LCO 5236, introduced by Senator Rojas and Senator Osten.

DEPUTY SPEAKER GODFREY:

That, of course, would be Representative Rojas and Senator Osten. Representative Rojas.

REP. ROJAS (9th):

Thank you, Mr. Speaker. This is a strike all amendment, which will result in the bill going back up to the Senate for consideration. And what the amendment seeks to do is create a balance between member towns and non-member towns.

We protect the interests of the member towns who are members of the Metropolitan District Commission, but we also have a relationship with what we consider four non-member towns who are receiving water service from them.

There was some significant concerns that representatives from the non-member towns had over the past couple of years. They brought some legislation for it this year and this bill addresses -- seeks to address those concerns in a delicate balance with the member towns. I move adoption.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Question is on adoption. The distinguished ranking member of Planning and Development, Representative Aman.

REP. AMAN (14th):

Good -- good evening, Mr. Speaker. I first want to thank the Chairman of the Planning and Development Committee for bringing forward the bill and including

myself involved in the negotiations and the work in coming up with this.

It's an interesting situation when the Chairman of the Committee is from a member town and the ranking member is a non-member town member and we are able to come up with a bill that I don't think either one of us is 100 percent happy with and neither one of us is 100 percent unhappy.

I think it's a true compromise of legislation that hopefully will serve the needs of both the member and non-member towns.

After -- I do have several questions, however, for the purpose of legislative intent, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. AMAN (14th):

Through you, Mr. Speaker, can you further define what a non-member town is?

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Thank you, Mr. Speaker. A non-member town is a town that is not a full member of the Metropolitan District Commission, and generally, they are defined

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as only receiving water services from the MDC and not sewer services. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. The non-member towns, to the best of my knowledge, all have their own sewer plants and therefore they have no real need to join with the MDC in this. So this bill only deals with the water side of -- of the MDC as a whole.

Could the Chairman go over what makes up a current water bill, since it's not as simple as you use so many gallons and this is what you pay? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, a water bill is made up of the water use charge, which is simply the payment for the amount of water that's consumed; a customer service charge; a special sewer -- a special capital improvement surcharge that's levied on non-member towns whenever there is work that's need to be done on water pipes in their respective towns; and then there

is a general surcharge that is charged to non-member towns. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. The general surcharge, could the Chairman explain what the current rate is and what the anticipation for the future under this legislation, since that's the primary difference in the cost of water between member and non-member towns. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the current charge for a non-member town is -- for the customer service charge is \$40.44. Under the bill, we actually cap -- we -- we set a cap on the non-member surcharge, that it could never exceed the customer service charge. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

A little bit down farther in the bill, in the vicinity of Lines 29 through 30, it says any cost associated with the Clean Water Project or any cost associated with sewer infrastructure of the district cannot be charged against non-member towns.

Obviously, that's a large concern of the non-member towns because of the tremendous amount of work that has to be done, especially in Hartford, to separate this system.

So just to make it clear for legislative intent, is there any cost associated with the sewer and the sewer projects going on at the MDC that are direct or indirect, that will be passed on to the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, no. That is why we added this section to the charter of the MDC to make clear -- particularly at the request of non-members town, to make clear that we are not going to assess any fees to the non-member towns for the cost of that \$1.6 billion Clean Water Project that's taking place within the district. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Continuing on through Lines in the vicinity of 85 and 86, it talks about posting the budget of the MDC on the Internet. Could the Chairman explain why that's being done and the importance thereof? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, one of the kind of underlying themes of this entire negotiation has been this desire for increased transparency on the part of the MDC. Even over times, myself, I've gone on their website to try to find the budget and have struggled to do so. So in agreement with the folks from non-member towns, we agreed that we would have the MDC post their budget in a more conspicuous place on their webpage. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. Continuing on, there are four members of non-member -- the four individuals from the non-member towns are going to be appointed to the board. Could the Chairman explain where those are going to come from? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, in Lines -- beginning in Line 166, we will have representatives from the town of Glastonbury, one from the town of South Windsor, one from the town of East Granby, and one from the town of Farmington, and they will be appointed by their legislative bodies. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. Looking at the appointments to those towns, they call them ex officio non-voting members. And just for legislative intent, I want to talk a little bit about the ex officio. It's very clear that they don't have a vote, but I want to make sure for legislative intent that these are, other than the

voting, a full-member of the board. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

REP. AMAN (14th):

And because they are a full member of the board, they'll be able to and are encouraged to partake in all committee meetings, executive sessions, budget discussions, et cetera? Through you, Mr. Speaker.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

REP. AMAN (14th):

Is -- through you, Mr. Speaker, is anything they will not be allowed to participate in? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, not that I am aware of.

REP. AMAN (14th):

And therefore, they -- opposite side of that is all items that the board normally takes place, either

in the past, traditionally, or in the future assignments, they will be able to -- to do.

Will they be able to -- since they are primarily there regarding water, will they be full board members, full participating members, in issues that don't deal with water but deal with either the sewers or the riverfront or the other activities of the MDC? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. They will be allowed to participate in all of those. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Continuing on, there is a -- Section 6 talks about a variety of -- of financial reports that have to be given and I think, again, the Chairman would agree that this is -- this whole section is designed to put into more transparency to the financial conditions of the MDC.

Part of it shows that a detailing accounting of all revenue and expenditures by source, catalog, and

type, and I believe that is separated out as a separate item because that particular cost are so important to the non-member towns.

Is that understanding correct? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

And also, it goes on that a copy of that report will be sent to the Governor, the Auditors of Public Accounts, the Office of Fiscal Analysis, and copies to the Legislative Program and Review Investigation Committee. What are those individuals supposed to do with those reports when they come in? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, it is my hope that they will actually review them when they receive them.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

I think that was tactfully worded by all of us to avoid a financial note, but I do hope that they do and the Legislative Program and Review Investigation Committee is required to take their information to look at the reports and report back on the condition that the MDC deals with.

Continuing on, Section 8 of the bill talks about, again, the copy of the full audit report pursuant to Chapter 11. It's my understanding 111 covers any and all financial reporting that municipalities have to do to the State of Connecticut in various forms. Through you, Mr. Speaker, is that a correct analysis of what Chapter 11 does?

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. The MDC is considered a municipality and they're going to be

treated no differently than any other municipality.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

One little difference is that a complete copy of the report goes to our Office of Fiscal Analysis rather than the auditors. The auditors I believe have the right to look at it. And, just to be clear, all of the records of the MDC are subject to FOI. Am I correct? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

There is a section that did have a lot of us very concerned in the negotiations at one time in the area of 271 to 275, where it talks about bonds and obligations, principle interest, facility systems, programs, et cetera. Could the Chairman explain what the purpose of that paragraph is and why it is so

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important to the MDC to include it? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, that section clarifies that the principle amount of any bonds issued and paid for through designated revenue sources, such as a special sewer charge for the Clean Water Project, do not count toward the MDC's general obligation bond cap. Rather than rely on the full faith and credit of municipal members, the bonds are -- are financed through a specific revenue source. Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

I -- I thank the Chairman for his explanations. And as I said at the start, this is a compromise between the member and the non-member towns' representatives. I -- at the start, I would have liked very much to have the non-member towns have full voting rights and be full members of the board, but in the course of negotiations, we came up with the

category that doesn't allow them to vote, but I think gives them the right to do everything else.

There's a question on the surcharge. Again, the member towns would have liked to eliminated it completely. The member -- or the non-member towns would have liked to eliminate it completely, the members towns would have liked to have it unlimited. Again, there was compromise coming up with a number that I don't think, again, either side is 100 percent happy with.

I think all of us are happy, or at least content with, the financial disclosure because, for the first time, I think the MDC's records, even though they probably always been available to the public, this is the first time in statute that they -- I believe that they have really been very clear, that it's an obligation to the state to actually look at them, review on them, and comment them.

The MDC can take those comments and, again, have their board of directors use those comments to direct their operation. So I think it's a definite improvement from the way things have been handling and, again, I thank the Chairman for bringing it forward.

DEPUTY SPEAKER GODFREY:

Thank you, sir. The gentleman from East Harford, Representative Larson.

REP. LARSON (1st):

Thank you, Mr. Speaker. I just want to take a minute to commend Representative Rojas for his effort, tirelessly working on this particular bill as a representative of a MDC member town and non-member town. He's done a tremendous job with ferreting out this very difficult bill.

I think it will provide representation for non-member towns and also provide a cap for some of their financial concerns. And he's done a fantastic job. I would move approval. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. The gentleman from Glastonbury, Representative Srinivasan.

REP. SRINIVASAN (31st):

Good evening, Mr. Speaker. The MDC charges, which obviously has been -- have been going on for a while, what bills that most of the member towns and the non-member towns received and every person just paid the bill and moved on.

However, very recently, in the past year plus, those bills became so excessive people noticed what they amounts were and obviously reached out to all of us to have -- so that we could explain as to what the cause was and the reason for those charges.

Through you, Mr. Speaker, if I may have a few questions to the proponent of the amendment?

DEPUTY SPEAKER GODFREY:

Proceed, sir. Proceed, sir. Proceed, sir.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, what has been the -- the charges, the surcharge, two years ago, to the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, if he could rephrase the question. I just want to make sure I answer it appropriately. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, the surcharge, which is applied to non-member towns, what has been the surcharge two years ago? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the charge was made up of an attempt to recoup some of the capital cost that went into the system that non-member charge -- non-member towns never paid for.

And also, it's a reflection in a significant reduction in water use, whereas the MDC used to sell 100 million gallons of water a day, it is now down to selling 60 million gallons a day, and in order to maintain what is a very costly and a -- a high technological system, they have decided to try to increase the -- increase the non-member charge to try to make sure that we have enough revenue to keep the credit rating -- credit rating agencies happy.

Through you.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, the water usage went down and to kind of compensate for that reduction in the water use, if I'm hearing correctly the good

Representative, one way to keep sure that the bond rating was maintained was to increase the surcharge on the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. We wanted to avoid the ups and downs of water usage and go to a more stable revenue stream, which was done with a flat service charge. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, when there was a reduction in the water use and -- and secondary to that, the surcharge was increased on -- on the non-member towns, at the same time was the customer service charged increased on the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the customer service charge was increased for both members and non-member towns. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, when the water usage was reduced and to maintain, as the good Representative said, the bond rating and so on and so forth, MDC decided two things. One, to increase the customer service charge, which was for both member towns and non-member towns, and the surcharge for the non-member towns?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, was there a formula by which this rate was increased? Obviously, most important, the surcharge. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. There was a formula and I will get it for you right now. Essentially what the MDC did was determine the value of the investments that were made between 1929 and 1965, which is a year prior to non-member -- non-member towns receiving water service. They determined that the value of that product, then they -- they took off depreciation.

So the total value of the project was \$81.6 million minus depreciation, which was \$31 million, which came down to \$50 million. They multiplied that by the net interest cost that they assume when they borrow something, which ended up with a \$2 million cost per year, which is spread across all the non-member towns. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, this \$2 million was then passed down to the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, over what duration of time was this \$2 million passed on? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas?

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, at this point, I believe it's a 25-year period. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, going back to a question which I asked some time ago, in terms of the increase in the surcharge over the last two years, there has been a formula, we are told, \$2 million over

a 25-year period has to be spread out. So if the good Representative could give us an example of what was the surcharge two years ago and what it was for a year ago to the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the surcharge in 2012 was \$39.54. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, this surcharge is per quarter. So that -- I want to make sure we are on the same page. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, that was 2012, if I remember correctly the good Chairperson saying. What about 2013? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the charge in 2013 is \$40.44. Through you. Oh, no. I'm sorry. Let me correct that. Through you, Mr. Speaker, in 2013, it was \$105.75, through -- per quarter.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, so that we -- we are now looking at 2012 and 2013 together, if the good Representative can repeat those numbers, what the surcharge was in 2012, per quarter, and 2013. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas, one more time.

REP. ROJAS (9th):

Through you, Mr. Speaker, in 2012, it was \$39.54 per quarter. In 2013, it was \$105.75 per quarter. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, when there was this significant, very significant increase, in the surcharge, through you, Mr. Speaker, what is the process for getting this surcharge approved? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, it's a charge that's determined -- determined through the regular budgetary process. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, who then regulates or oversees such charges? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, ultimately, the Board of Commissioners of the MDC. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, other than the MDC and their Board of Commissioners, is there another entity, a state entity, that looks at these charges to make sure that they are reasonable and appropriate charges?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, no.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, when there was a significant increase in the surcharges, as you can well imagine, there was a human cry and we had multiple, multiple meetings, public hearings, so on and so forth, where the constituents of the non-member towns and their representatives made it loud and clear that we need fairness, we need representation, and we need oversight.

This -- this amendment that we are speaking on, through you, Mr. Speaker, of those three requests that were made of MDC, what all have been met? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, I -- I believe two of the three are being met. There is no increased oversight from some other state entity, but certainly the board allows for representation by the non-member towns and also reduces that cost significantly to a -- to -- so that it could be no more than \$40 going forward.

Of course, that is subject to change as the budget changes, but for the first year, under the current non-member town and customer service charge, it would be no more than \$40.44. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, there is no guarantee, though, that this charge will remain at this number because the customer charge -- the customer service

charge, could definitely increase. And if it increases, all that we are saying in the amendment is the surcharge cannot be more than the service charge. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, that is correct. There is no guarantee, just as there is no guarantee that our tax bills are ever going to go (inaudible) -- or stay at the rate that they are today. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, in that case, the customer charge, let's say if it goes up, will that be for both the member and non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

And the service charge, the -- the surcharge, I'm sorry, the surcharge, of course, would only be applicable to the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, what happens to the water use charge, especially as water consumption, as the good Representative said, has been declining? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, the water use charge will fluctuate as needed and determined by the Board of Commissioners, which will now include non-member towns. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, the water use charge is also -- is the same as the rate is concerned for the member and the non-member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, if MDC -- let me pose a situation where MDC decides to reduce the water use charge, because that obviously is the same for the member and non-member towns, and because of the reduction in the water use charge, obviously to recoup what has been lost, they would have to increase the customer service charge. Through you, Mr. Speaker, is that a possibility? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. That is a possibility.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, now the water use charge has come down, the customer service charge has gone up. So through you, Mr. Speaker, if I'm looking at the math of this equation, a surcharge, the surcharge of the non-member towns, could also go up because, as we see in the amendment, the only requirement is it has got to be below the customer service charge. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. That's correct.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Mr. Speaker, I want to thank the good Chairperson for his answers and I'm -- I will be listening to the debate. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on House Amendment Schedule "A"? Will you remark further on House Amendment Schedule "A"? Representative Morin.

REP. MORIN (28th):

Thank you -- thank you, Mr. Speaker. Good to see you. This is an issue -- this -- this particular bill has brought a lot of attention in my community. I've received quite a few phone calls and e-mails.

And through those, it -- it brought a lot of questions, a lot of concerns, especially on my part.

And I guess what I'd like to say is I'd really like to thank the good Chair of the P and D, Planning and Development Committee, for his good work to take an issue that certainly was difficult for many communities and work with people to make something that was maybe not so beneficial, but was a lot less troublesome and -- and was able to, I think, solve a lot of the problems. And I think that's a lot what we should be doing.

I -- I find we do that a lot up here, but I especially wanted to thank the good Chair for his efforts. And his ranking member I'm sure had something to do with it, but thank you, Mr. Speaker. That's all I have to say.

DEPUTY SPEAKER GODFREY:

Will you remark further on House Amendment
Schedule "A"? Representative Verrengia.

REP. VERRENGIA (20th):

Through you -- through you, Mr. Speaker, I have a
question to the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. VERRENGIA (20th):

When we talk about the Clean Water Project,
essentially we're talking about a 150-year-old system
that is broken. And under the federal consent decree,
the MDC and member towns have to essentially fix it.

Right now, there's over a billion gallons of
sanitary sewage that goes into our streams and rivers
in the Hartford area. This Clean Water Project
attempts to fix that at the cost -- the estimated cost
in today's dollars of roughly \$2.1 billion to the
member towns.

My question is, what percent of the cost of the
Clean Water Project will be paid by the non-member
towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, none of it. That -- only the member towns will be paying that bill. Through you.

DEPUTY SPEAKER GODFREY:

Representative Verrengia.

REP. VERRENGIA (20th):

So what we have heard this evening were questions about customer service and modest increases in the bigger picture, compared to the overall cost, the \$2.1 billion, that's projected, in today's dollars, and very well may increase significantly going forward.

The non-member towns are just having an increase in their rates? Just -- I want to make that clear. Is that correct?

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes. They have their own sewer systems and they are responsible for that and we shouldn't be passing the cost of ours onto them. Through you.

DEPUTY SPEAKER GODFREY:

Representative Verrengia.

REP. VERRENGIA (20th):

Does the MDC at all have any limited -- or -- or do they do any limited sewer work in any of those member towns? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, not that I am aware of. Through you.

DEPUTY SPEAKER GODFREY:

Representative Verrengia.

REP. VERRENGIA (20th):

Thank you. And I -- I also want to thank the proponent of the bill and the non-member towns. Like anything else, you -- you have to look for the middle ground and -- and through negotiations, it appears that this was done. So I want to give credit to -- to everyone on both sides who -- who negotiated this.

And having been a past commissioner at the MDC, I think it's always good when -- when you have additional board members onboard giving their input. And although they may not have voting rights, I'm sure they -- they could make a positive difference in influencing the board. So thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on House "A"? Will you remark further on House Amendment Schedule "A"? Representative Diminico.

REP. DIMINICO (13th):

Thank you, Mr. Speaker. I have question for the distinguished Chairman of P and D.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. DIMINICO (13th):

I was wondering, was any thought ever given to a consideration of trying to make it fair in the sense that if the surcharge is predicated on what the infrastructure improvements to the water side of the MDC, I would think then it would perhaps be tied to also the water usage and not just a customer service charge? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, that was something that we discussed in the process of negotiating this bill, but out -- out of interest from our credit and rating agencies, we wanted to move to -- ensure that we had a

stable source of revenue and one that was no subject to the fluctuations in water use. Through you.

DEPUTY SPEAKER GODFREY:

Representative Diminico.

REP. DIMINICO (13th):

Thank you, Mr. Speaker. Through you, Mr. Speaker, I've heard from many of my constituents in one of the non-member towns and the first thought was how did my surcharge go up when my water usage went down? I would that, from the public's perspective, and really from the practical side of things, the fair approach is if you use the water more, then you pay a -- a -- certainly a certain -- higher charge and a surcharge and I'm kind of disappointed that wasn't thought out more clearly.

And for that reason, I have problems supporting the bill. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Will you remark further on House Amendment Schedule "A"?

If not, let me try your minds.

All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed Nay.

The Ayes have it. The amendment is adopted.

Will you remark further on the bill as amended?

The gentlewoman from Cromwell, Representative Carpino.

REP. CARPINO (32nd):

Thank you, Mr. Speaker, but I am not a gentleman.

DEPUTY SPEAKER GODFREY:

I -- I thought I said gentlewoman. I apologize.

REP. CARPINO (32nd):

Thank you. A few questions through you to the proponent.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. CARPINO (32nd):

Can you -- can the proponent tell me if there are any other non-member towns that have not been given voting -- that have not been given membership in this amendment that has now become the bill? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, there is one town, the town of Portland. Through you.

REP. CARPINO (32nd):

Thank you.

DEPUTY SPEAKER GODFREY:

Representative Carpino, who also represents Portland.

REP. CARPINO (32nd):

Thank you both and I understand that Portland has a special relationship with the MDC and if the Chairman could please explain that. Through you.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, that relationship with Portland is one between the MDC and the town of Portland. The other member towns, the relationship is between the MDC and the actual ratepayers. Through you.

DEPUTY SPEAKER GODFREY:

Representative Carpino.

REP. CARPINO (32nd):

Thank you. Other than the membership that has been given out in the bill that is -- in the amendment

that has now become the bill, would these same protections be afforded to Portland? Through you.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, if they are considered a non-member town, I would surmise that they will. Through you.

DEPUTY SPEAKER GODFREY:

Representative Carpino.

REP. CARPINO (32nd):

I thank the good Chairman for his clarification and I thank you both.

DEPUTY SPEAKER GODFREY:

Thank you, madam. Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker. On the bill as amended, through you, Mr. Speaker, a question for the proponent of the bill as amended.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, if I heard it right while we were discussing the amendment, it is quite

possible that when the water use reduces, as it has, as we've heard about that before, and that water charge could be reduced also, significantly? Through you, Mr. Speaker

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, I guess that's possible, that the water use charge could be reduced, depending on the budgetary needs of the district. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

So through you, Mr. Speaker, the water use is reduced. For budgetary reasons, they are reducing the water use charge. So it is possible then that the customer service charge, to kind of balance the books, could be increased? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

And through you, Mr. Speaker, as a customer service charge is increased, is it possible that the surcharge, which will -- which as we are talking about in the bill as amended, will not be more than the customer service charge? I get that, but will the -- the service -- the surcharge, there are so many charges here, will the surcharge be increased as well automatically? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, it's not automatic necessarily, but there is the potential that it could go up to be as high as the customer service charge.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

And through you, Mr. Speaker, whether it increases significantly, automatically, or does not increase at all, who makes those decisions? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, ultimately, the Board of Commissioners of the MDC. Through you.

DEPUTY SPEAKER GODFREY: .

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, this board that makes that this decision makes their decision and there is no oversight? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, no municipal water companies in Connecticut are overseen by ostensibly what we assume would be PURA, since they oversee all other utilities. Through you.

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Mr. Speaker, the Clerk is in possession of LCO 5224. I ask that it be called and I be granted leave to summarize.

DEPUTY SPEAKER GODFREY:

The House will stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

The House will come back to order. The Clerk is in possession of LCO Number 5224, which will be designated House Amendment Schedule "B".

Will the Clerk please call.

THE CLERK:

House Amendment "B", LCO 5224, as offered by Representative Srinivasan et. al.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the Chamber to summarize. Is there objection?

Hearing none, Representative Srinivasan.

REP. SRINIVASAN (31st):

Thank you, Mr. Speaker. We just heard in the debate that we had been having that there are three components to the bill that a constituent gets for using water; a water use charge, a customer service charge, and a surcharge, and, of course, the fourth component of the capital charge as well.

We are talking about the three important charges, the water use, the customer service, and the surcharge. And as it is not certain what can be done to these charges and as we know and we heard loud and clear, the only person who authorizes this is the MDC and there is no oversight outside the MDC.

What my amendment basically does, Mr. Speaker, is it combines the water use charge along with a customer service charge as one lump. And when we look at these two charges, if the water use charge goes down, consequently the customer service charge could -- it may go up.

So those two, since they are variable, it's possible even though the water use charge -- the water use has decreased. To make it fair, to make it equitable to the non-member towns, rather than leaving the surcharge to the customer service charge alone, what this amendment does, Mr. Speaker, is -- says that the surcharge cannot be more than 25 percent of the water use charge and the customer service charge.

It lumps those two charges together. We then calculate what the surcharge should be, and the surcharge cannot be in excess of 25 percent of this combined charge. I'm sorry, 20 -- 20 percent of the

surcharge. I stand corrected. It's 20 percent of the surcharge.

I move adoption.

DEPUTY SPEAKER GODFREY:

The question is on adoption. Would you remark, sir?

REP. SRINIVASAN (31st):

And -- and, Mr. Speaker, and may the vote be taken -- I request that it be taken by roll.

DEPUTY SPEAKER GODFREY:

The question is on a roll call vote. All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

The vote will be taken by roll call.

Representative Srinivasan, anything else?

REP. SRINIVASAN (31st):

Essentially, as I said, I've combined these two rates together and then come with a charge, which I think is equitable, and that will be the 20 percent charge. It will not be in excess of that. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker, I rise to oppose the amendment. While I -- I full appreciate the intent of the amendment and protect the interest of his constituents, a dependence on the water use charge would subject us to fluctuations in use and therefore make that revenue source unreliable, potentially affecting our credit rating.

I would ask that the amendment be opposed.

Through you -- or thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on House Amendment Schedule "B"? Will you remark further? Representative Diminico.

REP. DIMINICO (13th):

Thank you, Mr. Speaker. I rise in support of this amendment. We do all the negotiations throughout -- throughout the year. The word we hear is fair and I think this amendment is just what it is. It's fair.

It's tied -- the surcharge is charged to the amount of water that you use. Now, I understand the amount of water you use can fluctuate, but that's -- that's a business model that the MDC has, on a daily

basis that the water use fluctuates and an annual basis, they have to make their adjustments accordingly.

This amendment will combine both. It will combine the customer service charge, which is equal to both member and non-member towns, but it also would put a caveat on their -- on the amount of water you use. And that will predicate how much your surcharge would be.

And what it also does, it makes it finite. It's not a question mark. It's 20 percent, 20 percent of the customer service charge and 20 percent of the amount of water you use.

And I think, therefore, that's a fairer approach and that's what we need to adopt. Thank you very much, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Representative Verrengia.

REP. VERRENGIA (20th):

Just a quick question to the proponent of the amendment, through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Prepare yourself, Representative Srinivasan.
Representative Verrengia.

REP. VERRENGIA (20th):

Could -- could you tell me how you came up with the 20 percent number, please?

DEPUTY SPEAKER GODFREY:

Representative Srinivasan, do you care to respond?

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, as has been said before, there have been a lot of negotiations and we have been discussing these various rates and these various percentages of what the rates should look like.

And in the -- all the key players were at the table and this proposal was brought up. Initially, it was a much lower number than the 20 percent, and then, in negotiations back and forth, when we looked at what the charges are as far as the water consumption, the customer service charge, and of course, the surcharge, we felt that capping it at the 20 percent, because the water charges included as well, would be fair and reasonable to the non-member towns.,

DEPUTY SPEAKER GODFREY:

Representative Verrengia, you still have the floor, sir.

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REP. VERRENGIA (20th):

And through you, Mr. Speaker, one last question. Do you know what the overall financial impact would be? Do you have that number?

DEPUTY SPEAKER GODFREY:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker, the overall financial number I do not have and the reason is because these numbers are always fluctuating. The water -- water charge is fluctuating, the customer service charge is fluctuating, and therefore, it is based on those that we are going to have the surcharge. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Verrengia.

REP. VERRENGIA (20th):

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Will you remark further on House Amendment "B"?
Will you remark further on House Amendment "B"?

If not, staff and guests, please come to the Well of House, members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

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

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? Have all the members voted?

If so, the machine will be locked. The Clerk will take a tally.

Mr. Clerk, would you announce the tally.

THE CLERK:

On House Amendment "B".

Total number voting 144

Necessary for passage 73

Those voting Yea 54

Those voting Nay 90

Absent and not voting 7

DEPUTY SPEAKER GODFREY:

The amendment is rejected.

Will you remark further on the bill as amended?

Will you remark further on the bill as amended?

Representative Genga.

REP. GENGA (10th):

Thank you, Mr. Speaker. Mr. Speaker, I wish to speak on behalf of the support of this bill. This is a -- this was a very tenuous situation because of the way the original charges were put on by the Metropolitan District Commission.

But the key words here I heard tonight were fair and equitable and that's what this bill does. The previous amendment would have taken a liability and put much more liability on the member towns, those who have spent their monies in order to prevent what the federal government and the State of Connecticut has mandated, that they clean up the water.

There's an obligation on all the water users. The water users in the member towns unanimously, by a 75 percent vote, have approved \$1.6 billion in funds. They knew what the charges were going to be, but they also knew it was necessary. It was an obligation.

There's a half a billion dollars more to go by -- by the non-member towns not paying their fair share. They were asking for something less than what the other member towns and the ratepayers were giving them.

The MDC water, none better in the United States. And before this Clean Water Project, it was the second

cheapest in -- in the United States. I thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the bill as amended? Representative Demicco.

REP. DEMICCO (21st):

Thank you, Mr. Speaker. Mr. Speaker, I represent one of the non-member towns that has been discussed in -- in the course of -- of this debate. My town of Farmington asked three things of me with regards to this issue, both -- both the leaders in my town and the -- the constituents.

They asked that we -- we make the -- the rates more equitable, that we make the MDC more transparent, and that we get representation for the -- for the non-member towns.

This bill, as amended, achieves all three of those goals and therefore I will be voting in the affirmative. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Representative Larson.

REP. LARSON (11th):

Through you, Mr. Speaker. I rise in support of this bill. I have the dubious honor of representing both a member town and non-member town.

I think that this a very fair and equitable compromise for all parties concerned. I, again, want to commend our Representative Rojas for his diligence and all of his very hard work on this bill. I urge adoption. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, staff and guests, please come to the Well of the House, members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

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

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted?

If so, the machine will be locked. The Clerk will take a tally.

And the Clerk will announce the tally.

THE CLERK:

Senate Bill 332, as amended by Senate "A" and
House "A".

Total number voting	145
Necessary for passage	73
Those voting Yea	129
Those voting Nay	16
Absent and not voting	6

DEPUTY SPEAKER GODFREY:

The bill as amended is passed.

Representative Morin.

REP. MORIN (28th):

Mr. Speaker, I move that we immediately transmit
Calendar Number 446 to the Senate.

DEPUTY SPEAKER GODFREY:

The question is transmittal. Is there objection?
Hearing none, the item is immediately transmitted.

Thank you, sir.

Mr. Clerk, Calendar 519, please.

THE CLERK:

Mr. Speaker, on page 32, Calendar 519, Favorable
Report of the Joint Standing Committee on Planning and
Development, Senate 432, AN ACT PROVIDING NOTICE TO

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You got it. Thank you very much, sorry. At this time, Mr. Clerk, will you call for a roll call vote on the first Consent Calendar, the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Immediate roll call on Consent Calendar Number One has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

On today's first Consent Calendar.

Total Number Voting	35
Necessary for Adoption	18
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	1

THE CHAIR:

The Consent Calendar passes.

Mr. Clerk, I think we go back to the roll call vote -- I mean the vote on --

THE CLERK:

Calendar page 14, Calendar 311, Substitute for Senate Bill Number 332, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN HARTFORD COUNTY, favorable report of the Committee on Planning and Development.

THE CHAIR:

Senator Osten, let's try this again.

SENATOR OSTEN:

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All right then. Good afternoon, Madam President. I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

The motion is on acceptance and passage. Will you remark?

SENATOR OSTEN:

Yes. Madam President, the Clerk is in possession of LCO Amendment Number 3735, I move the amendment and seek leave to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 3735, Senate "A" offered by Senator Cassano.

THE CHAIR:

Senator Osten.

SENATOR OSTEN:

Madam President, I yield to Senator Cassano.

THE CHAIR:

Senator Cassano, do you accept the yield on Senate "A"?

SENATOR CASSANO:

Madam Chair, I will.

THE CHAIR:

Please proceed then, sir.

SENATOR CASSANO:

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Yes, this is an amendment to a statute that was written in 1929. That statute, legislative statute, is also today still the charter of the Metropolitan District Commission, the water and sewer commission of the Greater Hartford Area. It has been amended with minor amendments over the years. To the wisdom of those who wrote the legislation back in 1929, they made it clear in that legislation that MDC has the authority to sell water to non-member towns but they must do so at the same rate. And for many of us that was precedence setting language because it says that you treat others in this business like you treat us. And traditionally they have.

Recently a surcharge was placed on the non-member towns, surcharges that went from \$15 or \$20 a person to \$195 to \$200 a person to help recover costs, costs that are drastic. We know the cost here. We've spent literally hundreds of millions of dollars in State money to assist not only MDC but other metropolitan districts to try and meet environmental quality standards that exist today that never existed when these systems were built. If we look at Hartford, we have what's called a CSO system, a combined sewer overflow. And water from the drainage mixes with water from sewers and that's just not acceptable. If you've ever been one of those to stand down in the square in New Orleans, you know exactly what I'm talking about, you've smelled that odor of the two combined.

It is not very healthy and so we have been in a statewide program -- national program to clean that up. This put a financial strain on MDC and MDC felt that maybe by assessing a user charge, surcharge, on non-members they could help defer some of their future costs and so they did so. There was public alarm. MDC, to its credit, did hold a public meeting. More than 200 people met in the room, several were turned away, as they protested the new charge that they had never been assessed before.

As a result of that, we've had a series of discussions trying to reach a combined settlement. And I will say that we've made a lot of progress and I think that it will be finalized. But what it does, number one, is the bill provides for four members from the non-member

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towns to serve as non-voting members on MDC. MDC currently has I believe 29 members.

It's a little usual because the 29 members are based on a proportional distribution based on the population of each of the towns. And in this case, we're asking for the four non-member towns to have a representative who will not be able to vote, but who will be able to participate and take back to their towns the information necessary for a town to pay its bills, its water bills particularly because most are water users. One of the towns I represent, Glastonbury, has more than 6,000 that are part of MDC. It's interesting if you -- one of the questions that has been raised several times is, you know, why don't they just join? Why don't they just join?

And one of the interesting things that I've read is they talk about monopolies. And they use the term water is a monopoly, a natural monopoly controlled by itself, and we can't control it. Interesting thought when you define it because what it says in effect is the flow of water determines who is going to use it and who doesn't. These towns that are using MDC on a partial basis have other water companies, Connecticut Water Company as an example, is one of the biggest. Many municipalities have their own water and sewer companies and so on. And quite honestly the determination is based on flow, the natural monopoly.

So each of the non-member towns, recognizing this, have -- would have a member. And the surcharge that we have been talking about would be basically the same as member towns pay, and that's important. The non-member towns have never said don't charge me anything for the improvements that have been made to this system since 1929, but don't kill me either. I don't mind paying a fair share and that's what hopefully this bill does, provides that a fair share be paid.

And finally, there are reporting requirements. Millions of dollars again go from both the federal government and the state government to help pay the costs. The reporting requirements here are significant to OLR and that helps us keep track of how our money is being spent in this era of transparency, where it's coming from and where it's going. So I

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would ask for adoption of the bill as proposed and take any questions.

THE CHAIR:

And the motion is on Senate "A". Will there -- is there discussion?

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

I don't have a question for the proponent of the amendment, but I would like to rise to say that I certainly appreciate all the work that Senator Cassano has been doing on this. It is an important issue for his town and three others that are affected by the increase in water rates to those communities. However, this is an important balancing act in terms of how the Metropolitan District Commission is able to meet its requirements for its investments in the system, a system that the four towns are benefitting from as non-members.

This was a process that was taken by the commission members and a vote was taken. I think as Senator Cassano indicated that there are discussions going on. And as much as I would like to say I can support this amendment today, I cannot given the potential effect maybe unintended as it's currently drawn, the impact that it would have on the eight member towns and the ability to recover the millions of dollars that are being invested in the system right now to clean the water, to separate sewers, to keep raw sewage from flowing into the Connecticut River untreated, and other areas such as the Wethersfield Cove. That's a \$2.1 billion investment.

The potential that this amendment could have to jeopardize the recovery of those funds from rate payers is something that I cannot support today. I'm hopeful that there will be discussions if this amendment were to pass or if it weren't that other discussions could be had to address and ameliorate the issues that Senator Cassano is facing and his

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constituents are facing and others in the other three towns. But I believe that this amendment as constructed does create the potential for problems for the eight member towns and the ability to -- to recover the revenues necessary to pay for the major investments. So I reluctantly rise in opposition to the amendment. Thank you.

THE CHAIR:

Thank you. Will you remark? Will you remark?

Senator Gerratana.

SENATOR GERRATANA:

Thank you, Madam President.

Madam President, I rise in support of the amendment. I want to associate myself with the comments made by Senator Cassano. He and I have talked about this issue over the past year. It started in my East Farms district of Farmington which I represent and the people there who came to me and spoke to me about what had happened with the service charge on their water bill. Now we're not talking about the water rates and what they pay for water, but an assessment. And this assessment went from literally in tens of dollars into the hundreds of dollars. And for some individuals, particularly since many of my constituents live on fixed incomes or middle income in this particular area, this was so onerous.

And they clearly stated to me we don't mind paying our fair share, we just feel that it is completely wrong to be assessed so much all at once and see our rates go up in the 100 percentiles. So certainly I listened to them and also to the Town of Farmington which came to me and said, you know, we have no say on this. We are just told that this is going to happen and that is that. So I believe that representation and certainly for a community like Farmington is absolutely appropriate and I urge my colleagues to support and pass the amendment. Thank you.

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Will you remark further on the amendment?

Senator Fonfara for the second time.

SENATOR FONFARA:

Madam President, I just ask that a roll call be called.

THE CHAIR:

A roll call will be taken.

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

Madam President, you know, one of the things when P&D was dealing with this issue that became apparent was that the state had no information on the MDC, on the finances. And we asked OPM or I should say OFA if they had information and they said no. Where they get it is sort off the website, they kind of put it together. That just struck me at a time when we all are watching where our money goes, federal and state dollars, there should be some reporting requirements.

It also strikes me, fundamental fairness that the non-member towns should at least be at the table, not as a voting right, but at the table to hear the discussions and weigh in. So I'm going to support this amendment. I think it just gets a little bit closer to bringing the fundamental fairness to the MDC. I don't see a downside for MDC. I certainly appreciate and respect Senator Fonfara and his comments, but I will be supporting this amendment.

Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark further? Will you remark further?

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If not, Mr. Clerk, sorry, Mr. Clerk will you call for a roll call vote on Senate "A" and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate on Senate Amendment Schedule "A". Immediate roll call ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you call the tally, please.

THE CLERK:

On Senate Amendment Schedule "A".

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	31
Those voting Nay	3
Those absent and not voting	2

THE CHAIR:

Amendment passes.

Senator Osten on the bill. The amendment passes.

SENATOR OSTEN:

Thank you very much, Madam President.

I would obviously --

THE CHAIR:

If there's any discussion -- is there any discussion?

SENATOR OSTEN:

If there any discussion on the bill as amended?

THE CHAIR:

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If there is no discussion on the bill as amended, at this time I would call for a roll call vote.

SENATOR OSTEN:

Thank you, Madam President.

THE CHAIR:

Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

Roll call has been ordered in the Senate. Immediate roll call ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK: /

Senate Bill Number 332.

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	31
Those voting Nay	3
Those absent and not voting	2

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Madam President.

Madam President, at this time would yield the floor to members for any announcements of Committee meetings to be held later this afternoon or tomorrow morning.

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Thank you, Madam President. I want to make sure I think Senator Kane for his work on this and Senator Osten, and actually move it to Consent.

THE CHAIR:

If there's no objection, it will be put on the Consent Calendar. Mr. Clerk. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, if the Clerk would mark as the next item, Madam President, Calendar Page 39, Calendar 311, Senate Bill 332.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 39, Calendar 311, Substitute for Senate Bill Number 332 AN ACT AMENDING THE CHARTER OF GHE METROPOLITAN DISTRICT IN HARTFORD COUNTY. It's been amended by Senate Amendment Schedule "A". Favorable Report of the Committee on Planning and Development.

THE CHAIR:

Senator Osten.

SENATOR OSTEN:

Good evening, Madam President. I move acceptance of and in concurrence with the House. This bill was passed out of this Chamber, went down to the House --

THE CHAIR:

The motion is on acceptance and passage. Will you remark, ma'am?

SENATOR OSTEN:

Thank you very much, Madam President. Sorry about that.

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THE CHAIR:

No Problem.

SENATOR OSTEN:

Just trying to rush it along.

THE CHAIR:

I know.

SENATOR OSTEN:

The House amended this bill. It changed Section 1 of the bill that we sent down to them and it basically, it provides the ability for the MDC to supply water and charge such rates at the same level as other customers in the MDC.

In addition to that, it's capital charges are from January 1, 2014 forward. I would urge my colleagues to support this bill as amended by the House.

THE CHAIR:

Will you remark? Will you remark? Senator Cassano.

SENATOR CASSANO:

Yes, this bill was before us and passed 32 to 3. The Amendment of the Senate probably will make this 36 to zero as a, caps the amount that MDC could charge for the non-member customer service charge, and so I would urge again, your support for this bill. Thank you.

THE CHAIR:

Will you remark? Will you remark? Seeing none, Senator Osten.

SENATOR OSTEN:

I believe this needs a Roll Call Vote, Madam President.

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THE CHAIR:

A Roll Call Vote will be had. MR. Clerk, will you please call for a Roll Call Vote. The machine will be opened.

THE CLERK:

Immediate Roll Call has been ordered in the Senate.
~~Immediate Roll Call ordered in the Senate.~~

THE CHAIR:

Senator Fasano, would you like to vote sir. Sorry. Senator Kelly? If all members have voted, all members voted, the machine will be closed. Mr. Clerk, will you please call a tally.

THE CLERK:

On Senate Bill Number 332.

Total number voting	36
Necessary for passage	19
Those voting Yea	30
Those voting Nay	6
Those absent and not voting	0

THE CHAIR:

The bill passes. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, would mark as the next Go item a matter from the Committee on the Environment, Calendar Page 22, Calendar 538, House Bill 5424. If the Clerk would call that item next.

THE CHAIR:

Mr. Clerk.

THE CLERK:

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like ours, we have had repeated problems with random affordable housing applications way outside of the zones that we're really targeting for density and development.

And so, if the -- the idea is that if your planning and zoning board knew, they -- they got serious about creating an incentive housing zone, getting a developer and they're permitting the lots, the units, and getting them built. Because you don't get the -- you don't qualify for the exemption or the waiver until you issue the CO, the certificate of occupancy, for your units.

So until there is substantial activity in your incentive housing zone, you wouldn't get the waiver from -- for the rest of your district.

But yeah. The idea is that that would be an incentive to the town and to the municipal planning and zoning board to get serious about focusing development in the incentive housing zone.

REP. SEAR: Okay. Thank you.

REP. ROJAS: Are there any other questions? No? Thank you. This is a very difficult issue and certainly, we'll be having some more conversation about it.

REP. FAWCETT: Thanks for your time.

REP. ROJAS: Thank you. Representative Demicco and Senator Gerratana.

REP. DEMICCO: Good afternoon, Representative Rojas and distinguished members of the Committee. I'm State Representative Mike

SB 332

Demiccio, 21st District in Farmington.

I'm joined by State Senator Terry Gerratana, 6th District, and also by the town manager of Farmington, Kathleen Egan, to my extreme left. And then, we also have support from the town council chair in Farmington, in the audience, and that's Nancy Nickerson.

So you -- you can tell how important this issue is to the town of Farmington.

I am here to speak, and I thank you for the opportunity to speak, in -- in support of Senate Bill 332, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN HARTFORD COUNTY.

My testimony today is -- we're sharing testimony. Senator Gerratana and I submitted testimony together.

With her permission, I will -- I will read it.

The provisions of this bill, Bill Number 332, will rectify several inequities that currently exist for the nonmember towns within the Metropolitan District, of which Farmington is one.

Specifically, the Bill requires the Metropolitan District to charge all members at uniform rates to give nonmember towns representation on the District Board and to make budget and meeting information available to the public via the Internet.

Now, as you may know, the towns of Farmington, East Granby, Glastonbury, and South Windsor receive water supplied by the

Metropolitan District, but they are not members of the District since sanitary sewer service is not provided by the District to these towns.

Thus, these nonmember towns are afforded no direct representation regarding the District's annual budget or the rates that it charges to customers for water service.

Now, in recent years, the District has begun to charge its customers in the nonmember towns a general surcharge, ostensibly to recoup the cost of historic capital improvements and to provide a more reliable source of revenue to the District.

Now, this is in addition to the special improvement surcharge, which has increased significantly in just a couple of years.

The general surcharge has increased dramatically from 2011 until now, leading to protests from the affected customers at public meetings, e-mails and phone calls legislators, such as Senator Gerratana and myself, and ultimately to the Bill Number 332 that's before you today.

The customers of the Metropolitan District in our town, Farmington, have made it clear that they are quite willing to pay their fair share, in order to continue to enjoy the water provided by the District.

They are, however, adamantly opposed to paying more than their fair share for this arrangement.

We would respectfully ask the Planning and Development Committee to favorably report

this Bill, which will guarantee representation and equitable water rates for the Metropolitan District's nonmember towns.

And I have one important final note. Owing to an apparent drafting error, Mr. Chair, the town of Farmington was inadvertently left out of the provisions of this bill.

We would respectfully ask the Committee to draft and approve substitute language to amend the Bill, thus correcting this omission.

And I thank you very much and I will now turn it over to the town manager in Farmington, with your permission.

KATHLEEN EGAN: Good afternoon, members of the Planning and Development Committee. My name is Kathy Egan and I'm the town manager of the town of Farmington.

I come before you today to speak in support of Raised Bill number 332, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT OF THE HARTFORD COUNTY.

The town of Farmington has a vested interest in this legislation as approximately 650 of our citizens have drinking water supplied by the MDC.

Their bills have been -- have increased on average 133 percent over the past two budget cycles.

As town manager, I would find myself unemployed for even suggesting such an increase in my municipal budget.

Our residents have no other choice for public water supply as the MDC works within and exclusive water service area, which, as you may or may not be aware, precludes our citizens from choosing another water supplier.

Since 2011, the MDC's fee to provide drinking water in to the town of Farmington has increased for the average resident from \$385.95 in 2011 to \$900.33 in 2013, a shocking 133 percent increase.

Curiously, during the same period, the annual cost to provide the same water to the MDC member towns have increased from \$321.63 in 2011 to \$438.81 in 2013, only a 36 percent increase.

It is the opinion of the town of Farmington that in recent years the MDC fixed costs are being inequitably shifted from member towns with representation on the Board of Commissioners to the Board of Commissioners to towns without representation on the Board.

Farmington is considered a nonmember town by the MDC due to the current -- and due to current legislation is not allowed representation on the MDC's regulatory board, the Board of Commissioners.

Because of this, the town lacks critical input authority in budget and rate -- rate setting decisions.

Further, MDC is considered a municipality by the State, so residents of Farmington are not afforded the checks and balances required by other utilities, such as the State Public Utility Regulatory Authority.

It is imperative that legislation get passed to allow nonmember towns to have representation on the MDC Board to require that MDC charge all customers a uniform rate for the supply of water, including surcharges, and include a requirement to post meeting minutes on the MDC website. It's only when these changes are implemented will the MDC's process for setting budgets and rates be transparent and equitable.

So in conclusion, it is very clear that when you have no regulatory oversight and add no representation, what you get is a water bill that more than doubles in only two budget cycles.

Thank you for your time and consideration.

REP. ROJAS: I thank all of you. Senator Gerratana, do you have a comment, too?

SENATOR GERRATANA: Yes. Terry Gerratana, State Senator of the 6th.

I'm so so pleased that Planning and Development has raised this Bill to address many of the concerns.

We've been working, both Representative Demicco and I, for many, many months now, over a year, with the residents of East Farmington, which I represent and Representative Demicco represents.

We have approached the MDC, certainly gone to their public hearings and asked them to please give some consideration.

One of the -- last year, I had a -- some

discussions with members of the MDC asking for at least some sort of representation. That's why I think Representative Demicco is appropriate in pointing out that, unfortunately, Farmington was left out of the list and another community, I don't even think they --

REP. ROJAS: He hasn't smiled enough at me --

SENATOR GERRATANA: Okay.

REP. ROJAS: -- lately, so that's why.

SENATOR GERRATANA: So I think there was a misunderstanding or assumption or whatever with the name. Who knows. Or a switch.

But certainly that Farmington has asked for representation. We do too.

You know, the MDC did respond to the citizens who are nonmembers with this surcharge and special assessment by lowering the charge a bit. But also, instead of five years, they extend it out to 25 years, which was also very, very concerning.

So really, the bottom line here is that there needs to be some sort of input from the nonmember towns. I think representation is absolutely appropriate.

So I agree, of course, with the testimony and I'm happy to be here, and I certainly hope the Committee will take this up and pass the legislation favorably.

Thank you.

REP. ROJAS: Thank you. On -- on the question of

fairness, as a person who lives in a member town and represents the member town, certainly the member towns haven't been investing in this system for 90 years now.

Is it fair to simply allow new members who haven't made that same investment in the entire infrastructure to simply have voting power on our Board?

SENATOR GERRATANA: Well, Representative Rojas, as they -- the nonmember towns have been paying and this whole assessment, they have this special assessment aside from what the water rates are, as you have heard, has gone up and up and up.

In essence, if you will, the logic here is that what has been in place since the 1920s is the nonmember town should be paying for, going back to that time, based on the rate of -- of assessment.

We think not that Farmington residents in this part do not want to pay their fair share. They absolutely agree that that is something that they should do.

But it becomes a little arbitrary and a little capricious of one entity saying, well, we'll do it this way and then, again, maybe we'll do it that way.

And don't forget. They really don't have the recourse that others do with rate setting for other utilities.

So in essence, their hands are tied and their voices need to be heard and I think that that is really the crux here of the issue.

Thank you.

REP. ROJAS: You know, I would agree with you. I think the voice does need to be heard. It's a matter of how it's heard, though.

Because as a practical matter, even if we added the five towns, you know, you'd -- in terms of counting votes, just as we do here in this building, ostensibly you could still be outvoted on almost every issue.

So I -- I don't know that it actually addresses the issue, but certainly, we need to work on getting there to make sure that your constituents and -- and pairs in -- in the five -- in the four or five nonmember towns are adequately represented.

You know, because I bring up the question of the clean water project, which member towns are currently paying for, and I'm not so sure that nonmember -- member towns are paying for it and nonmember towns aren't.

I would certainly love to spread that cost over a broader population so that my wife can be a little bit happier when she opens her water bill, that we've also seen gone up over the last couple of years. Because it's gone up for us as well.

So again, back to the question of fairness, I think we're all facing that pressure when we go home and open up that bill. It's a matter of how we actually get there and pay for the very good product of water that we receive when we turn on our faucet.

And has there been any thought about the

town actually becoming a full member?

KATHLEEN EGAN: No. We have a large regional sewer plant in Farmington, so we don't -- that's not an option for us.

REP. ROJAS: Representative Diminico.

REP. DIMINICO: Thank you, Mr. Chairman. I welcome State Senator Gerratana and Representative Mike Demicco. How are you doing?

This question is for the -- to the town manager. Regarding the budget, could you tell me what kind of notice you were given when the -- the budget hearing comes up on an annual basis or --

KATHLEEN EGAN: Me -- like the town personally?

REP. DIMINICO: Yes.

KATHLEEN EGAN: When they are having hearings on their budget?

REP. DIMINICO: How much notice are you given?

KATHLEEN EGAN: I don't know, because I don't even know if I'm -- they're required to notify me.

REP. DIMINICO: So you don't recall being noticed?

KATHLEEN EGAN: No. I -- I -- we may. I could have been, but I don't recall that. No, it's not like I get a special thing that says the budget for -- because -- no.

REP. DIMINICO: All right. And the other

question is you say 133 percent, which is quite large over a short period of time, other than that, other -- can -- what -- were the charges very specific why the fees had gone up on these surcharges? Were they specific to certain segments of the infrastructure or if it was just because we said so, that type of deal?

KATHLEEN EGAN: No. Again, I -- I don't want -- I think it's -- basically, it's the surcharge and we're -- we don't have, I don't think, a breakdown of exactly what it went to for each infrastructure. No.

REP. DIMINICO: So -- so it wasn't specific -- it could very well be that an infrastructure improvement that was -- was deemed fulfilled 30 years ago and perhaps bonded back then, it -- and the bond being satisfied, and then it could come forth and -- and give the surcharge for that item as well.

KATHLEEN EGAN: Yeah. Yeah. Yes.

REP. DIMINICO: Thank you very much.

REP. JOHNSON: Senator Cassano.

SENATOR CASSANO: Yes. Thank you for -- for coming and I know that you've been involved with all of us in -- in trying to put this together.

I do want to comment on the representation. It was suggested that we have one person represent the five towns.

The honest answer to that is it's dysfunctional. If the person is, as an example, a representative from Farmington, I

don't believe that the rep from Farmington is going to be able to have, or will, make the contact with Glastonbury or South Windsor or the others.

And they won't be able to do that in the same way, that having somebody from your own town present makes a difference.

So that's why we've asked for representatives from each of the towns, simple math, a vote of 29 to four is pretty overwhelming.

It's not a question of voting. It's a question of being able to come back with information about what is happening as far as rates for that town.

And as far as the -- your comments on, and the questions that we have as to, fair and equitable payments, yes. The nonmember towns are asking to be assessed at the same rate that member towns are, but the reality is, as I look around this room, everybody in this room is paying for this project. Everybody in this room contributes to MDC.

Since 1999, \$152 million in State grants have gone to MDC. So we are all part of that, and we should be a part of that. Because this is the capital city.

This is -- we -- we all come in. We want clean water, we want clean sewers, we want all of those kinds of things that are being provided by MDC.

And so, that State's grant formula is critical to this and, in fact, is -- is something that we need to look at to help

defray the cost overall.

I have no problem in -- in that kind of funding for this project, like most states do with capital cities, because this is the center of government. This is the center of economic development. This is the generator for the State of Connecticut. And so, that has to be a part of the equation here.

REP. ROJAS: Senator Osten.

SENATOR OSTEN: Thank you very much.

I just want -- I wanted to talk a little bit about just the representation piece of it also.

I think this is a -- a common problem and it doesn't matter whether it's a water or a sewer. This seems to me that it makes a whole heck of a lot of common sense because it's not about being outvoted or not having enough votes to vote it down.

It's about being able to participate in the process of laying out a budget so that you can explain to people, the residents of your towns, what is going on.

It -- it provides you with that internal information, which allows you to give the correct explanations on what is -- what is going on.

And the fact is that through the Clean Water Fund and through a variety of other mechanisms, whether it's State grants or federal grants or loans, we all participate in most regional and -- and local water and sewer projects that are large in nature because none of us can afford to fix sewer

and water, large projects, on our own by each municipality. It just -- it's outpriced. We just can't do it.

But I think on the representation ends of things, in particular, that it makes a whole heck of a lot of sense, whether or not you're outvoted, that you have the ability to participate in the process and represent your residents so that they get correct information.

I'm certain you probably got notification that the rates were going to go up, but without getting that ahead of time and sort of knowing the real impact of that, it's hard to comment back on it.

KATHLEEN EGAN: What you just stated, Senator, absolutely. We were notified and the MDC let us know.

But my point when I was corresponding with the MDC was that we were notified after the fact.

So the rates -- this was what your rate was going to be. We, you know, we're -- we're sure you're going to have some comments and residents' concerns about it. We're going -- but the rates were already set. It wasn't -- so we were definitely notified about that.

So I -- I just want to be clear on that.

SENATOR OSTEN: Correct. And I -- but I would also say you were probably notified that there was a public hearing coming up on rates.

KATHLEEN EGAN: Yes.

SENATOR OSTEN: And without knowing what exactly that's going to be, makes it a little harder for you to participate in it moving forward.

So I -- it happened to companies in the town -- in the town where I live and they were notified ahead of time.

It's just not something that rises to a level of concern when you don't know exactly what that means.

KATHLEEN EGAN: Yeah.

SENATOR OSTEN: And if you were right there, during the planning process, you could notify people that need to be notified if it's going to be significant, if you are part of that process.

KATHLEEN EGAN: But one of the things that was somewhat interesting and it has changed is that if you've read the MDC notice for public hearings in the past, it was noticed on the public hearing sheet that said nonmember towns were not allowed to participate.

Now, that has changed. But again, where I say I haven't been notified, I mean, I'm pretty good about remembering when things come in and I -- I, you know, I -- I will go back and check on that because it does seem to make sense when, in the past, on the sheets, it did say that public hearing nonmember towns were not even allowed to participate in those public hearings, and that's right off their hearing sheets.

That has changed now. My understanding is

that they have changed that.

REP. ROJAS: Representative Vicino.

REP. VICINO: This is a question for the Representative. As far as the accountability of the increase, obviously there were some expenses before you became part of it and that's where this 133 percent comes from.

As far as the average bill for the homeowner, how much did it go up as far as your bill, being in town?

REP. DEMICCO: Well, I don't have the figures right in front of me, but I think that the town manager gave some figures in -- in her testimony.

KATHLEEN EGAN: It just says that from 2011 to 2013, two budget cycles, and this is for the average, I had \$385 and it went up to \$900.

REP. VICINO: It went up to \$900. And how long have you been in disagreement with this town, with this district?

KATHLEEN EGAN: Forever.

REP. VICINO: Forever.

KATHLEEN EGAN: Yeah. A long time.

REP. VICINO: Is there -- is there anywhere else you can get water from?

KATHLEEN EGAN: No.

REP. VICINO: No. So you're kind of stuck.

KATHLEEN EGAN: By law.

REP. VICINO: You're kind of stuck.

KATHLEEN EGAN: By law. We could, if the law changed. I mean, there's -- most of -- we only have 600 customers for MDC.

The majority of Farmington is under the Connecticut Water Company, but my understanding, through law, the State law, you -- you have a certain district and that's where our residents are forced to get their water from the MDC.

REP. VICINO: So even if you had a voice on this particular district committee, it sounds like it wouldn't change anything.

KATHLEEN EGAN: Well, I -- I guess I think that what some of the other people have said, that at least we'd have -- we'd be informed about it and have some, you know, we could be outvoted, but it would be nice to -- we're not going to be able to change water companies I don't think.

REP. VICINO: And the -- the big thing it comes down to is the accountability of the cost that's been invested, that, in today's market you're being billed for that, and -- and it's just not fair to your -- to your citizens. You don't have any choice in the matter.

KATHLEEN EGAN: Right. I -- I think, in general, I mean, as everyone, it's, you know, kind of good government practice, best practices, that you should not -- you should have representation and you should also have some checks and balances.

And in this situation, you can't change. It's a monopoly. You can't change where you get your water from and you don't have any representation of what the rate setting is going to be.

In general, that's just bad -- bad business. It's bad government.

REP. VICINO: No. I understand that, but it does sound like it was expensed in the past and now you're being asked to pay the difference.

KATHLEEN EGAN: Sure. Yeah.

REP. VICINO: So we have to look at both sides of the coin to see where -- where you're headed with this.

REP. DEMICCO: If I may, Representative Vicino, just to speak to a couple of things that were brought up.

I -- I agree with everything that -- that Senator Osten mentioned and with regards to representation.

I just wanted to point out that if you look at the Bill, starting at line number 161, and referring to the -- the commissioners from the nonmember towns that are being proposed, such commissioners shall be ex officio nonvoting members of the Board of Commissioners, except that such Commissioners shall a vote on any issue that directly affects any nonmember municipality.

So there are going to be nonvoting members, which does not upset the balance and -- and does not harm the representation of the

member towns, but it does give them the right to vote on issues that directly affect their communities, the nonmember communities.

And -- and -- to your point, it gives -- it gives each of these towns, these nonmember towns, a seat at the table.

It's one thing to -- to vote to increase in a dramatic way the rates that nonmember towns, when they're not there to -- to protest. It's quite another thing to -- to be sitting across the table from someone and -- and to try to -- to increase their rates dramatically.

REP. VICINO: No. I understand that. But at the end of the day, you still don't have enough representation to counter their agreement. So you're kind of in a tough spot. I understand.

REP. DEMICCO: But we do have a seat at the table
--

REP. VICINO: I understand.

REP. DEMICCO: -- which I think is an important point. Thank you.

REP. VICINO: Thank you.

REP. ROJAS: Are there any other questions or comments?

REP. DEMICCO: If I could just make one other comment, Representative -- Mr. Chair.

Just so you'll know, the -- the bills that -
- that go to -- to the nonmember customers

include a charge for -- for water that's used, which would -- would certainly make sense.

It -- it includes a special improvement surcharge so that any special infrastructure needs for that particular nonmember town is -- is presumably covered in the special improvement surcharge.

But then -- then, there's this general surcharge, which I think is -- is what's causing the -- the consternation.

So we have -- we pay for the water, we pay for special pipes or special infrastructure, and now we have to pay yet another charge just because we're nonmember towns.

I -- I think that's -- that's what people are objecting to and consider to be unfair.

REP. ROJAS: Yeah. No. I think we're going to try to get clarity about exactly what each of those charges are because, I mean, I guess there's administrative overhead and I don't know if that -- that part of the cost of operating the MDC is captured in one charge or the other. I'm not even sure.

I've never really looked at my own water bill. My wife does, though.

REP. DEMICCO: You will now.

REP. ROJAS: She reminds me daily. Thank you for your testimony.

KATHLEEN EGAN: Thank you.

REP. ROJAS: Certainly appreciate it.

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hc/gbr PLANNING AND DEVELOPMENT
COMMITTEE

March 14, 2014
12:00 P.M.

KATHLEEN EGAN: Thank you.

REP. ROJAS: Representative Larson.

REP. LARSON: Thank you, Mr. Chairman, members of
the Committee. My name is Tim Larson. I
represent the 11th Assembly District.

SB332

I have the dubious honor of representing the
member town (inaudible) member town and
representing a nonmember town.

Thank you for bringing this issue forward.
I apologize for being late, so if I'm
redundant on what people may have spoken
about, I apologize.

I clearly think representation in some form
of fashion is important, but it certainly
shouldn't come without some stake
(inaudible).

I know that the number of towns have put
their full faith in the credit, in the
organization, in the operation of the MDC in
both the sewer and water side.

I also -- I guess I need to be on the
record. I have a -- a (inaudible) that my
brother Dave works for in the MDC and I'm
glad to have that opportunity. I think he
does a great job for them.

As far as the -- the issue of nonmember town
(inaudible) --

Oh, thank you.

It's very, very concerning to me. I know
that the MDC has forecasted various

scenarios to somehow effectuate the rate, but I think that they can do a little bit more research and maybe spend some time on spreading out those rate costs a little further than they have anticipated.

I think it's well within their reach to look at some type of immediate reduction in -- in the rate as long as it's balanced off with a longer -- a longer series of time on the long-term debt.

They are a -- a fantastic company. They provide a tremendous resource. I understand representing a portion of South Windsor that these rate increases are just untenable.

If fully appreciate the fact that water use has dropped. I understand that they don't operate the CRA plant any longer and that there should be opportunities for parties to come together to resolve this particular issue.

Another issue near and dear to my heart is I had the great honor of representing the town of East Hartford as mayor for eight years.

And one of my first duties as mayor was to sign an agreement between the MDC and Riverfront Recapture, which I think is a fantastic regional partnership and I want to see that partnership continue.

But again, it's a matter of financing and commitment.

I haven't heard from nonmember towns that have a water rate if, in fact, that they are willing as well to contribute to that -- to that fund.

I know that East Hartford and Hartford residents contribute a portion of their water bill to the maintenance and security and the revitalization of Hartford.

And if you've been to the Hartford riverfront recently, you've seen a plethora of activity up to and including the dragon boat races, a number of road races, all types of multicultural festivals that just frankly could not happen without that partnership.

And so, we're grateful for that partnership. We want to make sure that that partnership continues and if there is an equitable way to work that out, I certainly would be in favor of continuing with that.

Again, I don't want to belabor my testimony. I felt compelled to -- to speak on behalf of my constituents that -- that have seen these -- these large increases.

Although this is an expensive proposition, I think it is also -- it's very conditional upon your usage, which is why the, you know, the water rate is chosen.

In our town in -- in particular, we have both the -- the -- in East Hartford, we have both the water charge, which is direct to the consumer, and then we have a sewer use charge, which is effectively written off on a local property tax bill for most of our residents who are on the MDC line.

I think it's a very limited amount of residents that are not actually in East Hartford on the MDC, but I -- I appreciate your -- this Committee's indulgence in

looking at this and I just want to continue to ask the MDC to reevaluate this pricing structure.

It think that there are different scenarios and more affordable and better value opportunities for them to pass along these costs to their -- to their members, both nonmember and -- and member towns.

Thank you very much.

REP. ROJAS: Thank you, Representative Larson.

I -- I share the -- the conflict that you had in that I used to represent Glastonbury and still have a particular affinity for them.

So certainly trying to represent their interest and make sure that they're represented in this situation is important to me.

Was there any questions for Representative Larson?

Representative Fox.

REP. FOX: Thank you, Mr. Chair, and thank you, Representative, for -- for being here today.

Just very quickly. Not being from this area or region of the State, I'm not as familiar as some of the other Committee members as to the relationship or dynamic that exists between the authority and -- and member towns and nonmember towns.

And a portion of your testimony, which we hadn't really heard in prior testimony, was the partnership that exists.

Can you just briefly expand slightly on that?

REP. LARSON: Sure.

As you may be aware, obviously the Connecticut River divides both Hartford and East Hartford geographically.

There's an argument as to, you know, who owns what, I think we mutually have agreed that we -- at least going to the centerline of the river.

There was, you know, a scandal back in the day that Hartford owned all the way over to the East Hartford shoreline and, you know, George Athanson at the time, Mayor Athanson at the time, was declaring that to be, you know, Hartford waterfront, and not so the case.

And so, in 1998, when I was mayor, there -- there was -- much due diligence was put in play for the revitalization of the riverfront park system in -- in East Hartford and in Hartford.

And it was determined that, through much negotiations, that, in fact, this would be an opportunity for an organization like the Metropolitan District to provide maintenance and security.

With dwindling budgets on both sides, frankly the only time the town of East Hartford came to clean up the riverfront was two weeks prior to the Fourth of July festival that we had, and then we let that park go dark.

And now, today, it's a -- a thriving opportunity. The bridges have been built. It's a walkway system that's, I think, unparalleled in Connecticut and the MDC has done a fantastic job with maintenance and security, and it's really brought a great deal of vitality to that -- to that effort.

So it was determined that member communities would pay a portion, a very small portion, of their water rate to a fund that would -- that would provide for the maintenance of that, and it provided to be a -- a tremendous regional partnership.

And now, with, you know, lower water uses and higher rates, there's a discrepancy on the value of those services.

And I know that there -- there are -- there have been ongoing conversations with both mayors in both communities about how they can resurrect that deal and what would be appropriate and I think that it certainly would be incumbent upon additional members, on a regional effort, to -- to support that notion.

Without this -- without this partnership, frankly, it will -- it will deteriorate the use of that park. It will put yet another additional burden on the city of Hartford and the town of East Hartford to -- to maintain that through their park systems or a public works system.

REP. FOX: Great. Thank you very much.

REP. ROJAS: Thank you. Any other questions?

Seeing none, thank you, Representative.

REP. FOX: Thank you, Representative Rojas.

REP. ROJAS: We have now passed that first hour point, so we're going to begin to alternate between the public officials list and the, I guess, nonpublic officials list.

And with that, we will bring up Raphael Podolsky, followed by Terrie Wood, if Representative Wood is here. I don't see her.

If she's not here, it will be Representative Mikutel and the First Selectman of Griswold, Kevin Skulczyk. Thank you.

RAPHAEL PODOLSKY: Thank you, Senator Osten, Representative Rojas, members of the Committee.

My name is Raphael Podolsky. I'm with the Legal Assistants Resource Center in Hartford.

I'm here to speak primarily on House Bill 5511, but I want to say briefly one other bill, House Bill 5505, the Statewide Property Maintenance Code, we support that Bill. There are changes recommended by the Chief State's Attorney and we support those changes also.

In regard to House Bill 5511, it makes changes in the moratorium provisions of the affordable housing appeals procedure, also known as 8-30g.

My background to this is that I was -- some of you know this. I was a member of the original Blue Ribbon Commission in 1989 that

questions or comments? Thank you very much. Representative, you're up and you will be followed by Jude Carroll.

REP. SRINIVASAN: Distinguished Chairs, Senator Osten, Representative Rojas, Vice-Chair Senator Cassano, Representative Fox, ranking member Representative Aman, and all distinguished members of the Planning and Development Committee.

I am Prasad Srinivasan, State Representative from the 31st District in Glastonbury.

I want to thank you for giving me this opportunity to come and testify in front of you this afternoon.

I definitely want to thank you very much for raising Senate Bill 332, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN THE HARTFORD COUNTY.

As we all know, back in 1929, 1929, is when Special Act 551 was passed. It is time that that Special Act passed in 1929 be amended, and that is where we are here today.

My constituents and I are outraged for the astronomical rate hikes that we have seen in the last two years with the MDC bills.

Extremely problematic is the disparity between the member towns and the nonmember towns.

The distribution needs to be fair, it needs to be equitable, there needs to be transparency, there needs to be representation. And that is what is lacking so far.

Senate Bill 332 does all of the above. It will ensure that the rates are fair between the member towns and the nonmember towns, allow representation from the nonmember town, one member, to this Board so that the voices of the nonmember towns are heard.

And the transparency is that the notices will be up there seven days after the last meeting so that the budgets, the minutes of the meetings of the District Board, and all the subcommittee meetings are all aware to anyone and everyone who is interested in the say.

Senate Bill 332 is able to do what we all want, be equitable, be transparent, and, at the same time, have representation.

So I do want to thank you very much for raising Senate Bill 332. As we move forward, I am hoping that we will also be able to address one component that is not there in Senate Bill 332, and that's the oversight.

Water is a public utility. Every other public utility has oversight. Water, for some reason, has this exemption. So I'm hoping that this distinguished Committee, as it move forwards, will think of appropriate oversights so that -- that also is taking care of when the amendments are made to the Special Act.

The Office of Auditors of Public Accounts also perhaps should review and comment on MDC's annual financial statements, the management policies.

This is a great step, a good first step, and as everything we do in the building, we begin with one good step and, hopefully, even now in the short session, or maybe in a year to come, meet all the appropriate changes we want to make so this becomes not just good, but a great Bill.

I want to thank you for giving me this opportunity and if there are any questions, I'm here to answer them.

SENATOR OSTEN: Are there any questions? Thank you very much.

REP. SRINIVASAN: Thank you.

SENATOR OSTEN: Jude Carroll, followed by Chip Beckett.

JUDE CARROLL: Good afternoon, Senator Osten, Representative Rojas, and members of the Committee.

HB 5511

My name is Jude Carroll. I'm the Community Development Specialist at the Connecticut Housing Coalition. I've submitted written testimony, so I'd like to summarize here. I'd like to give you some human context for 8-30g.

First, I'd like to talk about the need for affordable housing in Connecticut. National and State evaluations have estimated that the need for affordable housing in the State is between 80,000 and 90,000 units.

The 80,000 would reflect pre-recession, 90,000 reflects more of the foreclosure crisis and people losing their jobs.

come up at the same time.

CHIP BECKETT: Okay.

So Madame Chair Osten, Vice-Chair Cassano, ranking member Aman, and other members of the Planning and Development Committee, good afternoon.

My name's Chip Beckett and I am testifying today as -- on behalf -- as Chairman of the Glastonbury Town Council on behalf of the town of Glastonbury.

We strongly support Raised Bill 332. Glastonbury, along with Farmington, South Windsor, East Granby and Portland, is a nonmember town of the Metropolitan District.

This means that Glastonbury residents and businesses receive drinking water from the District, but do not receive other services, such as sewer service.

In addition, Glastonbury does not have any representation for the District's governance and we have about 6,100 business and residential customers.

When the District bills Glastonbury residents for water service, it includes charge for water use, a customer service charge, a general surcharge, and a special capital surcharge.

Over recent years, that general surcharge, the privilege of not being a member town, has gone, in 2011, from \$52.68 to \$423 in 2013.

This general surcharge, which is often

referred to as the nonmember surcharge and is not charged to customers in member towns.

Glastonbury, like other nonmember towns, understands that the District is required by law to assess charges for water use uniformly among member and nonmember towns.

When the Town complained to the District that Glastonbury was being assessed this additional charge, the District indicated that the member surcharge is intended to recover capital costs incurred by the District between 1929 and 1966, long since bonded and paid for.

The District also indicated the surcharge was established in an effort to avoid negative credit ratings.

The fact that the District may be experiencing financial difficulties does not justify the imposition only in nonmember towns of additional charges for costs incurred decades ago.

Accordingly, in our opinion, the District is unfairly charging nonmember towns a general surcharge not applicable to member towns.

This proposed legislation makes it clear that water rates must be charged equally to all water customers.

Importantly, the water rates are defined to include all water use charges, customer service charges, and general surcharges.

Essentially, the legislation confirms that members and nonmember towns will be charged uniformly for their water service.

Furthermore, in response to Glastonbury's concern about the lack of uniformity in usage fees, the District cited costs for sanitary sewer services.

Comparing water rates by referencing sewer charges is not appropriate, however, because nonmember towns like Glastonbury do not receive any sewer services from the District. We provide our own.

Accordingly, a uniform charge for water service to customers in member and nonmember towns should only include the cost of water service, not sewer charges.

Finally, the legislation will give Glastonbury a voice in District decisions impacting the Town.

As a nonmember town, Glastonbury currently does not have representation on the District Board of Commissioners.

At the same time, actions by the District Commission influence charges, policies, protocols, and other matters involving customers in nonmember towns, such as Glastonbury.

The proposed legislation enables each nonmember town to appoint a representative to the District Board. That representative will be able to vote on any issue that directly affects his or her community.

And this is vital for matters affecting our residents and businesses in Glastonbury.

As a nonmember town, Glastonbury strongly

supports Raised Bill 332 and respectfully requests your favorable action.

Thanks again for your time this afternoon and comments from Glastonbury and the Glastonbury Town Council.

SENATOR OSTEN: Are there any questions? Senator Cassano.

SENATOR CASSANO: Yes. Thank you, Mr. Chairman for being here. (Inaudible) Council member, town manager.

You have been paying a surcharge for several years, is that correct?

CHIP BECKETT: Yes. That is correct.

SENATOR CASSANO: And it's been relatively consistent --

CHIP BECKETT: Relatively consistent, relatively minor. People might ask what it was for, but, because the town council does not have any representation or influence with MDC, we've been in the position of saying it's an MDC charge and there's nothing we can really do about it. You have to debate it with MDC.

We've had the tremendous citizen outrage between 2011 now because they've raised the rates so high that people said something has to be done.

We've looked around. MDC has given this exclusive contract. The town has no influence or control and -- which is why we had contact with both our entire delegation and we also went to the public hearings

where we weren't supposed to speak because it was just so absurd an increase that everybody wanted us to do something. So we felt obligated.

SENATOR CASSANO: Is it that the -- is it the position of Glastonbury they shouldn't pay a surcharge?

CHIP BECKETT: I think we think that water service should be the same. So whether it's by surcharge to all -- what is it, 100,000 people that collect water, or whether it's just incorporated into the usage or a general charge doesn't really matter.

But we think that the water charges should be the same. I think Glastonbury is by far the biggest community as a nonmember town as far as number of customers.

We feel like MDC was established when Glastonbury had water with East Hartford and they took it over. So I'm not so sure we didn't pay for all that infrastructure back in 1925 or 1927.

So I think the records obviously that are not very good, not very clear, but I think we should look forward -- that whatever Hartford or East Hartford pays for water, we should pay. Whatever they pay for sewers, they can pay. We will pay for our own.

SENATOR CASSANO: And if so, that would be the same with the surcharges. If you were paying the same surcharge that the members were paying, that could be a little more acceptable?

CHIP BECKETT: Yes.

SENATOR CASSANO: Representation at meetings, there have been two alternatives that have been suggested.

A representative for five towns and then representatives from each of the towns. Do you feel you would get the same representation if somebody from another town was representing Glastonbury?

CHIP BECKETT: Probably not.

SENATOR CASSANO: Probably not. And -- and that's -- that's one of the concerns.

I don't think it's a voting concern because 29 to four tells me, or 29 to five, whatever it might be. You're not going to want any votes, but you're at the table, you know what's happening.

And so this is why the -- we put five or four in there. Four because we wanted the towns to be able to go back and say this surcharge does this. This is what it's for. This is how it compares.

Do you have any of that information at this time?

CHIP BECKETT: None.

SENATOR CASSANO: The postings?

CHIP BECKETT: Not that I have ever seen. The only thing I have ever gotten is my wife, like, sent her -- Representative Rojas tells me that the fees are too high.

But nothing officially in advance.

SENATOR CASSANO: I think -- and I know there had been official postings I think in The Courant and so on, but it's probably not something that you would be looking for because you wouldn't expect it.

CHIP BECKETT: Correct.

SENATOR CASSANO: Okay. Thank you.

SENATOR OSTEN: Are there any -- yes, Representative Diminico.

REP. DIMINICO: Thank you, Madam Chair. Welcome, Chairman Beckett and the other representative from the town of Glastonbury.

You made mention 1925 to 1965 were the dates when all this infrastructure was done and perhaps bonded and the bonds being satisfied.

So the question to you is, on this general surcharge, on an annual basis, was it a general surcharge or was it a specific surcharge? And what I mean by specific surcharge, did it allude to any specific infrastructure or any timeframe or what the infrastructure was to solve?

CHIP BECKETT: No. There -- it was not clear. It was a general surcharge for the privilege of living in Glastonbury and be serviced by MDC.

There's another surcharge for capital improvements that have been made to the system.

REP. DIMINICO: Which is different.

CHIP BECKETT: Which is different. But the concern is --

REP. DIMINICO: And nobody (inaudible).

CHIP BECKETT: (Inaudible) general surcharge. So it's just the general surcharge.

REP. DIMINICO: So I guess it would be more palatable to anybody if it's -- if you were -- it's like -- it's like walking into a store and be -- and able to purchase something and it's very discretionary what you pay, even for the same item.

Everybody likes to know what they're paying and what they're paying for and the fact that it's nondescript is disconcerting to me.

I had -- I'll ask the same question to the general manager as I asked the general manager from Farmington. When were you notified about the -- about the additional charges and -- and when were you notified about -- about the -- the budget?

RICHARD JOHNSON: My recollection on the general surcharge is it was in -- I believe it was in early 2013 with the increase that was from up to \$105 a quarter, the \$423. It was, in fact, the general surcharge for 2013.

I believe it was in, again, early 2013, we were advised by a member of the MDC staff. A call came over and had a draft letter that was going to be going out to customers. Asked us to review that and that letter was announcing, I believe, the background of the

surcharge.

But it was on a -- on a after the fact basis and that the decision had been made. This would be the -- general surcharge for the coming year and the courtesy was to look at the letter that was going to be sent out to customers in town.

I don't recall -- I do not recall getting a formal notice on an annual basis about the District's budget process.

Now, I get a lot of information. I -- I don't recall seeing something that there would be a public hearing process or a process to enact the budget.

REP. DIMINICO: So since you're not a -- a nonmember town, but since you are a ratepayer, and I think Glastonbury's, like, 68 percent of four nonmember towns, even though you're a nonmember, I think you should be privy to what the budget is so you understand how fees are assessed.

REP. DIMINICO: Are -- have you ever been, or on an annual basis, do you get a copy of the budget?

RICHARD JOHNSON: Not that I recall. No.

REP. DIMINICO: Well, I'm -- I'm very -- very concerned about this. It's like I hate to sound like what some of the old statements that parents made, because I told you so, period, or because I -- because I can do it.

It's just basic human nature to understand when something is assessed that you really need to know why and -- and that way, it --

it makes sense to you and -- and it becomes much more defensible for the -- for the entity that make that assessment.

Otherwise, it's just assumed that they're just backed into it and they come -- come up with a number and backed into it.

Otherwise, there's no justification for it and I'm glad this -- this Bill is up before P&D and I'm glad that you came up to express your concerns.

I can tell you right now that when I started knocking on doors in the primary, I had an elderly woman that -- basically in tears that came and I had no clue. I had no clue and she said what are you going to do about this?

And I certainly made a phone call to an individual that I knew and he presented it very well to you. But as it evolved, it's -- it's really come to -- to a situation where it's -- it's become a burden to a lot of people, particularly the elderly people in Glastonbury.

And it's -- it's come to the point where it's -- it's -- it needs to be addressed and it's really downright unjust.

So I thank you for coming here and hopefully we can get through this matter where everybody's happy with it and -- and we can do what's fair and right.

Thank you, Madam Chair.

SENATOR OSTEN: Thank you. Are there any other questions or comments? Thank you very much

big package, about keeping people here, good homes at a good cost, goes right along with a good job.

DAVID FINK: That's right.

REP. VICINO: Thank you.

SENATOR OSTEN: Thank you. Are there any other comments or question? Seeing none, thank you very much.

Brian Garcia. I don't see him.

Mr. DiBella, do I see you?

CHRIS STONE: Good afternoon, Senator Osten and Senator Cassano, Representative Aman, and members of the Planning and Development Committee.

My name is Chris Stone. I do some work for the Metropolitan District. I checked with the Chairs earlier. They allowed me to come up with Mr. DiBella, our Chairman of the MDC, to speak with you about the Senate Bill 332, which, as you know from our testimony, MDC opposes.

I want to just point out a few things before I turn the microphone over to the Chairman.

The MDC is a municipal corporation. We are, and have been, since its inception, subject to the Freedom of Information Act.

We are proud of our compliance with that Act. We post our notices on our website and with the Secretary of State, as required by any municipality in the State of Connecticut.

We post our minutes in a timely manner seven days after the meeting, as required by FOI.

We have an open budget process. We hold public hearings at several levels. Our Finance Committee holds a public hearing on our -- any proposed budget, which is annually adopted in December of each year for the ensuing year.

We have meetings of our Water Bureau, which deals with rates, water rates, public hearing as well is held by the Water Bureau.

And finally, we have an open meeting before the full Board of Fissures, in which citizens and electors are allowed to and invited, encouraged, to come in and speak to us about our budget.

We did have a rather -- one of the more well attended meetings on our budget in 2013. It was a meeting that was held -- usually, our meetings are held at District headquarters on Main Street in Hartford.

Anticipating a -- a larger turnout this year, we moved the meeting to a more accommodating place. We had it at our training center where there was ample parking and ample room to accommodate the number of people that we expected at that hearing.

We encouraged participation. We listened and we responded. And the surcharge that was referenced earlier, it's -- it's the nonmember charge, as we call it, that was \$105 a quarter, was reduced to \$49 a quarter.

So to imply or infer or to, in fact, state explicitly that the MDC does not respond or does not listen or does not have an open process, I think is a misstatement and a misconception.

So I wanted to state that for the record and I also wanted to just say that we do appreciate the leadership's involvement in allowing us to be involved in the process to date.

There have been meetings and we welcome the -- having those meetings and we appreciated being able to participate and provide constructive input on the legislation that you have before you.

We consider this to be an ongoing process and we would hope that after the public hearing we'll have further opportunity to meet and discuss where we are and hopefully where we go from here in a cooperative sense rather than as adversaries.

So with that, I'll turn it over to Mr. DiBella, the Chairman of the MDC.

WILLIAM DIBELLA: Thank you, Chris.

Members of the Planning and Development Committee, it's great pleasure I come here to address you.

The Metropolitan District Commission is chartered in 1929 under a special municipal piece of legislation.

That legislation created an eight member town regional organization. It was a pioneer in the days of regionalization based

on the fact that it brought eight major towns together with a service area for sewer and water, and the service area that represents about 450,000 people.

The asset is owned by the eight District towns. That's Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor.

Since 1929, the District has invested hundreds of millions of dollars, billions of dollars, in a water system and now is in the process of investing \$2.1 billion in a sewer system.

We are not opposed to the discussion of representation, but it's got to be put in perspective.

This asset, the asset that I'm discussing now, is owned by those eight member town. They paid for it, they funded it, it's a massive asset, and it's an asset that we're very proud of and very proud of the way it's functioned over the last 85 years.

It is represented by 29 members, as we pointed out today. Those 29 members are appointed by the towns. They are also appointed by the Governor and the breakdown is 17 by the towns that own the asset, eight by the Governor, and four by the general assembly's leadership, nonpartisan Democrat and Republican.

The members that serve serve with no reimbursement, no expense accounts, no money of any type. They are citizen members that are appointed to this Board by those in that body.

And in the process -- I think Chris laid out very well. This is an open process. There was nothing arbitrary or capricious about that process.

We are embarked -- we have embarked on a major \$2.1 billion sewer project, which is funded by the District towns only, and only if you have both sewer and water within the eight District member towns.

If you have a sewer and you have public -- don't have the public water, but have a well, you don't pay the surcharge.

No nonmember town pays the surcharge for the \$2.1 billion sewer improvement.

We have been subject -- because of many of the great things the legislature has done, and encouraged, we have conservation that has reduced the amount of water that we consume. You can't buy a dishwasher, you can't buy a washing machine that doesn't have a 60 percent or 70 percent reduction of water. Can't buy a toilet that doesn't flush on one third of the amount of water we have used in the past.

That has forced the District to be very concerned about where we go relative to our financial capacity.

One of the things that most people have not discussed today is that the eight member towns put behind the District their financial capacity.

They have an obligation in the event that the District fails, there's a major

catastrophe, our insurance doesn't cover it, we don't have the capacity to meet it with our water revenues. It becomes a liability to each one of those eight member towns.

So when people talk about representation, people that don't have the obligation, the financial obligation, but have all the benefits of the great water we provide and - not sewers, the water, is -- is an issue that we're very concerned with.

And the District Board objects to the Bill and at least the way it's written. We're -- as Chris said, we're open-minded, we don't believe that there isn't an ability to discuss this.

So to raise --

SENATOR OSTEN: So Mr. DiBella, I get that, and I apologize. We have taken so much --

WILLIAM DIBELLA: Okay.

SENATOR OSTEN: -- of everybody's time here today and I understand that you have some objections to the Bill.

And I looked -- I'm wondering, did you submit any recommendations for us in regards to changes that you would be amenable to?

WILLIAM DIBELLA: I did not.

SENATOR OSTEN: So I'm wondering if you wouldn't mind looking at that.

At least one thing that I've heard you say here today is that you're open to representation and I'd like to know what you

mean by that, sort of more in the formal writing of that. That -- that would help us out in, you know, as we go through with this. This is obviously a really huge issue up here.

I -- I venture to say that this is not just an issue for MDC, although it's who we talk about today, but it is an issue in the State, where you have any regional resource that has entities that are participating but have no ability to sort of say with a -- , think that it is important for them to say for their constituent base.

So, you know, I know that this is an issue very important up here, but I was wondering if we could probably get some more information if there were any other questions that people might have around the table today?

CHRIS STONE: We will submit language, by the way. We will meet with our Government Committee --

SENATOR OSTEN: Correct.

CHRIS STONE: -- (inaudible) Public Policy Committee and we'll submit the language.

SENATOR OSTEN: That would be great because we'd really like to know from your perspective exactly what you would like to see sort of in writing and that would help us out.

You know, I would venture to say you're going to see something happen. So if you really want to have a say in it that, you know, we haven't voted on anything around here. And I haven't asked anybody how

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they're voting, but just by the general center of the conversation that's happened through the people that have already testified, I would say that if you want to see something specifically in there, that you should let us know what that may be soon because our draft deadline is coming up.

CHRIS STONE: And I do hope the Committee members have taken the -- I'm sure you have, to -- to read the -- the written testimony that was submitted and I -- I think it goes a long way to talking about a more general policy issue, which is whether we invite towns to join in a regional effort or we disincentivize towns from joining a regional effort.

SENATOR OSTEN: Correct. I understand what you're saying. I -- I get both sides of the picture. I think that's very important for people to have their say and I think it's also very important to understand that that's a very expensive asset that you have that requires a lot of money to keep it up to code by today's standards.

I -- I get -- I get both sides of it and I always have a concern that residents don't -- I don't want to see them feel disengaged ever in a -- in a public discourse.

And that -- and that's really -- you know, for me, that's really the issue personally. I don't -- I'm not an MDC person, so I can speak to this.

I had the same discussion last year with Norwich Public Utilities. I think that this is a very, you know, divided issue from the people that participated in it, the -- the

group that holds the asset and the people that participate in the asset. And they want to feel they have an ability to say.

WILLIAM DIBELLA: We understand. We're not -- as I said, we're not opposed to participation. The question --

SENATOR OSTEN: Perfect.

WILLIAM DIBELLA: One -- one of the difficulties here, Senator, is that when people talk about 29 votes, it's not 29 votes. There's only 17 votes that the towns that own the asset are representing.

SENATOR OSTEN: Sure.

WILLIAM DIBELLA: The Governor appoints eight and the Legislature four.

SENATOR OSTEN: Okay.

WILLIAM DIBELLA: So it -- it's got to be balanced relative to a proportion because each one of the towns has representation based on a formula that everybody (inaudible).

SENATOR OSTEN: Sure. I get it. I understand and that's why I'd like to see something from you in writing on that, what you would propose would be a fair way to provide representation to people.

So that -- that's all I'm saying. And by the way, I -- I figure if I have a good argument, even if I'm in the minority, eventually I can sway people my way. So I don't always think that just because I'm in a minority that I am going to lose every issue. I think sometimes when you

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have different people looking at things, the more eyes the better.

So -- Representative Vicino.

REP. VICINO: Thank you for coming today. Mr. DiBella, you mentioned the year 1929, the last 85 years of this infrastructure.

How did the increase go beyond the two billing cycles?

We talked about -- we heard today that in the last two budget cycles, that it went up 133 percent.

WILLIAM DIBELLA: Basically, this has been a financial issue. I -- I presented that we have to deal with in terms of a \$2.1 billion problem in terms of the sewers.

The question of how do you deal with a 22 percent drop in water revenues, we have looked at every aspect of our operation. Every aspect.

We have looked at the capital costs and we've done this in conjunction with rating agencies that come in to look at our bond ratings.

And as we comb through that, a perfect example, we did -- we did see our relationship with CRA, which 88 people were laid off. However, when we started this in 2005, we had 727 employees. Today, we have 525.

So we have looked at every aspect of what we were doing as part of that, which was raised by the -- by the rating agencies. And I

think that there was plenty of information provided to people as to how we determine the surcharge relative to the nonmember towns.

And I use the word -- 1929 was the year that we were incorporated. If you take that through -- we use the year 1966 as a significant year, for Glastonbury, Glastonbury had -- did not depend on our water.

In 1966, there was a failure of their reservoir, which meant that they had -- and -- and their wells were beginning to fail, which meant they had to come onto MDC water totally.

What was done to try to recapture some of the cost that the Metropolitan District's eight member towns, because they dual up on the asset --

REP. VICINO: Correct.

WILLIAM DIBELLA: And -- and the suggestion was to recapture some of the capital costs that were not specific to the -- the improvements to their existing water system that carries that water, but to the existing infrastructure that carries the water to Glastonbury, which was built out over --

REP. VICINO: 85 years ago.

WILLIAM DIBELLA: 85 years. However, we didn't take the -- what we did is we depreciated it back to 85. We then took a factor, which became book value, divided the cost, and it came out to about \$1.8 million.

Unfortunately, the first time around, people figured, well, you'd want to clean this up quickly. It went to seven years or six years. No interest charge to capture the value that we had put over that period of time.

We went to a public hearing. We had an extremely large turnout and what we did was we turned -- and we reduced that from \$105 down to \$49 by --

REP. VICINO: You mentioned that. Yeah.

WILLIAM DIBELLA: -- by spreading it. So that was the basic thought pattern.

I mean, we -- we have -- we have a whole series of things that we support that we are really looking at relative to our capacity to do that within the context of the revenues that we're receiving.

This has not been a capricious or an arbitrary process. It is not punitive. It is not vindictive. It is basically trying to work economics out.

And we -- we would be happy to have participation from nonmember towns relative to that specific purpose of -- of water.

(Inaudible).

REP. VICINO: I think that -- that we mentioned the participation wouldn't really amount to too much as far as adding the members, as far as making decisions.

My question was more if you're going up 133 percent the last two budget cycles, is this

for the -- the \$2 billion infrastructure?

WILLIAM DIBELLA: No, it is not.

REP. VICINO: So it's a combination?

CHRIS STONE: It -- no. It's not even a combination. The \$2.1 billion sewer infrastructure project, which we call the Clean Water Project, is funded solely by customers of member towns, of the eight member towns. It's funded through an add-on to their water bill with a -- what's called a special sewer service charge.

When you add that bill, and there was some discussion about that earlier, but when you add that charge to a member town customer's bill --

REP. VICINO: Yes?

CHRIS STONE: -- the member town customer pays more for his or her water than a nonmember town customer.

We understand the representation issue or the voice issue, let's call it.

I will tell you that -- that we still believe, and it's set forth in our testimony, that a nonmember town that has the use of, but not the investment of, a significant infrastructure to get water from Nepaug in Barkhamsted in the western part of the State, through transmission lines of approximately 18.5 miles to our treatment facility in West -- treatment facilities in West Hartford and Bloomfield, through the city of Hartford, through East Hartford, to Glastonbury or the other direction to

Farmington, that that infrastructure has a cost.

And that if they want to take advantage of that infrastructure and -- and not pay the cost, that there should be some additional charge paid for that privilege, quite frankly.

And that's what we call a nonmember town charge.

It went up significantly from 2011 to 2012. We did a course correction down to a number, which I still think is reasonable.

That being said, if -- if a voice is necessary beyond the 200 people that showed up at a public hearing, that actually affected results, positive results for nonmember towns, that we'll be certainly willing to listen to that and to present to the Chairs proposed language that would accomplish that.

REP. VICINO: Thank you very much.

SENATOR OSTEN: Thank you. Are there any other -
- Representative Diminico.

REP. DIMINICO: Thank you, Madam Chair. I just want to be clear on -- on timeframes and dollar amounts.

Now, I heard \$1.8 million was the assessment.

CHRIS STONE: \$1.8 to \$2 million, I think.

A VOICE: It was two -- it was \$2 million (inaudible).

REP. DIMINICO: And when did you come up with that figure?

CHRIS STONE: (Inaudible).

REP. DIMINICO: When was that figure established?

CHRIS STONE: 2012.

REP. DIMINICO: 2012. And how did you establish it?

CHRIS STONE: If -- if I may, Mr. Chair, the figure was based upon not the cost of improvements to the system, but the financing cost to the improvements of the system.

And it's -- it's not -- it's a common accounting principle. It's called cost of capital recapture.

Quite frankly, Representative, it is a -- a charge that probably should have commenced back in 1965.

REP. DIMINICO: That was my question.

CHRIS STONE: And it wasn't.

REP. DIMINICO: That -- that was my question.

CHRIS STONE: And so rather than -- rather than go add on interest or any other, you know, present value to that number, we maintained that number as of 1965, both in terms of value of the asset and in terms of the interest that it cost for the construction of that asset.

And that's how the two -- if you -- if you look at \$2 million and you say -- if -- if that's just the -- part of the carrying charge for that asset, they're undercharging.

But that was a fee -- that was a number that was arrived at using values as of 1965.

And the Chairman points out why 1965? At least for Glastonbury, was an important year. It's when Glastonbury went from relying upon the (inaudible) reservoir in the southern part of the town, which became contaminated in -- in -- it was cost prohibitive to bring that up to clean water.

And now, they reverted back to the MDC's treatment and distribution system. That's why the -- and by the way, the nonmember town charge goes back to 1942, when it was first initiated.

REP. DIMINICO: For me, it's the time -- time sequence. So logically, if -- if you were to take on a new participant or nonmember or rate payer, the logic is if you're coming on board, you need to do -- according to you, you need to pay your fair share. So the time to make that assessment is when you come on.

So the question would be, if a new participant, rate payer, nonmember town was to solicit the MDC today, would you wait four or five years or 25 years to make that assessment or would you assess -- assess them on the day of application?

CHRIS STONE: Well, I'm -- I'm not the policy maker for the District and the Board hasn't

considered that.

My advice, then, would be to -- to charge it now. But -- and if you're talking about becoming a member town --

REP. DIMINICO: No, I said nonmember.

CHRIS STONE: I -- no. No. I -- I understand that. But if you're talking about soliciting the MDC to become a member town, there's a whole different formula that would be brought into play, which -- the most recent example of which is when West Harper joined in 1984 and what they paid and contributed to become a member.

REP. DIMINICO: But historically speaking, you'd probably wait a lot longer because that -- that's basically what you did with all these nonmember towns, you waited until a longer period of time.

And it may be to do with your business model. But -- but that being said, if it was done when it should have been done, nobody would have got the sticker shock like they have today.

They would have been used to it. The -- the cost would have been considerably less and we may not even be having this discussion.

And that's why I say facetiously, if there was a new nonmember town that joined today, how would you, in all fairness, treat them like you treat all the other nonmember towns with this general rate charged for this new assessment?

CHRIS STONE: Quite frankly, it -- it wouldn't

have been more back then, because we used 1965 values to arrive at what we tried to recapture.

So it would have been the same number back then as it is now. We probably would have spaced out over a longer period of time, which, in effect, is what happened as a result of the hearing last year.

REP. DIMINICO: We're not talking just about cost. We're talking about the depreciation and the whole bit.

CHRIS STONE: We'd appreciate it.

WILLIAM DIBELLA: That's all factored in. The depreciation, which became your book value, and what we did is we did not -- because of the -- the lateness of it, we did not charge interest, which we -- on recapture.

And that's the way we did it. We should have spread it out probably longer. Should have been 50 years.

REP. DIMINICO: Well, you -- you explained it very well. Actually, you explained it a lot better than you did the night of the public hearing on -- on the -- on the budget.

And -- and I understand it actually a lot better than that night and I'm curious if you explained it that well to the nonmember towns in writing as well, what -- what the general surcharge is all about?

CHRIS STONE: We -- we did send -- I'm sorry. Just very briefly, if I may, Mr. Chairman. We did send out -- and a -- and to their credit to the chair -- the town manager from

Farmington and -- and Mr. Johnson, who I know very well and respect very well, the town manager from Glastonbury, I acknowledge that they did receive even a draft letter before it went out to the -- to the 8,000 nonmember town customers explaining the nature of the charge.

So could we have done a better job explaining? Always. Could we have done a better job in terms of public notice? We've improved and we continue to improve.

But there was an opportunity and there continues to be an opportunity annually to participate in the budgetary process at the MDC.

We are not a closed shop. We are open for public participation.

I will say one thing before I close. The good news is that no one that spoke tonight complained about -- or today complained about the MDC service and the quality MDC -- that the MDC -- of MDC water and what they provide in terms of response time for -- for breaks, repairs, et cetera.

85 years of interrupted water and sanitary sewer service is not a bad record upon which to stand.

REP. DIMINICO: It's very defensible and I applaud you for that. I -- but that's not the discussion, the quality of service.

It's what it costs and I would hope, you know, and we talk about representation, you know, and having a say. That's what a public hearing's all about.

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This is what -- this is the time the nonmember towns really have had their say and it's regrettable that they really didn't have their say in -- in the years before.

And -- and perhaps --

CHRIS STONE: But they did.

REP. DIMINICO: -- it was said best to me by a gentleman that's on -- on this Committee when I said to myself, well, geez. If they get four member towns on -- on the 29-member board, you get 33 members.

They're basically going to be outnumbered and it may even be ex officio. And I said what good is that?

But the gentleman who's in the minorities said to me, because I'm not used to being a minority, said, well, you know, some -- at least they can keep them honest. At least, we can have a say.

And perhaps if that was the case over time, we probably had a better understanding of the whole situation and the whole business model of the MDC and we probably would have had a different situation.
Thank you, Mr. Chair.

A VOICE: Yeah. Thank you.

REP. ROJAS: Can you just clarify for me this whole question about whether people have had an opportunity to -- to be heard at a public hearing?

Because it's often been by experience and

all my time in government that we regularly host -- we regularly post that we're going to have a hearing. Nobody shows up and then we act and then everybody loses their mind that we acted, even though there was an opportunity to come be heard.

So can you just explain --

CHRIS STONE: Yeah.

REP. ROJAS: -- at least for us --

CHRIS STONE: We -- we do have a very extensive public hearing process and it's -- every one of our -- first of all, every one of our meetings, when and where, what time, are posted with the Secretary of State as required by law by -- of any municipality.

We have public notice requirements, a newspaper notice, et cetera, for our public hearings.

There's an opportunity for citizens to speak at every one of our meetings of every MDC board or sub-bureau.

Particularly during the budget process, we not only have opportunities for citizens to speak at the meetings of each of the boards of (inaudible), we also have separate public hearings.

That was the event that was held at the training center last year. We had separate public hearings that are in addition to just, you know, speaking at a meeting of a board or sub-bureau of the MDC.

There -- we welcome the participation. It's been out there. But I think you're

absolutely right, Representative -- Mr. Chairman. When it went from -- and I have the -- the breakout here. When it goes from \$13 a quarter to \$39 a quarter, there was not a human cry, quite frankly, and we did not have the participation at the public hearing that we had last year, speaking to your point, Representative Diminico.

When it went from \$39 to \$105, we did. We get it, and it was a -- a dramatic increase. There is support for the increase. It should have been laid out over a longer period of time. Period.

And we were -- and in response to the public hearing that many of you attended, we reduced that nonmember town charges to the \$49 level.

There may be more we can do. We understand that -- that everyone's budget is tight. We -- truly. We understand that our member town customers, their budget -- budgets -- our budgets, you and me, Representative, who live in the District, is tight.

In -- in fact, as I said, we're paying more for water than is being paid for in nonmember towns.

But to -- to say that we're a closed shop, to say that we don't listen, to imply or explicitly state that the MDC will do what it wants to do and take it or leave it is just not the case.

And if we've done anything today to dispel that, then we've been successful, whether or not we reach agreement on the ultimate Bill or not. Time will tell.

But we're -- at the very least, understand that, as a municipal corporation, as a specially chartered municipal corporation in the State of Connecticut, we have obligations to the public that we take very, very seriously.

REP. ROJAS: I ask my question because, as we went about the Clean Water Project and the overwhelming vote that the member towns took to -- to go along with that proposal, we all voted for it.

And then, when the Bill came due, people were like oh my God, what is this, even though we all voted for it.

So I know there's often a lapse in time or how much of a pension we pay to when there's an opportunity to be heard, as opposed to the attention we pay when action is being taken.

And obviously, there's a disconnect that takes place there at times.

Mr. DiBella.

WILLIAM DIBELLA: Mr. Chair, that's a good question because, obviously, in that process, we were very transparent relative to what the cost would be to carry \$2.1 billion even with the State's assistance, the 2 percent and the 2 percent.

We were extremely transparent, explained it, because we had to go to two referendums.

The first referendum was for \$800,000 -- I'm sorry, \$800 million. And -- and basically,

we had a very positive vote on that.

The second referendum, another \$800 million. Again, we did -- we did all types of exposure, public hearings, so the public knew what was happening.

Now, you got to understand, during that period of time, we went out two years early because we were two years ahead on the project trying to facilitate the project as we moved along.

So we went out two years earlier, but it was five years, six years after that second referendum, receives a larger positive vote.

The vote on the second referendum that was taken in 2012 was, on average, of the eight towns, 75 percent in favor, 25 percent against.

In the years I've been in government, to have the economy the way it was in 2012, the -- and -- and everything else that was going on with the escalation in these costs, to have 75 percent acceptance was something we didn't expect.

And again, as -- as this continues to move, it is now beginning to elicit more objection because people are starting to feel the real bite.

And that won't flatten out until about \$4.75 on that surcharge.

So you can understand why we are relooking at every single thing we do, how we do it, and -- and are trying to reduce those costs.

Like I said, we're 725-somewhat employees, we're down to 525. We've implemented technology, which has allowed us to do 140 percent more than we were doing six years ago than we're doing right now..

So, I mean, that's -- that's the -- that's what this Board struggles with. And again, like I said, these Board members are not paid. They're -- they're citizen members who are appointed from those towns and that's the story.

REP. ROJAS: Thank you. Senator Cassano.

SENATOR CASSANO: Yes. First of all, welcome -- welcome home.

WILLIAM DIBELLA: Senator.

SENATOR CASSANO: You know, the process better than I do because you've been at it longer and -- and I appreciate that and I -- and I will say for -- for the public that we have had a couple of meetings.

We've had discussions that have been cordial and we're trying to reach agreement on some issues that we're still far apart on.

But I have to say that the -- the process has been a good process.

I have a copy here. I've read this two or three times now. I understand you did not write it, Bill.

It goes back to 1929.

WILLIAM DIBELLA: Yeah. It might have been, though. But I didn't write it.

SENATOR CASSANO: It's -- it is a good document and I think one of the things that probably is central from this is the section 5.8, MDC has the authority to contract with nonmember towns to sell water, but must sell at the same rate that member towns pay. And I look at the Office at that time, of saying that there has to be a fairness in providing the goods.

And that's much of the base of where I'm coming from. I don't know, and I'll get to it in a second, how the surcharge is actually determined.

But I -- my concern is that there are two different charges and -- and I'll get to that in a second. I want a couple of other questions before that.

I fully agree with you. The eight member -- eight member towns own the asset.

I was greatly impressed with the -- with the vote of the voters, quite honestly, to see those kinds of numbers because they wanted quality water, they knew they had to pay for it.

The State has done its part. In fact, the few that -- I look at the most recent numbers that -- from (inaudible). Let's see.

Over -- over \$500 million is -- has -- has come and -- \$500 million of State money sounds like an awful lot of money, but the reality is we're talking billions of dollars in work. And so, I understand that aspect.

The eight owners of the Board, with
additional nonvoting members, am I correct?

The Governor's appointments are nonvoting?

CHRIS STONE: No. 'They're all voting.

SENATOR CASSANO: They're all -- so you do have -

CHRIS STONE: -- full members.

SENATOR CASSANO: You have 29 voting members, but
you have 17 from the eight towns.

CHRIS STONE: Right.

WILLIAM DIBELLA: It's on a weighted base, too. .
It's based on population.

SENATOR CASSANO: Population-based. Right.

CHRIS STONE: The -- the Governor -- the
Governor's appointees and the legislative
leadership appointees are all residents --
electors of the eight member towns as well.

SENATOR CASSANO: Right. Okay.

The request that we have for four members,
we put voting members. Does it have to be a
voting member?

WILLIAM DIBELLA: We're not worried about voting.
I don't think Glastonbury is worried about a
vote, Farmington's worried about a vote.

But to be able to sit in and be a part of
the conversation, to be able to ask what
does that do to my town and be -- to be able
to leave that meeting, if I'm the
representative, to be able to go back to my
council or chief elected official, a town

manager, and say here is what took place last night, that, I know, as a former elected official, and you would too, you appreciate. You need to have that kind of feedback.

I would not -- when I was mayor, I would not want to be relying on somebody from South Windsor or Farmington or something else to be reporting back to me on something that might impact my town.

I want somebody that I can have sitting in that seat that I can rely on to come with me and keep me informed.

That opens up the communication with MDC. The postings, they should be responsible to communicate those kinds of things.

The -- the communication itself, which is -- a lot of the criticism has been the communication. The webpage is difficult to follow and so on.

That would be resolved simply by having people representing those communities there, the nonmember towns.

So, I mean, obviously, we will have further discussions.

To me, I -- that's -- that's the voter without representation issue, I think, that we're talking about.

I said laughingly, when they -- when they sank the battleship Maine, that was the -- the battle cry.

Well, the toilet in Glastonbury at the

Glastonbury Herald, Glastonbury Citizen owns, has become the battle cry of Glastonbury.

He pays zero cents for water use because he flushes the toilet five times a year in that warehouse where he keeps the supplies.

But his assessment quarterly is \$199. That's a battle cry.

And when people read about that and they look at their own, they become incensed.

And so, the question is, why isn't it the same? Why isn't the surcharge the same for each one? Why isn't the surcharge, the extra charge that covers the same for both members and nonmembers?

CHRIS STONE: Well, first of all, the water rate is the same. It's \$2.54.

SENATOR CASSANO: Right. I agree.

CHRIS STONE: CCF. So --

SENATOR CASSANO: Absolutely.

CHRIS STONE: -- for \$2.54, a customer gets 748 gallons of potable water delivered to their home.

As to the surcharges, the -- as we've expressed in the written testimony, I won't regurgitate that, I won't read it. I was up there and it's not -- not a healthy exercise just to read the testimony.

It's a function of the fact that these eight member towns have invested. I said it

before and I -- I don't mean to sound like a broken record, but they've invested significantly in this asset.

And in -- in terms of the whole philosophy behind regional government, regional economies of scale, of towns joined together -- if any one of our eight member towns wanted to create their own water company and sewage company, the cost would be prohibitive, whether it's now or whether it's in 1929.

There was a reason why this event happened in 1929. It was because it was felt that, as a -- on a regional basis, on a collective basis, they could provide potable water and sewer services to the Greater Hartford area at a cheaper rate than if it they did it individually.

That all being said, they've created this asset. They've joined in this regional enterprise and other -- nonmembers, who may or may not choose to be a member or may or may not choose to have sewer services for the MDC, have now --

If the rates -- the surcharges were exactly the same, they would realize the benefit that comes from joining in this regional enterprise without absorbing any of the burden, whether it be the risk associated with liability, whether it be the bond indebtedness or the full faith in credit of the eight towns that -- that really makes up the MDC.

They would realize the benefit of a regional entity without any of the associated upfront -- front-end burdens that -- that come with

joining into this entity.

That's the fundamental basis. That's the fundamental discussion in terms of public policy, of whether we promote regionalism by rewarding those who join together, or whether -- or whether we don't. So that's the basis, Senator.

And quite frankly, it's -- it's not about, at least initially, or this particular issue isn't about the amount. It's fundamentally whether the MDC is able to charge a -- regardless of amount, a nonmember town charged to towns that choose not to become members.

That's fundamentally the issue. I think we can. I think we have the legal right to do so and I think public policy dictates that we, in fact, have that right to do so.

SENATOR CASSANO: But -- but I would remind that when your -- when your -- your charter was written, the public policy issue was that nonmember towns would, for water use, delivery of water, they look at that as a fairness issue and say that you can sell water to nonmembers, but they would pay the same.

CHRIS STONE: And they do.

SENATOR CASSANO: And -- and they do. So we've changed that philosophy in the charter when it came to the surcharges, which raises the question, for me, let's take Glastonbury. I'll pick Glastonbury, Farmington, any one of them.

When they conjured or did their contract

with MDC for delivery of services.

CHRIS STONE: There's an agreement with the -- well, in terms of Glastonbury, there's an agreement between the MDC and East Hartford, which Glastonbury was part of the East Hartford Water Company back when.

And that agreement between the MDC and East Hartford provides for an additional charge, because, at the time, East Hartford was not a member town.

So -- and when East Hartford became a member town, that charge was then assessed against Glastonbury, that nonmember town charge.

So it -- it's been in existence that long, whether it be by charter by agreement. I don't have the Farmington agreement with me, nor the East Windsor. I know that we have the agreement with Portland that speaks to charges for being a nonmember town.

SENATOR CASSANO: Well, that's the question of the agreements.

CHRIS STONE: Right.

SENATOR CASSANO: Were the -- I mean, because, again, I'm going by the charter, which was the same -- the same for nonmember towns. Was it implied or expected by the nonmember towns when they agreed for the delivery of water that it would be at the same rate?

CHRIS STONE: Each of the agreements -- each of the agreements talks -- refers to other charges that would be assessed by the District, I mean, the nonmember towns.

And in fact, we charge our member towns, the customers, we charge not only the -- you know, the water rate at \$2.54 for every -- every 748 gallons of water, but we also charge a customer service charge.

And in Glastonbury or in Farmington, if there's the -- they talk -- there was a discussion --

SENATOR CASSANO: Equitable across the board, though, isn't it right now?

CHRIS STONE: Right now --

SENATOR CASSANO: Customer service charge from member --

CHRIS STONE: Customer service charge is the same and then --

SENATOR CASSANO: If I -- if I install pipes and put in new lines, I pay for it?

CHRIS STONE: There's also -- that's another service charge. It's a capital improvement.

SENATOR CASSANO: That's capital. Right.

CHRIS STONE: And -- and that -- that doesn't cover the -- the ongoing maintenance obligation. It does cover the capital costs.

If there's a request for either expansion of the service or an improvement of the service, the town that made the request pays, or their -- their customers pay what is a very relatively nominal compared to the cost of the -- of the -- of construction, a

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nominal fee for that -- that infrastructure charge.

But that's for special capital projects.

SENATOR CASSANO: And -- and they pay for it?
Not --

CHRIS STONE: They do.

SENATOR CASSANO: No. Not --

CHRIS STONE: No question, Senator. They do over a long --

SENATOR CASSANO: Same as the member towns?

CHRIS STONE: Over a long period of time.

SENATOR CASSANO: All the member towns pay for it as a unit because they're part of the organization.

CHRIS STONE: But remember, this is for a capital improvement that is not required to serve our member towns, but solely required -- solely required to serve nonmember towns or -- or

SENATOR CASSANO: And it should be their responsibility. I agree with you 100 percent.

CHRIS STONE: But for a capital improvement, let's say we -- we have to improve our -- a water main that runs from the treatment plant in West Hartford through Hartford, East Hartford, and on into Glastonbury, if there's an improvement, a repair, or replacement, what have you, expansion, that's not paid solely -- because of -- we

need to get more water to Glastonbury, that's no paid by solely Glastonbury citizens. That's paid by everybody.

SENATOR CASSANO: Which the water rates are supposed to cover.

CHRIS STONE: In part and the customer service charge is covered back -- back, you know, back office accounting, human resources, and the like. So it's -- it's a combination of several different charges. The water rate is the same.

WILLIAM DIBELLA: And Senator, each one of those agreements were different, even though, in 1966, we had an agreement with Glastonbury because of the failure of the reservoir.

And then, in 1966, we also had an agreement with the -- that's when the Farmington Agreement was created, and that was because the -- the hospital hadn't -- was being built in Farmington and the medical school.

And as a result, we were required by the State to pick up the, I think, 476 customers in there and have a responsibility for them.

In fact, we just negotiated with the new Jackson Laboratory and the expansion of the hospital and we provided -- what's it, \$10 million main, that the university is going to pay for?

But a portion of that is also going for the improvement of water service pressure in the Farmington area. So that - that will in fact improve the system in Farmington. They will not be paying --

SENATOR CASSANO: They -- they won't be paying for the State, but the State --

WILLIAM DIBELLA: No. Well, no -- no.

CHRIS STONE: Because it's the outer --

SENATOR CASSANO: The State will pay a portion. The State will pay about a third of that cost. The balance will be paid by the MDC member towns.

WILLIAM DIBELLA: And those things happen in Windsor. I mean, it's -- it's the (inaudible) of your system, is your building.

SENATOR CASSANO: I -- I look forward to sitting down and -- and trying to work out some of these kinds of things.

We -- we all know where the issues are and obviously I think we're both interested. It doesn't help MDC if these towns found a -- find an alternative source of water.

You are concerned about losing water. That's important and there are alternatives. So, I mean, it -- it does make sense and that's why I look forward to having these discussions.

WILLIAM DIBELLA: And Glastonbury has been a good customer. So --

SENATOR CASSANO: Thank you.

CHRIS STONE: If -- if I may, in closing, just congratulations to the town of Manchester for the appointment today of Attorney Diana to the Bench, or at least as a nominee to

the Bench.

So I know you had to step out and I --
(inaudible)).

SENATOR CASSANO: It'll -- it'll be a good one.
Thank you.

SENATOR OSTEN: So we still have more people that
have questions.

SENATOR CASSANO: Oh, I'm sorry.

SENATOR OSTEN: Representative Aman.

REP. AMAN: Yes. I get to speak as a nonattorney
asking you a legal question.

I'm looking at your charter that -- your
section 5-8 that the supplying to nonmember
towns.

And reading it as a nonattorney, I am
reading it that the rates have to be uniform
has been said, that the water would be
supplied to the nonmember towns upon an
agreement that was signed at the time that
they joined to -- joined the MDC, and that
any pipe connections that were required to
service that new area would be paid for by
the -- the service area of the nonmember
town.

So I guess my question comes, is in 1966,
when you signed this agreement, did you have
in that agreement that 40 years later, we're
going to retroactively charge you?

CHRIS STONE: The agreement wasn't from 1966.

REP. AMAN: Or whatever. 1980 --

CHRIS STONE: It's even worse, Representative,
1942. But the --

REP. AMAN: Well, I'm talking about the -- the
nonmember towns.

CHRIS STONE: That's what's with East -- that's
for East Hartford.

REP. AMAN: Okay.

CHRIS STONE: A member of the MDC. And then, we
assume the obligations of the town of East
Hartford, at the time, the East Hartford
Waterworks Company, to serve or provide
water to Glastonbury.

1965 is the date when -- upon which -- this
is why that date's important. Water
supplied to Glastonbury went from a -- what
I'd consider to be a Glastonbury asset or an
East Hartford water company asset, which is
the (inaudible) Reservoir, to relying upon
the MDC system, now the MDC infrastructure.

And our resources out in the western part of
the state, Nepaug, Clark (inaudible)
Reservoir, through West Hartford and through
the District.

So it was a -- is -- that caused a -- a
paradigm shift in where Glastonbury water
came from.

So that's why that date's important.

REP. AMAN: Let me go to my own town of South
Windsor and I think it was in the 1960s or
1970s that South Windsor, part of it became
--

CHRIS STONE: Yeah. It may be.

REP. AMAN: Yeah. At the time that agreement was signed, was there anything in the agreement that said 40 years later we're going to retroactively charge you or we have the option of doing that?

CHRIS STONE: I would -- I -- I haven't seen the agreement recently, but I would venture to say that it did not.

REP. AMAN: Okay.

CHRIS STONE: And I think --

REP. AMAN: Just out of curiosity --

CHRIS STONE: (Inaudible).

REP. AMAN: -- the one with Jackson Labs, did you say that in the year 2050, we can turn around and say, oh, by the way, we should have charged you 40 years ago, but we forgot, and now you're charged the Jackson Labs accordingly?

CHRIS STONE: Jackson Lab is paying for their infrastructure improvements at the -- the Hartford -- or the, excuse me, UCONN's paying.

REP. AMAN: UCONN.

CHRIS STONE: Medical, it's their cost.

REP. AMAN: Okay. But the -- according to this, any increase in the water lines servicing any of the communities was paid for by the -
- by that community.

So I presume that's the same thing Jackson

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Labs would pay.

CHRIS STONE: Well, like -- likewise, I -- I will tell you -- I will -- I was here for the testimony earlier and -- and to their credit, each of the people that -- that came from a nonmember town indicated that they were willing to pay their fair share to become -- to receive MDC water.

We considered their fair share to be paying a portion of the financing costs to create the infrastructure that they're taking advantage of. Just be able to get back to -

REP. AMAN: And I would have no objection whatsoever if it -- this was spelled out 25 or 30 years ago.

The way it's coming out now, I don't think it -- it's really the way that it should have been done.

CHRIS STONE: I understand, Representative, but we'll have to differ on -- we have a difference of opinion, but I will tell you that the nonmember town charge, as a charge, not an amount, but as a charge, goes back to 1942.

REP. AMAN: The other -- everybody has been talking about public hearings and things. I know that I was at the one in 2013 and it was -- it was packed.

Out of curiosity, for 2011 and 2012, do you either remember how many nonmember town members showed up to talk at the public hearing?

CHRIS STONE: I don't remember. I -- certainly,
there wasn't 200.

WILLIAM DIBELLA: We traditionally have not had
big turnouts at -- at those public hearings.
They acknowledge that.

I mean, we advertise them. We do everything
we're supposed to do.

REP. AMAN: But of course that's also one of my
arguments with the newspapers right now,
that nobody reads the (inaudible).

WILLIAM DIBELLA No. You're probably right.

CHRIS STONE: We discussed that is that bill
today.

REP. AMAN: So -- okay. Thank you very much.

REP. ROJAS: All right. Thank you,
Representative.

Representative Vicino.

REP. VICINO: A couple of quick questions.

The nonmembers, do they have other sources
they could go to beyond your source of
water?

CHRIS STONE: I -- I don't know. I assume that a
-- at some point, they had wells. There are
some --

REP. VICINO: No. I'm not talking about wells.
I'm talking about the whole --

CHRIS STONE: The commercial carriers?

REP. VICINO: To go off to another carrier.

CHRIS STONE: Well, part of Farmington is serviced by the Connecticut Water Company, which now also owns the -- the former union of the water companies.

So I suppose there -- there could be a line that could be built there.

But there are -- I -- I don't think there's a legal impediment to that. I think there may be some topographical, geographic limitations, or -- or manmade limitations, highway structures.

REP. VICINO: Mr. DiBella, could you answer that question? You're the -- you're the -- the director. Could they go somewhere else?

WILLIAM DIBELLA: I'm -- I'm just the chairman.

REP. VICINO: Oh, the chairman.

WILLIAM DIBELLA: I don't get a check.

REP. VICINO: I would think that you would be able to answer that question very quickly.

WILLIAM DIBELLA: I don't know that -- like he said, topography has determinations there because of gravity.

But I don't know about Glastonbury. I know Portland is dealing with us now and I don't believe they had any other option and I think North Hampton is also having the same problem.

If you go up that whole corridor, you're going to see that the wells are all --

they're having trouble as well.

CHRIS STONE: It's -- it -- let me succinctly, because I don't believe there's any legal impediment to that. There may be other factors that compel them to choose MDC water.

It may be cost. It may be cheaper to have MDC water than build a line from Connecticut Water, for example. But there's no legal impediment.

REP. VICINO: Another question. You mentioned your transparency and your public hearing that you had, was there any kind of, on your part, a third party study of the whole issue of the increase that we're discussing?

It's for all different opinions, do you have a strong opinion? The other nonmembers have a strong opinion. Was there -- did someone -- someone come in and look at this increase to satisfy all parties?

CHRIS STONE: We -- we had it reviewed. We have, obviously, in-house financial people. Our director of finance, or, I'm sorry --

REP. VICINO: I didn't say in-house. I said independent.

CHRIS STONE: I'm going to get there.

REP. VICINO: Okay.

CHRIS STONE: The deputy CEO for business affairs who's the -- our finance person created the template, the model, that was reviewed by our auditors for -- as terms of a basis for collecting the charge, this recovery of

capital expense or capital costs.

So -- and it's a recognized method of recouping those costs. So the short answer is yes, but they were our auditor. I don't -- I don't want you to imply that -- that we sent it out to (inaudible).

REP. VICINO: My question was an independent third party.

CHRIS STONE: No. No. But there are auditing standards that our auditor has to abide and they do that.

REP. VICINO: Thank you. You answered my question.

REP. ROJAS: Senator Cassano.

SENATOR CASSANO: Yes. One quick question to follow up.

We get a very detailed letter from (inaudible) Council talking about the impact, the fiscal impact of this whole thing. I don't know if he's planning to testify. It's -- it's a leap -- yes. That would be great.

A VOICE: (Inaudible).

SENATOR CASSANO: With one caveat. I -- I'd love to have you explain this if you can do this in a nonlegal way so that we can understand, being nonattorneys.

What is the impact for the -- for the common guy on the street that doesn't -- I know that -- I can see the significance of what you're trying to say, but I'm not clear.

And so, that's important for us to understand in this process.

ERNEST LORIMER: First -- and thank you to members of the Committee for the opportunity to speak to Senate Bill 332

My name is Ernie Lorimer. I'm a lawyer with Finn Dixon & Herling in Stamford, Connecticut, and we are a bond counsel to the -- to the MDC.

I have, as you say, submitted written testimony and I won't repeat that.

I have expressed my concerns about this to the MDC and they asked me to share them with you.

As -- as Chairman DiBella said, the MDC has embarked on this very large clean water project, which is partly being funded with general obligation bonds supported by the towns, partly by the -- the State's clean water fund, which is an important part.

But the MDC doesn't have the financial ability to fund all of the clean water project with general obligation bonds.

And so, for that purpose, they've created a revenue bond program, which is backed by the special sewer service surcharge, and only the surcharge.

That's not the surcharge that's affected by this Bill, which is a water surcharge.

But I am concerned that if the Legislature comes in and changes the MDC's rate making

powers, and in particular about this -- this surcharge, that the question will be raised in the investment community about whether the Legislature could also change in the future that surcharge.

And so I am concerned about the unintended consequences. I am concerned about the impact on the revenue bonds and the revenue bond program, both in terms of ratings, rates, and also viability.

WILLIAM DIBELLA: Could I -- could I just add onto that, Senator?

Let me -- and I'll be very brief.

SENATOR OSTEN: I -- I don't believe it. Go ahead.

WILLIAM DIBELLA: I'll -- I'll do it privately (inaudible).

SENATOR OSTEN: That would great.

WILLIAM DIBELLA: It's a question of we have two funding sources here. One is the (inaudible) that goes to the sewer side. The other one is a user charge for water.

If we had funded this through the (inaudible) onto the towns, because of the enormous amount of nontaxable property that fall under the (inaudible) charge, the property tax, it would have been dramatically more staggering.

So what we did is we moved it over to the water side, where we have a user charge everybody pays. Nonprofit, State, federal government, and everybody else, which made

the base broader and made the cost less relative to what it would have been under the property tax.

That was a -- that was the decision that we made with (inaudible) Council to ensure that we could reduce the rate.

I mean, the rate would have been -- it would have been (inaudible) in terms of the towns if we had put this all on the sewer user charge for the town, I'm -- I'm sorry, on the property tax.

A VOICE: Thank you very much.

SENATOR OSTEN: Any other question?

REP. ROJAS: Mr. Lorimer, you are -- actually happen to be up -- the next person up. So it's good that you -- we've knocked one more person off the list.

But a quick question. In terms of -- of bonding, are there rules, regulations, laws around the ability for the MDC to bond and also the ability to have a surcharge associated with those bonds?

ERNEST LORMIER: That's a very good question and I'm glad you -- I'm glad you asked this because just today, we are replaying an issue that is actually 80 years old.

In -- in the 1930s, the State Water Commissioner was mandating significant improvements in the sewer system. It was in the middle of the Great Depression and the towns didn't have the ability to finance the sewerage improvements that the Commissioner was -- was insisting on.

And the solution to that was the adoption in 1935 of the Municipal Sewerage Age.

And the full trip down memory lane, which basically provided that municipalities, including metropolitan districts, could issue revenue bonds, and if the revenue bonds were backed solely by sewerage charges, that they wouldn't be counted against the debt limit.

So the MDC has an overall debt limit and that was what I was speaking to earlier in terms of the constraint and that's why this revenue bond program allows them to solve the problem of meeting the DEP and, I mean, the DEP and EPA requirements in exactly the way this problem was solved eight years ago.

REP. ROJAS: Would there be concern by rating agencies about adding members to the MDC or would that be viewed as a positive?

ERNEST LORMIER: The MDC enjoys the credit rating it does because it's backed by an unlimited taxing power on its member towns.

So if you added member towns and added their taxing power, it probably would be treated as a positive.

REP. ROJAS: Thank you. Representative Diminico.

REP. DIMINICO: Thank you, Mr. Chair, and I do have a couple of questions on bond.

And I know you made mention of the fear that the fact now that the sewer bond and part of it's going to be done through revenue bonds, and I think you made the statement the fear

is it restructured the way it's set up now, that it might jeopardize in the future if you were to have some infrastructure on the water side, that it might affect the way that you could do some revenue bonds?

Is that -- did you say that? I kind of felt --

ERNEST LORMIER: And if I said that, I didn't mean --

REP. DIMINICO: I thought -- but you said you would fear that if were to do this --

ERNEST LORMIER: My concern is that if we change the water surcharge after it has been in effect, that it then raises the question of whether the Legislature in the future could change the sewer surcharge.

And unlike the rest of the MDC's bonds, which are secured by the full face and credit and the taxing power of the member towns, the revenue bonds are only secured by the sewer service charge.

That structure was -- seemed to be as extremely positive and received a double A rating as well.

So this is sort of a question of the intended consequences, that there was a way of dealing with that that would, obviously, be desirable.

REP. DIMINICO: Well then, I -- I have another bond question. I'm glad that you're here and I appreciate it.

I've had a little experience on -- on this bond question and particularly how it

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relates to a sewer bond and how it relates to a municipality.

It's my understanding that once a bond proposal's up and -- and the infrastructure has been done and everything's been paid, that I think the municipality doesn't have any more authority to reassess any future reassessments if that bond is satisfied, paid in full.

ERNEST LORMIER: Yes. One of the problems with sewer bonds is that while you can get people to pay for water, it's very difficult to get tax payers to pay for someone else's sewers.

And that was one of the problems that was addressed in -- in the 1935 Act and there are essentially three sources.

One is a -- an assessment on the property that is the implied increase in the value of having a sewer property as opposed to an unsewered property.

That's fixed at the time that the capital improvements are made.

There will also -- there can also be a connection charge for actually the pipe to a particular owner's property.

And then, there is a use charge, which is typically measured by water usage as a -- as a proxy.

You can use any of those three sources as a way of -- of repaying the bonds, but typically, they are sort of stamped out chunk by chunk as the -- as the system is expanded.

What the MDC is doing with the clean water project is a little different. It's not expanding the footprint. It is now improving the existing footprint and the revenue bonds rely solely on the use charge.

There isn't an assessment or a connection charge.

REP. DIMINICO: Well, the reason why I ask you that is because my question's really not geared to the sewer side. It's geared to the water side.

ERNEST LORMIER: Yes.

REP. DIMINICO: Would the same apply to the water side?

ERNEST LORMIER: Water doesn't have the same structure, because, as I say, in the 1930s, when the Municipal Sewerage Act was adopted, there were plenty of private water companies.

Getting people to pay for clean water was never -- was never an issue. It was the other side of the equation, which is why this different solution was -- was adopted.

REP. DIMINICO: So I guess I've got -- try to get to the bottom of it.

So if -- if an entity bonded for water, for water pipes, and -- and when it's completed and when the bond is all paid off, can they reassess?

ERNEST LORMIER: There are a couple parts to that question, I think.

One is that you shouldn't be thinking about the asset and the bonds as being the same thing.

Water assets and sewer assets have very long useful lives. I mean, you punch a whole through Avon, not in -- it's got a life of centuries. And bonds typically, just for marketing purposes, are paid off much more rapidly, 20 years, 30 years.

So I liken it a little bit, you know, a car loan. You borrow for three years, you pay off the car loan. At the end of the third year, you've got a car that's been paid off, but your teenage son can't say I'm going to take it off to college because it's free.

It still has a remaining useful life and that's why the depreciation period is much longer than the bond -- the life of the bond.

REP. DIMINICO: So I guess what I'm trying to say, if a water line came through a community and the community had no need for it but they had to come through the community to access another community and it -- later down the day, after this has all been bonded and paid for, this community that did not want to tie into that water line decided they needed to tie into that water line and -- how is that community assessed if the bond has been satisfied?

ERNEST LORMIER: And I don't know the answer to that question. I'll be honest. That is not --

REP. DIMINICO: Because that really kind of

underlies the foundation of -- of this general surcharge, of past infrastructure improvements to -- at a later date.

Although the word assessment has not been used, but the spirit is really assessed -- a reassessment for past infrastructure improvements.

That's really, for me, is really kind of -- gets down to the fairness of the law and I'm quite surprised you can't answer that question, but -- but I thank you for trying.

ERNEST LORMIER: Thank you.

REP. ROJAS: You know, I just -- are there any other questions for members of the Committee?

I mean, I -- I would -- I guess just in listening to everybody talk about fairness, you know, I certainly think there is room for fairness for -- for the nonmember towns and to have a voice to be heard.

But I also think we need to remind everybody that there needs to be fairness for the member towns who have invested significantly more dollars in this entire process.

And I'm sure there's a middle ground somewhere and we're going to find it, but I just want to make sure that, you know, we -- we take care of the fairness of everybody involved in this to make sure that, one, our assets are protected, but, two, the voice of nonmember rate payers are protected as well.

I did have one last question. Regarding Riverfront Recapture and -- and this whole

issue of the MDC maintaining the parks for Hartford and East Hartford and I guess there are some challenges that you face in renewing the contract to continue that work.

Obviously, it's very important for the towns to have that service provided, but I know you also apparently face some constraints in continuing to provide that service as well.

I mean, I would give you the opportunity to comment on that.

WILLIAM DIBELLA: Again, I -- I thought that I -- I made it fairly clear that we have looked at everything. We're looking at the Riverfront Recapture issue. We're renegotiating, or we're negotiating, our contract.

It's a contract that was created in 1998. I was here. I was involved in that. It was a contract that we have had a good relationship. We have provided maintenance to the parks. We have cooperated with Riverfront Recapture.

They're an asset. However, there are some things that we have problems with relative to security, which was never a part of the agreement. And again, we're trying to resolve those issues.

The maintenance, I think we've been -- been fine, but we're trying to negotiate that issue. And again, that's a question that evolves because it's water revenues. It's come out of the water revenue side.

And remember, when we first entered into this agreement, it was costing us about four

cents a hundred cubic feet of water. Because of the shrinking of the water revenues, it's now costing us six or six and a half cents. So, you know, there -- again, it's -- it's a question of the pressure of cost on our rate payers and also on our -- on the towns relative to what MDC is trying to do.

So we're -- we -- we aren't walking away from any contract. We're trying to negotiate a more -- a more reasonable one that's -- meets our revenue capability.

REP. ROJAS: And I ask this. So -- so the service is going to continue to be provided for -- you know, the season is quickly coming for -- I worked there for a year, so I know that the season is coming for festivals and events and is that the expectation? You can continue to be paying the service for the coming summer?

WILLIAM DIBELLA: Yeah. I mean, I thought were pretty close. I'm not negotiating the -- the agreement.

REP. ROJAS: Sure.

WILLIAM DIBELLA: So that's an issue that we're going to have to hopefully finish up as soon as we can.

CHRIS STONE: There -- there is a meeting scheduled next week about the parties, the mayor, the mayors of Hartford and East Hartford, and representatives from Riverfront Recapture, the MDC, and -- and perhaps, you know, like Representative Larson, who has certainly a vested interest in this.

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So hopefully, that meeting will be fruitful.
We have an open mind and we'll work
constructively to try to get that deal done.

WILLIAM DIBELLA: We -- we've had a good
relationship and we don't see the
relationship ending relative to that.

I mean, it's just -- we've got pressures on
costs that we both -- both of us do, so
we'll -- we'll work -- try to work that out.

REP. ROJAS: Okay. Thank you. I'm not going to
ask if there's anymore questions. We're
just going to end it here. So thank you.

A VOICE: Thank you very much. Thank you for
your time.

REP. ROJAS: Yeah. John Chaponis, followed by
Randy Collins.

JOHN CHAPONIS: Good afternoon. I speak to you
today on behalf of the Connecticut
Association of Assessing Officers in regard
to House Bill 5510.

CAAO recommends opposing 5510 and we've
submitted written testimony, but just would
like to summarize a few points. This
particular piece of legislation's in direct
contest to all of the major statutes that
expressly define how real estate is assessed
in Connecticut.

Currently, all improved real estate is
assessed based on its fair market value.
The only exception is for farm, forest, and
open space.

for us, we have the volume. The issue is really the pressure, really is coming in on the electricity revenue side.

REP. SEAR: Okay. Thank you.

SENATOR OSTEN: Are there any other questions?
Thanks very much for coming back.

MICHAEL CICCHETTI: Okay.

SENATOR OSTEN: I appreciate it.

MICHAEL CICCHETTI: No problem. Thank you.

SENATOR OSTEN: Next is Joe Marfuggi.

JOSEPH MARFUGGI: Chairs and members of the Planning and Development Committee, I admire your fortitude.

My name is Joseph Marfuggi. I live in Hartford. I am president of Riverfront Recapture and I'm here to testify in support of a provision in Senate Bill 332 that has the potential to formalize an existing parks management plan between the Metropolitan District Commission and Riverfront Recapture.

In 1997, the General Assembly gave MDC the authority to take on some riverfront management responsibilities and to increase the water rate to pay for these efforts.

An average \$6 increase per year, per household, paid for daily maintenance and a park ranger's program that put uniformed personnel in the parks.

MDC was, and is, a logical partner for the

riverfront parks. MDC has experience in managing public trails at its reservoirs.

And more importantly, MDC has invested millions of dollars and decades of hard work to clean up the Connecticut River, helping to transform it from a polluted waterway to a scenic destination for public recreation.

The management plan has played a critical role in making the riverfront parks attractive destinations for people who live, work, and visit here.

We welcomed 800,000 visitors to the riverfront parks last year. A third of the 96 teams in our dragon boat races came from New York City, Boston, Providence, and other out of State locations.

Our rowing regatta attracted 3,000 rowers from five states.

Even on nonevent days, the riverfront parks are priceless amenities for the people of this region. They come to the parks to walk, jog, row, bike, fish, or enjoy some quiet time in a beautiful and natural environment where they might even see a bald eagle.

But we can't assume that the riverfront will continue to be a valuable asset if it is not maintained. As we worked out our parks management agreement with MDC, we looked at waterfront projects across the country and saw what can happen when a solid management plan is not in place.

A southern city dedicated an expensive new park with great fanfare, but without giving

much thought to maintenance and programming.

Two years later, a local newspaper described the park as, "an albatross around our necks." Now, we are trying to work out a renewal of the long-standing parks management agreement between MDC and Riverfront Recapture.

We are concerned, however, that MDC has proposed a 25 percent reduction in the riverfront parks management budget and a phase out of all funding for the parks rangers over five years.

To be clear, Riverfront Recapture did not propose section 5 of Senate Bill 332, which would require MDC to make a continued effort to maintain the riverfront parks.

But since someone did propose it, we support its passage because it is vitally important to keep the riverfront parks maintained as they have been since they were created.

The public has come to expect that the riverfront parks will be well maintained on a daily basis, that the grass will be mowed and broken glass and graffiti removed.

The rangers' presence in the parks helps to reduce maintenance costs by minimizing vandalism and our visitors tell us that the park rangers make them feel comfortable and secure in the parks.

It wouldn't take many bad incidents to reverse those good feelings and send the riverfront parks on a downward spiral that would turn these wonderful assets into destructive liabilities.

None of us want that to happen. We believe that the proposed amended language in this Bill provides a framework for the development of a detailed plan to help sustain the riverfront parks for generations to come, enhancing the region's quality of life, and serving as catalysts for economic investment and growth on both banks of the river, the kinds of projects that are happening in Hartford and East Hartford.

Thank you very much for the opportunity to testify on this legislation. I have copies of the testimony, but I wasn't sure where to submit them.

REP. ROJAS: This fine looking gentleman over here will take them.

JOSEPH MARFUGGI: All right. Good.

REP. ROJAS: Make sure that all the members --

JOSEPH MARFUGGI: Thank you.

REP. ROJAS: -- that it's filed with the legislation.

Thank you, Joe. It's good to see. Thank you for coming in to testify. Are there any questions for Joe? Representative Aman.

REP. AMAN: Just a couple of quick ones.

You said -- I thought that you currently are negotiating a contract, so is there a contract in effect now that you're negotiating or --

JOSEPH MARFUGGI: It -- it has expired and we are

working with MDC to try to renew it. There are some major differences.

But I was pleased, as Chairman DiBella left, he gave me his cell phone number and asked me to call him on Monday.

We do have a meeting scheduled for next week.

REP. AMAN: Because, as I'm reading the current law, they're under no obligation to do this. It's a may on their part.

JOSEPH MARFUGGI: Absolutely. There is no obligation for them to do it.

We went into this in a cooperative effort with MDC and MDC -- this was a year -- two-year process of looking at management models and the best way to it and we kept coming back to the MDC as the logical partner.

And this was a committee of people from across the community, corporate people, government people, nonprofit people, all looking at this and how do we do this in a way to really help the parks develop their full potential for the region -- for the people of the region?

And we kept coming back to MDC and when MDC finally agreed that they would -- they would do this on one condition, that the member towns agree. A majority of the member towns had to agree.

And we went out to the town councils in each of the communities and asked -- explained the process and what we were trying to do and what it would mean and we needed an

affirmative vote from a majority of the councils, which we got.

REP. AMAN: And around that, do you know what it costs the MDC or what your contract calls for the expense of doing what they're doing?

JOSEPH MARFUGGI: What they were able to do -- what the -- the charter was amended in 1997 to include this language about entering into an agreement to take on some responsibilities on the riverfront.

That new language in the charter also allowed them to raise the water rate to pay for those expenses.

So there was a water rate increase that averaged about \$6 per household per year, back in 1998 when it was implemented.

REP. AMAN: And is that the same -- approximately the same cost today as \$6 a household (inaudible).

JOSEPH MARFUGGI: As far as I know. As far as I know.

That money does not come to riverfront. The MDC delivers the maintenance with their own people and their own equipment.

The rangers are hired by Riverfront Recapture. We pay them and the MDC reimburses us for -- but we administer that program.

REP. AMAN: And have you ever looked at taking over the -- the Riverfront Recapture, doing the same thing they're doing with the rangers for all the rest of the maintenance?

I mean, contract -- contracting it out rather than hiring (inaudible).

JOSEPH MARFUGGI: Well, one of the issues for Riverfront Recapture is we're a nonprofit organization.

It's a very unusual organization in that we have overseen design and construction of public parks and now we're, in effect, managing those public parks with the cooperation of the MDC.

So it's an unusual -- we don't have a revenue stream and, you know, we have a -- a lousy business model.

We run three parks. Come on in. Everything's free.

You know, there's no admission charge. Our festivals are free. We're starting to look at things like crowd funding to help generate more revenue.

But it's -- it's a lousy business model. They're parks and people expect them to be free.

REP. AMAN: Okay. Thank you very much for coming in and waiting around.

JOSEPH MARFUGGI: Thank you.

REP. ROJAS: Thank you. Are there any other questions? Thank you, Joe. Good to see you.

John Antonic? Am I reading the -- Roland Hall? Okay. Amy Lahaney?

HB 5505 AMY LAHANEY: Good evening. My name is Amy

happened?

AMY LAHANEY: I can't speak to that, but the gentleman from the ICC may have mentioned that in his testimony.

I know it's been adopted, I think, by 36 states and the District of Columbia. So I'm assuming there is some difference between the states and, you know, the District of Columbia and the states have adopted in different ways with different levels.

REP. FOX: Okay. So we'd be in no means handcuffing a municipality as to what they can or can't do. We'd just be establishing a level that if, should they so desire, there after they could increase?

AMY LAHANEY: Correct. As Attorney Dicine had said earlier, it's really a fold in between a bunch of different codes that really needs to be filled, and that's just for a minimum standard and, you know, can be incredibly frustrating for residents in possibly a small town who don't really fit into any of the existing statutes to try to get some assistance to meet those minimum standards.

REP. FOX: Great. Thank you very much.

REP. ROJAS: Thank you. Are there any other questions? Seeing none, thank you. Enjoy your weekend.

Michael Ninteau? Todd Babbit? Michael Train is not here. Harry Rainey? On a roll. James LaCroix?

SB 332

JAMES LACROIX: Co-chairs and members of the Committee, good evening and thank you for

listening to my testimony today.

I'm Jim LaCroix and I am resident of Glastonbury.

I'm here to testify today in total support of Senate Bill 332, which introduces measures to amend the charter that created and governs the MDC.

In its very basic elements, the MDC is a utility that services the public and it operates as a monopoly for those within its service area.

It appears to me that there is something fundamentally wrong when an organization created in this fashion reports only to itself and, unlike other utilities, does not have regulatory oversight by a body such as the Public Utilities Regulatory Authority.

It appears to me that it's wrong when this type of organization does not allow any representation of the nonmember towns in its service area, which have no vote -- voice in MDC financial matters or any other matters to protect the interests of their residents, who are MDC customers.

It's wrong when an organization is not as transparent as it needs to be.

And it's wrong whenever it charges whatever it wants whenever it wants for water, the most precious resource that sustains life.

I have attached a summary of quarterly billing rates that clearly demonstrates the MDC's recent activity in this regard.

If there is any doubt about the length to

which the MDC can go with the unchecked authority it currently has, all you need to do is look at the nonMember town surcharges the MDC implemented in 2012 and 2013.

The 2013 surcharge is eight times the 2011 surcharge. It went from \$13 a quarter to \$105 a quarter.

They've lowered this surcharge in 2014 after the outcry expressed during last November's public hearing.

However, they still intend to collect the same amount they originally sought, but over a longer period of time.

While the Charter that created the MDC in the 1920s may have been appropriate for those times, it is antiquated by the minimum standards for transparency, oversight and representation that exist in this modern era.

The charter for the MDC has to change. This Bill addresses the major problems and I urge you to support it.

May I also ask to add a few other comments that are not written?

REP. ROJAS: Sure. Go ahead.

JAMES LACROIX: Today, there was a lot of discussion about the charges -- the infrastructure charges that were incurred prior to Glastonbury joining in 1966.

This is -- this is strange. To me, it's -- this is similar to someone buying a condominium 50 years ago and paying the.

necessary monthly association fees to the condominium for 50 years.

And then, one day, the board of directors comes up to you and says, oh, by the way, 20 years before you bought that condominium, we put in a golf course and -- and a recreational facility and we added to the infrastructure and you didn't pay for it. So now, you're going to pay for it. That just doesn't seem right.

Now, clearly, there must be compromise and -- and the whole argument about the assets of the member towns is a good argument.

But the nonmember towns that pay these surcharges, I learned tonight, since the 1940s.

I went through -- you have in front of you 25 years of history and if you go through the nonmember town surcharges and multiple them times four, you know, because they're quarterly, times 7,800, which is the nonmember town number of -- nonmember town members, you get \$10.7 million that the nonmember towns contributed from 1988, which is the year we moved to Glastonbury to -- through 2013.

So the nonmember towns have had a lot of skin in this game. They don't have the asset, but they've contributed and maybe they need to contribute more.

But how do you know unless you're at the table, you have a voice. Now, we learned today that the voice goes in the wrong direction, but nonetheless.

You have a voice and you know what's going on and you -- you understand the numbers and it's a democracy. And if you lose the vote, you lose the vote, but at least it's an informed vote.

And as far -- as far those pre-1966 charges are concerned, I submit that they're water over the damn, no pun intended.

Thank you.

REP. ROJAS: Thank you for coming to testify and for waiting so long.

JAMES LACROIX: It's important.

REP. ROJAS: Yeah. No -- and I think, you know, it is fair to suggest, you know, the \$10 million perhaps that you paid is fair skin in the game.

But when even one of the projects as a member town that we have going on is worth \$2 billion, I don't know -- when we talked a lot about fairness, I don't know if it's fair to suggest that \$10 million equates to the \$2 billion that member towns, at least are fair. But, you know, I think we're going to get there.

So are there any questions for Mr. LaCroix?
Senator Cassano.

SENATOR CASSANO: I just want to thank you for staying so late. I know you had written testimony.

You've been here since before the hearing started and your commitment is -- is -- just the work that you have done that -- to give

us testimony has been tremendous and I just appreciate people like yourselves coming to stay this long and to make that kind of a commitment, to make the effort you have in putting materials together and so on. It's been very helpful to me and I know it will be to others and we'll do whatever we can to make it work.

JAMES LACROIX: Thank you. And I urge the members of the Committee to look at those charts.

I've never seen -- I've been in business for 40 years and I've never seen anything go along very well, like all of the four components of the price structure moving in a nice line and now, all of sudden, it just -- it's like a rocket ship. It just jumps up.

I've never seen anything like that happen and that's a red flag. That doesn't mean to say that the nonmember towns can't contribute and work together.

Hopefully today, this is going to happen and I think this Bill is -- is a way to get that done and I -- I thank you for your time.

REP. DIMINICO: Yes. As representing Glastonbury, I want to thank you as well for -- for your comments and it certainly shows how -- how important this is to you to stay in this late hour.

And even though the MDC did say they gave due notice to all the nonmember towns the time of their membership, the -- the thing -- the irony of it all is the one -- two words that came to mind is other charges and

that's what they used when they gave due notice to all the nonmember towns.

They used the word other charges, which is this big to me and really is nondescript. So hopefully, we'll all get together on this and -- and come to a resolution. I think it's best when all work together to come to -- to the benefit of all.
Thank you very much.

JAMES LACROIX: If I may add one comment to that? It would be -- is that okay?

The MDC -- the data that is in front of you came from the MDC when -- when you -- once a year, they give you a one-page sheet that tells you what your water rates are going to be for the forthcoming, you know, for the coming year.

They -- they describe how your water usage is calculated. They describe what the customer service charge is for.

They describe that there's a surcharge that actually goes back to 1991 for capital improvements that affected Glastonbury.

But with respect to the nonmember town charge, they say nothing. They say here it is. That's -- that to me is wrong and -- but hopefully, we have made some progress today and I thank you for your time.

REP. ROJAS: Thank you, too. Any other questions for Mr. LaCroix? Seeing none, thank you. Appreciate it.

Marjorie Shansky? Joseph Wasserman?

recycling at the -- at the level we need to move towards, recycling and other reuse and waste reduction alternatives.

The other thing I would just point is -- is that -- is that the incinerators that are better in terms of avoiding pollution in the air create toxic ash, a more toxic ash. So either we -- we create a more toxic ash or we throw those toxins into the air.

Thank you.

REP. ROJAS: Thank you, Mr. Wasserman. Is there -- are there any questions? Seeing none, thank you.

JOSEPH WASSERMAN: Thanks.

REP. ROJAS: Let's see. Langois, JP.
(Inaudible). Okay. Marco Palmeri? That's again a no. Lieutenant Dan Lauer? Michael Wolf? What's your name? You're up next.
Go ahead.

JOHN AVEDISIAM: Thank you very much. My name is John Avedisiam and I live at 11 Parkwood Drive, Windsor, Connecticut, which is an MDC member.

And I'm here to speak to the Senate Bill 332 related to the issues with MDC. I support this Bill. However, I feel that it does not go far enough to ensure that the MDC is regulated by the State statutes, as are all other utilities in the State of Connecticut.

Glastonbury is not the only town that has problems with the MDC. As you know, the MDC is not regulated by PURA, specifically, section 16.3 part c, which is companies

obligated to obtain accurate readings.

Many of the MDC customers over the last few months have received catch up bills due to the estimated billing practice of the MDC related to equipment failure.

I received a \$1,400 bill covering a four-year period. Others have received bills ranging from \$2,000 to \$4,000 covering a four to six-year period.

The State regulates that utilities -- that when a company issues estimated bills to customers in two consecutive billing periods, the company shall send the customer a notice that informs them that it is imperative that the company obtain an actual reading and that a representative will come to the house.

The MDC's position is the customer's responsibility to obtain this actual reading and report it to the MDC.

It is difficult to understand how the MDC can ask for rate increases or propose 133 percent increase on surcharges to nonmembers and ignore thousands of dollars in receivables not collected, yet do nothing to address the issue of failing equipment that it could help ensure the accuracy of the reading and increase cash flow for the same time period over three to six years. So I think the MDC missed an aspect in their operation.

It is -- and -- if this is the way the MDC management is going to operate, then it's time for a change in management and reorganization of the MDC Commission and .

their chairman.

The Commission is supposed to act as a representative in our best interest. I believe they do a poor job of representing us until we get up and make noise. And obviously, a good example is the town of Glastonbury.

Now, I was at that meeting at the training center. They went from \$105 surcharge to a \$49, and basically, they were to receive an extra \$1 million.

Why did the MDC reduce each surcharge? Not out of the goodness of the heart, because they were challenged in regards to their business practice.

And if you read the Hartford Courant, they didn't change that until Glastonbury decided they were going to sue them.

It is time after 85 years of free rein that our Legislatures on both sides of the aisle step up, pass a comprehensive bill with teeth that will regulate completely the MDC, not just a mandate.

They should be regulated like the rest of the utilities in the State of Connecticut. It is time to understand how the MDC runs its operation.

Thank you very much.

REP. ROJAS: Thank you for taking the time to wait and provide your testimony. Are there any questions for Mr. Avedisiam? Seeing none, thank you.

JAMES AVEDISIAN: Okay. Thank you very much.

REP. ROJAS: I'm going to go through. Matthew Brokman is not here. Bob DeCosnio, not here. Jeffrey Viens is not here, which leaves Terry Borjeson.

TERRY BORJESON: (Inaudible). I did go home and go to dinner first, though. I'm sorry you guys didn't get to go.

I -- I want to thank the Planning and Development Committee --

SENATOR OSTEN: So -- so we can live vicariously through you, what did you eat?

TERRY BORJESON: It was prime rib and good rice, too.

I want to thank Planning and Development Committee for still being here. I want to speak on 332.

When I came here -- I -- I'm actually the majority leader for Newington Town Council. When I came here, I was supported the town of Newington and I've read every -- I've had to read everything. So I'm still supporting the town of Newington, but I -- I do have some statements to make.

I -- I serve on (inaudible) on the policy. I chair the Connecticut Fast Track Committee. I'm on the MORE Commission with Senator Cassano. A lot of these things deal with regional entities and a need for regional entities to bring down cost.

So in that regard, I think it's important that MDC, we look at it as a regional basis.

What I have seen, though, is I'm not very happy with MDC in terms of communication.

I also sit on the Commuter Rail Council, will be here on the 19th, to talk about what's going on with commuter rail, but I see the same kind of lack of communication there that I'm seeing with community rail.

I look at Glastonbury. They went from, in 2013, \$158 surcharge to a \$423 surcharge, and now going back to \$198. I can't figure out why that happens. I would be shocked, too, if I were Glastonbury.

I can tell you as a member town, our rates have doubled with the sewer -- the special sewer service piece, which we -- we agree to.

So if you look at the numbers, 2012 member towns will pay more, 2013 nonmember towns will pay more with all the surcharges, and then, 2014, it reverts back to member towns paying more.

Water use is the same for every town. It's the surcharges that are the issue and I can't really explain a lot of it, but from a member perspective, we do pay for the infrastructure, capital improvements, liability, and we will be paying the freight moving forward.

So I would say two things. MDC, do a better job of communicating and be more transparent. Nonmember towns, think about joining and making this a regional effort so that we can potentially do a better job and lower costs for everybody.

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Thank you very much. Have a good night.

REP. ROJAS: Thank you for keeping it under three minutes. Are there any questions for the well-fed Mr. Borjeson? Seeing none, thank you.

Is there anybody else who hasn't had a chance to speak who would like to do so? Seeing --

SENATOR OSTEN: I have a whole bunch --

REP. ROJAS: Representative Flexer, you have a lot of explaining to do.

REP. FLEXER: Yeah. Exactly.

REP. ROJAS: Senator Cassano.

SENATOR CASSANO: Yes. During the fire -- firebreak, I was given a legislation or, excuse me a testimony from a woman who had to leave, Bonnie Leach from Glastonbury, and I'd like to submit it for the record.

REP. ROJAS: Thank you. At this point, I'd like to thank all the members as well as the staff who stayed here through all of this. I really appreciate it and this public hearing is closed. Thank you.

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I live on Lenox Dr., Glastonbury, CT, MDC non-member town.
A huge increased, 51%, of surcharge without any explanation
causing financial hardship. This is an unfair practice. We are
asking to reduce the amount and pay us back what we paid so
far.

Thanks

Daisy Nayeem

SB 332

As a Glastonbury citizen, I am encouraged that that the bill has been introduced in order to curtail excesses of the MDC which decided to charge these outrageous fees to customers of the non-member towns. This example shows that water should be regulated in a similar way as other utilities such as gas or electricity. If the MDC is allowed to charge some customers for the cost of construction of the utilities before 1966, as they try to justify, it would not be different than if electrical utilities start charging for construction transmission lines built long time ago or supermarkets imposing special fees for the construction of their buildings. It would create an absurd precedent. The companies build these infrastructures to sell the water, electricity or other products and should not be allowed to take advantage of some customers knowing that they have no other choice.

I would also like to encourage senators to look at the entire MDC organization, the way it is run and how the board is selected so it can efficiently serve the customers in the future.

The recent decisions regarding these charges is just a single indicator for an urgent need for reforming this vital to citizens of Connecticut organization.

Zbigniew Mroz,

121 Heywood Drive,
Glastonbury, CT 06033

SB 332

121 Heywood Drive
Glastonbury CT 06033

As a naturalized U.S. citizen and a Glastonbury resident, I am appalled at the huge and unfair increases in our MDC water bill. Water is the most basic of human needs and, as the surcharges increase dramatically with every bill, it appears that soon we will not be able to afford it.

I emigrated from England and so I am very aware of America's proud statement, "No taxation without representation!"

With many other Glastonbury MDC customers I support the effort of our Town Council and our State Representatives and Senators to lower our bill and to ensure fairness in the price of this essential resource.

Thank you.
Lesley Mroz

SB 332

As our legislature formulates changes to the oversight of the MDC, I ask that you review the history of Non-Member Town surcharges.

The latest increase is not the only one in recent years. My July 15, 2011 invoice assessed the NMT Surcharge for 3 months at \$13.17. In 2012, the 3 month surcharge was \$39.54, an increase of 200%. For 2013, the 3 month surcharge increased to \$105.75. That is a 700% increase from July, 2011, a period of two years. For the full year of 2013, the surcharge change from 2012 increased each household bill by \$265. Relative to July of 2011, the total increase is significantly more.

It is important to note that over the same two year period (July, 2011 to 2013), the quarterly Customer Service Charge increased from \$15.30 to \$40.44, an increase of 164%.

Given the dramatic changes in MDC charges, the legislative remedy that is currently under review does not go far enough. Other utilities have to go through extensive review and oversight before rate increases, of a much smaller scale, are approved. MDC's rate changes clearly indicate the need to require PURA or other approval. As a non-member town resident, I hope that our state legislature will strengthen this proposed legislation to prevent future unchecked rate and surcharge increases and to undo the damage already in place.

Respectfully submitted,
Bonnie Leach
14 Hubbard Street
Glastonbury, CT 06033
860) 659-9918

SB332

Hi,
I know it's late but just a few comments.

I think the MDC charges are ludicrous. My bill has gone from \$8.80 in the late seventies to over \$160.00. That increase is over 2000 (yes, thousand) times what it was. Nothing else in this economy has risen like that.

There are non-member surcharges, Glastonbury surcharges and other charges which are unfairly being made to us, yet we have no say, no representation in any process.

There seems to be no accountability for MDC management on where money is being spent, including salaries. No transparency.

Something needs to be done, not just reducing charges that will extend for years. An overhaul of this utility is required.

That's all I have time for now.

Linda Bennett
Glastonbury

Planning and Development Committee

March 14, 2014

Senate Bill 332: An Act Amending the Charter of the Metropolitan District in
Hartford County

Testimony Submitted by:

Mayor R. Scott Slifka
Town of West Hartford

Thank you for the opportunity to provide written testimony regarding Senate Bill 332. My name is Scott Slifka, and I serve as the Mayor of West Hartford, a member town of the Metropolitan District. I write in strong opposition to this proposed legislation.

As a fellow elected official, I am sympathetic to the concerns voiced by the legislators and their constituents that have served as the catalyst for this bill. Some of your constituents have been faced with an increased cost for a basic need, and you are rightfully investigating the reasons why. Were I in your position, I expect that I would be engaging in a similar exercise. But with a bit of distance and perspective from the issue, the facts demonstrate that the prescribed cure is worse than the disease, and it codifies a financial inequity for the thousands of residents of current MDC member towns. Furthermore, it creates a disincentive for regional cooperation at a time when municipalities need to increase our efforts to share costs and services across borders.

In order to become a member of the MDC, the residents of the Town of West Hartford were required to contribute infrastructure improvements worth several million dollars and pay a significant fee. At that time, the Town understood that becoming part of a larger regional entity carried with it some burdens along with significant benefits. The Town assumed certain obligations of the MDC, and lost a certain amount of autonomy and authority. Fortunately, and as one who has been an occasional critic of the MDC, I can say that whatever downside may exist with joining a regional entity such as the MDC is outweighed by the benefits; for example, we have enjoyed uninterrupted water and sanitary sewer services since becoming a member and we have worked with the MDC in coordinating our local paving program, improving our aging sewer system, and preserving recreation areas.

We understand that with membership in the MDC comes an ongoing obligation, along with our fellow members, to ensure that the system is maintained and compliant with all laws and regulations, and that the MDC, as a municipal entity, remains fiscally solvent. As you appreciate, we provide some services to nonmember towns, and, as should be expected, these nonmember towns (or customers within those towns) are charged for the cost of providing those services. The costs, in addition to the simple water rate, reflect the cost to bring water to their borders, maintain the system, and an equitable contribution to compensate for the cost of building the treatment and distribution system to which they otherwise have not been required to contribute. However, it is important to note that, despite these additional costs, these nonmember customers are not required to invest in the regional entity and they have not assumed

any part of the burden or risk of becoming a member, as eight other towns have elected to do.

The bill before the committee today mandates a number of things that are troublesome to me as a chief elected official of a member town. In Section 1, the requirement that the MDC be forced to charge the same rate to all customers is unfair to member towns. This disregards the risk that every member town assumes in its effort to provide the nonmember customers with the potable water that they require. In addition, it unfairly restricts the ability of the MDC to effectively manage its finances so that it can continue to provide the quality services to its member and nonmember customers at competitive rates.

Furthermore, the bill proposes to add four representatives from nonmember towns to the MDC Board of Commissioners. Allowing nonmember towns to share in the governance of the MDC sends the wrong message that a town can enjoy the benefits of regional cooperation but avoid all of the risks and burdens that are otherwise associated with developing those benefits.

In short, the bill creates "backdoor" membership for the nonmember towns. Moreover, it effectively causes the residents of the existing MDC member towns to subsidize the cost of water service to the non-member towns. And in several instances, the result is a subsidy of more affluent communities by more challenged ones. This strikes me as fundamentally unfair.

It is for these reasons that I strongly urge the Planning and Development Committee to reject S.B. 332 before you today. Thank you for your attention and consideration.

Statement of Ernest M. Lorimer
Before
Planning and Development Committee
March 14, 2014
Regarding S.B. 332
AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN
HARTFORD COUNTY.

I am a partner at Finn Dixon & Herling LLP, of Stamford Connecticut. I am testifying today regarding S.B. 332, An Act Amending the Charter of the Metropolitan District in Hartford County.

We serve as bond counsel to the MDC, whose charter is proposed to be amended by this bill. I have expressed to officials of the MDC my deep concern over this bill, and they have asked me to appear today to share with you my concerns.

The MDC has significant capital requirements relating to its water and sewer infrastructure, which it traditionally finances with tax exempt municipal bonds. It has before it a major clean water project required under the terms of consent orders with the U.S EPA and the Connecticut Department of Energy and Environmental Protection. It finances these efforts in part with publicly offered general obligation debt, which is sold on the basis of the revenues of the MDC and its taxing power on its member towns. The strength of the MDC's credit is such that it can achieve low interest rates, which translates into lower budgets, lower rates, and less burden on ratepayers and taxpayers in its member towns. A second significant source of financing are general obligation borrowings and grants from the State's Clean Water Fund, making the Fund an important partner in the MDC's effort to strictly comply with the terms of the consent decree and consent order.

The significant capital expenditures associated with the Clean Water Project--\$1.6 billion has been approved by voters so far-- are too great to be financed solely in this way, however, because of the debt limit contained in the MDC's charter, and the MDC has embarked on a revenue bond program, issuing bonds that are payable solely from a special sewer service surcharge, which is assessed against ratepayers located in member towns who receive both water and sewer service. This surcharge also equitably shifts the burden of the Clean Water Project from the taxpayers of the member towns to ratepayers in the member towns. I want to note specifically that the MDC could not complete its compliance efforts under the terms of its EMPA and DEEP orders without this financing structure. These bonds also are highly rated and have been issued at very favorable interest rates, again reducing budget requirements, allowing lower rates, and less burden on ratepayers.

This bill proposes to change the MDC's authority with respect to an existing water bill surcharge, a different surcharge than the special sewer surcharge backing the MDC's revenue bonds. My concern over this is two-fold, and it is not related to whether it is fair to shift the burden of capital expenditures from ratepayers in non-member towns to ratepayers and taxpayers in member towns. My first concern is that by imposing this restriction on the MDC's ability to

apportion its capital burdens, bondholders will see that the door is open to other restrictions on its ratemaking and taxing powers that may be advanced in the future. I am concerned that this will lead to rating agency and bondholder concerns, leading to higher interest rates. It is not possible to make a concrete evaluation of this risk, but I think it is a real concern.

My second concern is specifically about the revenue bonds discussed above. If the legislature restricts the authority of the MDC to set and collect this water surcharge, it indicates that it is possible for the legislature to restrict the authority of the MDC to set and collect its special sewer service surcharge. Because the credit of the revenue bonds is completely dependent on this particular surcharge, there is a much more direct possibility of increased rating agency and bondholder concern, leading to higher rates and perhaps undermining the viability of this financing program. Again, this financing program is central to the ability of the MDC to fulfill its compliance obligations under the EPA and DEEP orders. Absent this revenue bond financing program, the MDC would not be able to spread the capital expenditures over the long useful life of the improvements, and would have to issue tax warrants to its member towns to fund the capital expenditures.

The MDC will need to make appropriate disclosure to its bondholders in any event, but I suggest that that disclosure would be completely different, and perhaps not necessary, if this Committee were to reject this bill. For that reason I urge you to reject this bill.

SB332

I am unable to attend today's (3/14/2014) hearing on the proposed MDC bill however I support this much needed legislation. The MDC has run their operation with no visibility or meaningful public oversight for years. For a company having a monopoly on an essential public service this is unacceptable and must be changed. As a victim of the MDC's unrestrained power I urge you to pass this bill.

Richard Inman
233 Tall Timbers Road
Glastonbury, CT 06033



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE PRASAD SRINIVASAN
THIRTY-FIRST ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING, ROOM 4200
300 CAPITOL AVENUE
HARTFORD, CT 06106-1591

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Prasad Srinivasan@housegop.ct.gov

RANKING MEMBER
PUBLIC HEALTH COMMITTEE

MEMBER
EDUCATION COMMITTEE
FINANCE, REVENUE AND BONDING COMMITTEE

Planning and Development Committee

Friday, March 14, 2014

Testimony in support of,

S.B. 332, An Act Amending the Charter of the Metropolitan District in Hartford County

I would like to thank Chairman Rojas, Chairwoman Osten, Vice Chairman Steve Cassano, Vice Chairman Daniel Fox, Ranking Member Leonard Fasano, Ranking Member William Aman, and distinguished members of the Planning and Development Committee for giving me the opportunity to speak this afternoon. I want to thank you for raising Senate Bill 332, An Act Amending the Charter of the Metropolitan District in Hartford County. I speak this afternoon in strong support of SB 332.

My constituents and I are outraged at the MDC for their astronomical rate hikes. Most problematic is the vast disparity between member towns and nonmember towns. Not only do I think this is unfair, it is atrocious. I am well aware that some of these surcharges are for maintenance costs and upgrades. However, the distribution needs to be more equitable. In a letter to the editor to my local paper, a constituent wrote "If we had used NO WATER during this billing period we would have been charged \$ 153.12 any way." Senate Bill 332 is a step in the right direction and it will amend Special Act 551 of 1929 which is obsolete.

This senate bill addresses some of our concerns by seeking to:

- Charge all customers at uniform rates including surcharges.
- Allow at least one representative from each non-member town on the MDC board of commissioners.
- Permit state regulators from Public Utilities Regulatory Authority to review and comment on all rate and fee changes as to whether they are "just, reasonable, and adequate" before such rates and fees are imposed.

Water is a public utility and as such, it should go through the same overview and regulations that other public utilities such as electric and gas undergo. On behalf of the 7000 customers of MDC in Glastonbury, and many more in communities throughout Connecticut, I request that you support Senate Bill 332. What I request is a system that is fair and equitable. Thank you very much for giving me this opportunity to speak before the committee today.

Prasad Srinivasan, State Representative, 31st District

I am Michael Wolf of South Windsor, Connecticut, and I am here specifically in support of Section 1 of Bill number 332, but to support the other amendments to various statutes that pertain to the operation and structure of the Hartford area Metropolitan District Commission embodied by the bill. As a consumer of MDC water from a "non-member town," the imposition by the MDC of specific surcharges added to our bills—spuriously justified as restitution for use of infrastructure, some of which was put in place nearly ninety years ago...long before service to the part of the Town of South Windsor in which I live even began—has been an injustice that we have been compelled to bear for over a year. The General Assembly's proposed circumscription of the powers of the MDC in that regard are welcome. But while the bill goes a long way toward rectifying the abuse in this instance of the MDC's policy making powers, it is an amelioration of one injustice but not an impediment to other forms of autocratic abuse of power.

For example, the bill includes a provision mandating public disclosure of the finances of the MDC, including its expenditures, but it does not include any enforcement mechanism for occasions on which abuse of discretion is evident. And while there will be new non-member town representation on the Board of Commissioners—the governing board of the MDC—they will represent only a small minority of The Board: four members out of 31. Thus, given the manner in which the extant 27 board members have treated the non-member towns, the prospect of some sort of equitable principle governing the MDC's actions vis-à-vis those towns seems remote.

But more fundamental still is the impunity with which the MDC operates as a general rule. By statute, the MDC is exempt from regulation and control by the PURA, which is the successor of the DPUC. Hence, any need to constrain the MDC in the future will require new legislation like that being proposed here today rather than affording to those aggrieved an opportunity to petition for the redress of their grievances, and I use that phrase advisedly.

The U.S. Constitution (under Amendment I pursuant to the incorporation doctrine related to the XIV Amendment) and the Connecticut Constitution (under Article First, Section 14) require all state legislatures in America generally, but in this instance the legislature of the State of Connecticut specifically, to protect the right of the people whom they govern to petition their governments for the redress of grievances. That right, in fact, is the only reason that other rights are meaningful, for without a right of redress for the aggrieved their other rights cannot be vindicated. Under Connecticut's common law, the MDC enjoys the powers and immunities of a municipal government, and thus, it is incumbent upon that government to submit itself to the petitioning right of the citizenry under our constitutions. Yet, the legislature exempted the MDC from that duty by statute, and the current public act does not rectify that ultra vires exercise of legislative power.

I am grateful for the current effort to at least reign in the MDC's abuse of its power to bill, but my own experiences with the MDC convince me that a more fundamental change is necessary. The rudiments of fair governance include responsiveness of government to the legitimate will of both the population as a whole and individuals aggrieved by its actions or inactions. So thank you for this effort, but I would exhort you to consider a more global revision of the statutory arrangement that affords the MDC such autocratic power.

3/14
SB 332

12 Riverview Drive
South Windsor, CT 06074-3580

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Irma & Alan Gold

March 11, 2014

To: Senator Catherine Osten, Representative Jason Rojas, Co-chairs; Representative Bill Aman, Senator Len Fasano, ranking members; and all members of the Planning and Development Committee

As it presently stands, The MDC is a quasi-governmental agency with no oversight by either the Legislature of Connecticut or those of the public who are customers, not necessarily by choice. Rates are set by their Board of Directors with no outside input, and as such, they do as they please

Our bill of April, 2013, when new rates were set, came in, not at the usual \$45-50, but at \$171.33, with water usage of only 14ccf; the actual charge for water was \$34.86.

We can not switch water suppliers because there is no competition! I have attached a list of our bills since 2006 to show you the changes in the pricing structure.

The CSC Domestic Charge has increased approximately 345% since 2006 while the NMT Surcharge has increased approximately 965% in that same time frame. This huge increase in fees, not the cost of water, came at a time when those of us on Social Security got a cost of living increase of only 1-1/2%. It seems inconceivable that in the United States some seniors will have to decide what food or medication will not be purchased in order to pay for water fees.

Please help those of us at the mercy of The MDC Board; they need some restraints in their power to set rates.

Sincerely,

Irma & Alan Gold

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(860) 436-6268

March 11, 2014
Page 2

When I called customer service at The MDC, I was informed that the Board of Directors of The MDC can pretty much do as they please as they are not a public agency, do not answer to anyone and do not have to have any public hearings.

I believe, for the sake of its customers who have no alternative, it is time to have some oversight for this out of control agency. We turn to you, our representatives, to do something that will at least give us a voice.

Sincerely,

Alan Gold

3/14
SB 332

12 Riverview Drive
South Windsor, CT 06074

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Podunk Ridge Condominium Association

March 11, 2014

To: Senator Catherine Osten, Representative Jason Rojas, Co-chairs;
Representative Bill Aman, Senator Len Fasano, ranking members; and all
members of the Planning and Development Committee

Podunk Ridge Condominium Association is a community of 21 homes and a clubhouse in an adult 55+ condominium association. Most of our residents are retired and living on Social Security and a pension, if they have one. As an association, we live on a budget, and each home pays a monthly fee. Our Board of Directors struggles each year to control those fees since we know our residents do not get "regular raises".

It is always with the April bill that the MDC changes its rates so it came as a shock to receive the water bills from The MDC dated 04/12/2013.. At Podunk Ridge we receive two (2) bills, one for our clubhouse and one for our irrigation system. While both bills showed a water usage charge of \$0.00 (we seldom use the clubhouse in the winter months, and our sprinklers are, of course, turned off), the CSC Domestic Charge and the NMT Surcharges amounted to \$136.47 for the clubhouse and \$451.14 for the sprinklers! And we didn't use any water!

Alan Gold, President Mary Finnegan, Vice President Charles Regulbuto, Treasurer
Joe Izzo, Secretary David Paparian, Director

860-436-6268

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Planning and Development Committee
March 14, 2014

Senate Bill 332: An Act Amending the Charter of the Metropolitan District in
Hartford County

Testimony Submitted by:

Mayor R. Scott Slifka
Town of West Hartford

Thank you for the opportunity to provide written testimony regarding Senate Bill 332. My name is Scott Slifka, and I serve as the Mayor of West Hartford, a member town of the Metropolitan District. I write in strong opposition to this proposed legislation.

As a fellow elected official, I am sympathetic to the concerns voiced by the legislators and their constituents that have served as the catalyst for this bill. Some of your constituents have been faced with an increased cost for a basic need, and you are rightfully investigating the reasons why. Were I in your position, I expect that I would be engaging in a similar exercise. But with a bit of distance and perspective from the issue, the facts demonstrate that the prescribed cure is worse than the disease, and it codifies a financial inequity for the thousands of residents of current MDC member towns. Furthermore, it creates a disincentive for regional cooperation at a time when municipalities need to increase our efforts to share costs and services across borders

In order to become a member of the MDC, the residents of the Town of West Hartford were required to contribute infrastructure improvements worth several million dollars and pay a significant fee. At that time, the Town understood that becoming part of a larger regional entity carried with it some burdens along with significant benefits. The Town assumed certain obligations of the MDC, and lost a certain amount of autonomy and authority. Fortunately, and as one who has been an occasional critic of the MDC, I can say that whatever downside may exist with joining a regional entity such as the MDC is outweighed by the benefits; for example, we have enjoyed uninterrupted water and sanitary sewer services since becoming a member and we have worked with the MDC in coordinating our local paving program, improving our aging sewer system, and preserving recreation areas.

We understand that with membership in the MDC comes an ongoing obligation, along with our fellow members, to ensure that the system is maintained and compliant with all laws and regulations, and that the MDC, as a municipal entity, remains fiscally solvent. As you appreciate, we provide some services to nonmember towns, and, as should be expected, these nonmember towns (or customers within those towns) are charged for the cost of providing those services. The costs, in addition to the simple water rate, reflect the cost to bring water to their borders, maintain the system, and an equitable contribution to compensate for the cost of building the treatment and distribution system to which they otherwise have not been required to contribute. However, it is important to note that, despite these additional costs, these nonmember customers are not required to invest in the regional entity and they have not assumed

any part of the burden or risk of becoming a member, as eight other towns have elected to do.

The bill before the committee today mandates a number of things that are troublesome to me as a chief elected official of a member town. In Section 1, the requirement that the MDC be forced to charge the same rate to all customers is unfair to member towns. This disregards the risk that every member town assumes in its effort to provide the nonmember customers with the potable water that they require. In addition, it unfairly restricts the ability of the MDC to effectively manage its finances so that it can continue to provide the quality services to its member and nonmember customers at competitive rates.

Furthermore, the bill proposes to add four representatives from nonmember towns to the MDC Board of Commissioners. Allowing nonmember towns to share in the governance of the MDC sends the wrong message that a town can enjoy the benefits of regional cooperation but avoid all of the risks and burdens that are otherwise associated with developing those benefits.

In short, the bill creates "backdoor" membership for the nonmember towns. Moreover, it effectively causes the residents of the existing MDC member towns to subsidize the cost of water service to the non-member towns. And in several instances, the result is a subsidy of more affluent communities by more challenged ones. This strikes me as fundamentally unfair.

It is for these reasons that I strongly urge the Planning and Development Committee to reject S.B. 332 before you today. Thank you for your attention and consideration.



Testimony
Elizabeth Gara
Executive Director
Connecticut Water Works Association (CWWA)
Before the
Planning & Development Committee
March 14, 2014

The Connecticut Water Works Association (CWWA), a trade association of municipal, private and regional public water suppliers, has concerns with provisions in **SB-332, AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN HARTFORD COUNTY**, which require a water company to charge all customers uniform rates.

A safe, adequate supply of water is critical to the public health, safety, agricultural and economic development needs of the state. Connecticut's public water suppliers, which include municipal, regional and investor-owned utilities, have a successful track record of providing customers with quality public water supplies at a reasonable cost.

As such, CWWA is concerned that **SB-332** sets a difficult precedent by undermining the ability of a water company to appropriately set rates to fully recover the costs of providing service to its customers and provide communities with a safe, supply of quality water. As a matter of policy, if a water company is not permitted to set rates to recover the costs associated with providing service to other communities, it would not be prudent or fair to its existing customers and would not be a sustainable model.

This precedent could make it cost-prohibitive for water companies to invest in infrastructure, treatment and supply development to meet the public water supply needs of Connecticut's communities. The water company incurring costs to make the infrastructure improvements and other capital investments needed to deliver a safe, reliable supply of public water to adjacent communities should be able to charge the customers who benefit from the provision of service appropriately for the necessary investments and associated operating costs.

Moreover, the host municipality or member towns may also incur bonded indebtedness and accompanying debt service payments in order to invest in infrastructure to serve other communities. The host municipality or member towns and their residents – not the non-member towns - are responsible if the bonds are defaulted upon. As such, higher rates for customers outside the city limits have been found just and reasonable because the debt service and depreciation associated with infrastructure improvements outside the city should be allocated to the customers in those areas and not others.

There are currently 31 municipal water departments and three regional water authorities that operate their own water system. Under current law, the governing body of the municipal or regional water company sets the rates after a public hearing. In addition, there are several special



districts that have been established to provide water service and the rates are set by the district residents. The rates must be "just and equitable" and sufficient in each year for the operation, repair, replacement and maintenance of the system. Water customers can and do make their concerns known at the public hearings, as well as directly with public officials.

There is variability among rates charged to water customers due to a variety of factors, including the particular revenue requirements of the provider, cost of debt and the age and type of physical infrastructure. For example, some municipalities charge a higher rate for customers outside the city limits due to higher capital and operational costs associated with serving customers that are more distant and/or in less densely populated areas beyond the core municipal water system. In addition, higher costs due to the need for longer water lines that are necessary to serve those more remote customers, more pumps and increased energy costs per customer, more water tanks per customer, etc. Lastly, differences in elevation and topography may result in higher costs.

Dictating that a water company must charge a uniform rate for all customers disregards factors that may warrant rate variability. Therefore, **CWWA urges you to oppose Section 1 of SB-332.**

The Connecticut Water Works Association, Inc. (CWWA) is an association of private, municipal and regional public water supply utilities serving about 2½ million people located throughout Connecticut.



THOMAS P. CODY

CAMILO SERNA

RITA ORIZ

RANJANA CHAWLA

DAVID KLFIN

DAVID R. ROBB

JAMES F. GILSON

JOSEPH R. MARFUGGI

Testimony of Joseph R. Marfuggi
 President and CEO, Riverfront Recapture
 March 14, 2014

My name is Joseph Marfuggi. I live in Hartford and I am president of Riverfront Recapture. **I am here to testify in support of a provision in Senate Bill 332 that has the potential to formalize an existing parks management plan between the Metropolitan District Commission and Riverfront Recapture.**

In 1997, the General Assembly gave MDC the authority to take on some riverfront management responsibilities – and to increase the water rate to pay for these efforts. An average \$6 increase per year, per household, paid for daily maintenance and a park rangers program that put uniformed personnel in the parks. MDC was, and is, a logical partner for the riverfront parks. MDC has experience in managing public trails at its reservoirs and, more importantly, MDC has invested millions of dollars and decades of hard work to clean up the Connecticut River, helping to transform it from a polluted waterway to a scenic destination for public recreation. The management plan has played a critical role in making the riverfront parks attractive destinations for people who live, work, or visit here. We welcomed 800,000 visitors to the riverfront parks last year. A third of the 96 teams in our Dragon Boat Races came from New York City, Boston, Providence, and other out of state locations. Our rowing regatta attracted 3,000 rowers from five states. Even on non-event days, the riverfront parks are priceless amenities for the people of this region. They come to the parks to walk, jog, row, bike, fish, or enjoy some quiet time in a beautiful natural environment – where they might even see a bald eagle.

But we can't assume that the Riverfront will continue to be a valuable asset if it is not maintained. As we worked out our parks management agreement with MDC, we looked at waterfront projects across the country – and saw what can happen when a solid management plan is not in place. A southern city dedicated an expensive new park with great fanfare – but without giving much thought to maintenance and programming. Two years later, a local newspaper described the park as “an albatross around our necks.”

Now we are trying to work out a renewal of the long-standing parks management agreement between MDC and Riverfront Recapture. We are concerned, however, that MDC has proposed a 25% reduction in the riverfront parks management budget – and a phase out of all funding for the parks rangers over five years. To be clear, Riverfront Recapture did not propose section 5 of SB 332, which would require MDC to make a continued effort to maintain the riverfront parks. But we support its passage because it is vitally important to keep the riverfront parks maintained as they have been since their creation.

The public has come to expect that the riverfront parks will be well-maintained on a daily basis – that the grass will be mowed and broken glass and graffiti removed. The rangers' presence in the parks helps to reduce maintenance costs by minimizing vandalism and our visitors tell us that the park rangers make them feel comfortable and secure in the parks. It wouldn't take many bad incidents to reverse those good feelings – and send the riverfront parks on a downward spiral that would turn these wonderful assets into destructive liabilities.

None of us want that to happen. We believe that the proposed amended language in this Bill provides a framework for the development of a detailed plan to help sustain the riverfront parks for generations to come – enhancing the region's quality of life and serving as catalysts for economic investment and growth on both banks of the river. Thank you for the opportunity to testify on this legislation.

To: Members of the Planning and Development Committee
From: James T. LaCroix, 115 Hawthorne Mead Drive, Glastonbury, CT
Date: March 14, 2014
Subject: **SB-332, An Act Amending the Charter of the Metropolitan District in Hartford County**

I am in total support of SB-332 which introduces measures to amend the Charter that created and governs the MDC.

In its very basic elements, the MDC is a utility that services the public and it operates as a monopoly for those within its service area. There is something fundamentally wrong when an organization created in this fashion:

- Reports only to itself and, unlike other utilities, does not have regulatory oversight by a body such as the Public Utilities Regulatory Authority
- Does not allow any representation of the non-member towns in its service area which have no voice in MDC financial matters or any other matters to protect the interests of their residents who are MDC customers
- Is not as transparent as it needs to be
- Charges whatever it wants – whenever it wants - for water, the most precious resource that sustains life. The attached summary of quarterly billing rates clearly demonstrates the MDC's recent activity in this regard.

If there is any doubt about the length to which the MDC can go with the unchecked authority it currently has, all you need to do is look at the Non-Member Town Surcharges the MDC implemented in 2012 and 2013. The 2013 Surcharge is eight times the 2011 Surcharge (\$105.75 vs. \$13.17). They've lowered this in 2014 after the outcry expressed during last November's public hearing, however, they still intend to collect the same amount they originally sought, but over a longer period of time.

While the Charter that created the MDC in the 1920s may have been appropriate for those times, it is antiquated by the minimum standards for transparency, oversight and representation that exist in the modern era. The Charter for the MDC has to change. This Bill addresses the major problems and I urge you to support it.

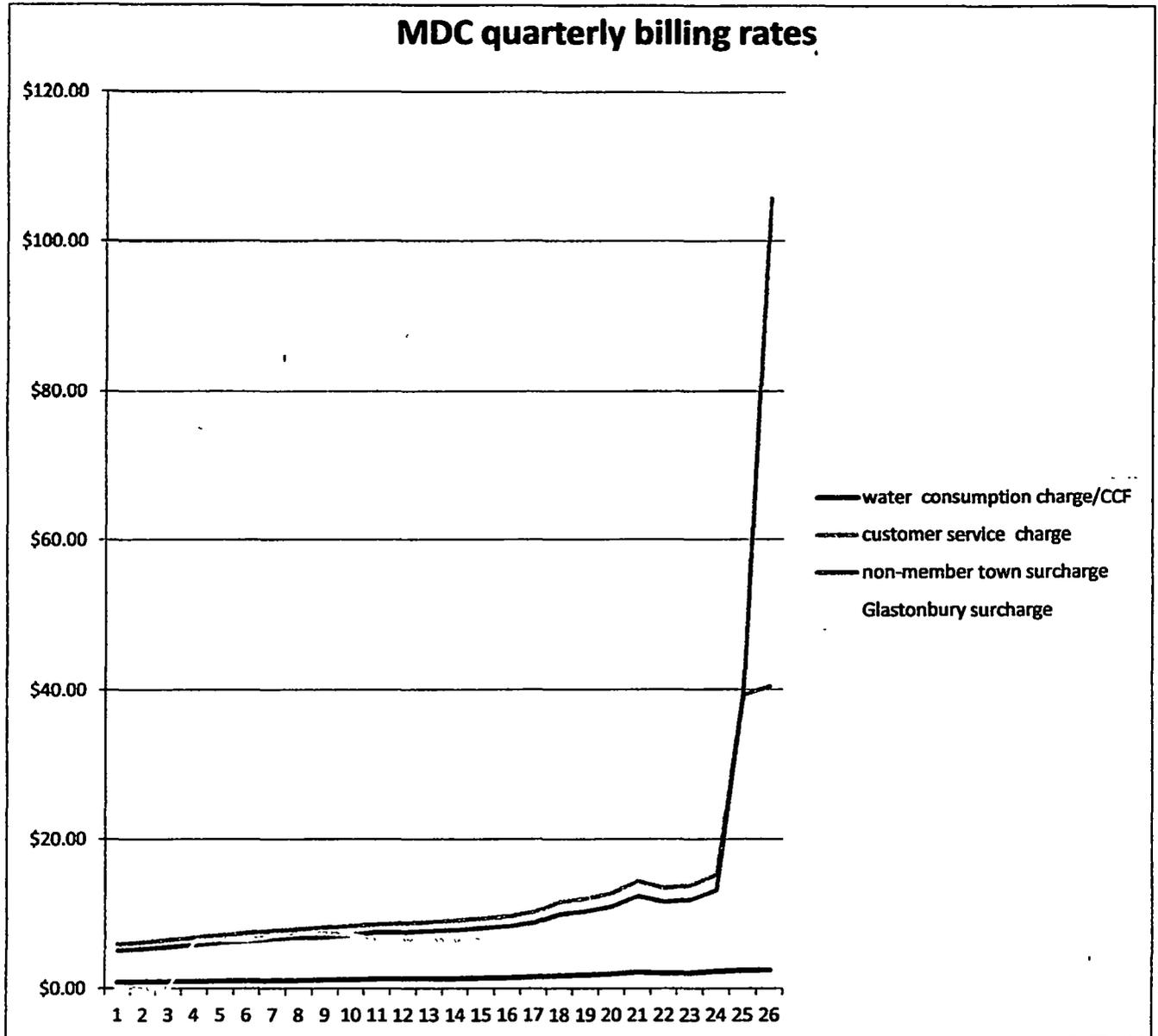
Thank you.

James T. LaCroix

MDC quarterly billing rates

year	effective	water consumption charge/CCF	customer service charge	non-member town surcharge	Glastonbury surcharge	total surcharge	total fixed
1988		\$0.90	\$5.92	\$5.09	\$0.00	\$5.09	\$11.01
1989	3/29/89	\$0.93	\$6.16	\$5.29	\$0.00	\$5.29	\$11.45
1990	3/28/90	\$0.96	\$6.47	\$5.55	\$0.00	\$5.55	\$12.02
1991	1/1/91	\$0.99	\$6.79	\$5.83	\$6.30	\$12.13	\$18.92
1992	1/1/92	\$1.04	\$7.13	\$6.12	\$6.54	\$12.66	\$19.79
1993	1/1/93	\$1.08	\$7.40	\$6.36	\$6.39	\$12.75	\$20.15
1994	1/1/94	\$1.12	\$7.70	\$6.61	\$7.05	\$13.66	\$21.36
1995	1/1/95	\$1.15	\$7.93	\$6.81	\$7.35	\$14.16	\$22.09
1996	1/1/96	\$1.20	\$8.17	\$6.85	\$7.42	\$14.27	\$22.44
1997	1/1/97	\$1.23	\$8.37	\$7.19	\$7.21	\$14.40	\$22.77
1998	1/1/98	\$1.31	\$8.58	\$7.56	\$6.42	\$13.98	\$22.56
1999	1/1/99	\$1.33	\$8.75	\$7.53	\$6.42	\$13.95	\$22.70
2000	1/1/00	\$1.35	\$8.93	\$7.68	\$6.42	\$14.10	\$23.03
2001	1/1/01	\$1.38	\$9.11	\$7.83	\$6.42	\$14.25	\$23.36
2002	1/1/02	\$1.45	\$9.38	\$8.07	\$6.42	\$14.49	\$23.87
2003	1/1/03	\$1.49	\$9.66	\$8.31	\$6.42	\$14.73	\$24.39
2004	1/1/04	\$1.57	\$10.24	\$8.82	\$6.42	\$15.24	\$25.48
2005	1/1/05	\$1.77	\$11.57	\$9.96	\$6.42	\$16.38	\$27.95
2006	1/1/06	\$1.84	\$12.03	\$10.35	\$6.42	\$16.77	\$28.80
2007	1/1/07	\$1.96	\$12.75	\$10.98	\$6.42	\$17.40	\$30.15
2008	1/1/08	\$2.21	\$14.38	\$12.39	\$6.42	\$18.81	\$33.19
2009	1/1/09	\$2.07	\$13.47	\$11.61	\$6.42	\$18.03	\$31.50
2010	1/1/10	\$2.12	\$13.80	\$11.88	\$6.42	\$18.30	\$32.10
2011	1/1/11	\$2.35	\$15.30	\$13.17	\$6.42	\$19.59	\$34.89
2012	1/1/12	\$2.43	\$39.30	\$39.54	\$6.42	\$45.96	\$85.26
2013	1/1/13	\$2.50	\$40.44	\$105.75	\$6.93	\$112.68	\$153.12
Total				\$343.13			
2013/1988		2.78x	6.83x	20.78x		22.14x	13.91x

MDC quarterly billing rates



Statement of Ernest M. Lorimer
Before
Planning and Development Committee
March 14, 2014
Regarding S.B. 332
AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN
HARTFORD COUNTY.

I am a partner at Finn Dixon & Herling LLP, of Stamford Connecticut. I am testifying today regarding S.B. 332, An Act Amending the Charter of the Metropolitan District in Hartford County.

We serve as bond counsel to the MDC, whose charter is proposed to be amended by this bill. I have expressed to officials of the MDC my deep concern over this bill, and they have asked me to appear today to share with you my concerns.

The MDC has significant capital requirements relating to its water and sewer infrastructure, which it traditionally finances with tax exempt municipal bonds. It has before it a major clean water project required under the terms of consent orders with the U.S EPA and the Connecticut Department of Energy and Environmental Protection. It finances these efforts in part with publicly offered general obligation debt, which is sold on the basis of the revenues of the MDC and its taxing power on its member towns. The strength of the MDC's credit is such that it can achieve low interest rates, which translates into lower budgets, lower rates, and less burden on ratepayers and taxpayers in its member towns. A second significant source of financing are general obligation borrowings and grants from the State's Clean Water Fund, making the Fund an important partner in the MDC's effort to strictly comply with the terms of the consent decree and consent order.

The significant capital expenditures associated with the Clean Water Project--\$1.6 billion has been approved by voters so far-- are too great to be financed solely in this way, however, because of the debt limit contained in the MDC's charter, and the MDC has embarked on a revenue bond program, issuing bonds that are payable solely from a special sewer service surcharge, which is assessed against ratepayers located in member towns who receive both water and sewer service. This surcharge also equitably shifts the burden of the Clean Water Project from the taxpayers of the member towns to ratepayers in the member towns. I want to note specifically that the MDC could not complete its compliance efforts under the terms of its EMPA and DEEP orders without this financing structure. These bonds also are highly rated and have been issued at very favorable interest rates, again reducing budget requirements, allowing lower rates, and less burden on ratepayers.

This bill proposes to change the MDC's authority with respect to an existing water bill surcharge, a different surcharge than the special sewer surcharge backing the MDC's revenue bonds. My concern over this is two-fold, and it is not related to whether it is fair to shift the burden of capital expenditures from ratepayers in non-member towns to ratepayers and taxpayers in member towns. My first concern is that by imposing this restriction on the MDC's ability to



Planning and Development Committee
March 14, 2014

Senate Bill 332: An Act Amending the Charter of the Metropolitan District in Hartford County

Testimony by:

William A. DiBella, Chairman
Metropolitan District

My name is William A. DiBella, and I serve as the Chairman of the Board of Commissioners of The Metropolitan District, commonly known as the MDC. I have been a Commissioner of the MDC for 35 years, and have served as its Chairman for over 15 years. On behalf of the MDC's Board of Commissioners, I offer the following testimony in opposition to Senate Bill 332. This bill is the product of significant opposition to a decision made by the MDC to increase the nonmember service charge to \$105 per quarter. It is important to note that, resulting, in part, from the significant concerns expressed by nonmember customers at a MDC public hearing held in December, this quarterly charge has been reduced to \$49 per quarter.

The MDC is a regional, specially chartered municipal corporation comprised of eight member towns – Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor – that provides public water and sanitary sewer services to its members and a portion of several nonmember towns. Formed in 1929, the MDC was one of the first experiments in regionalism in Connecticut, and has a proud record of service to its member towns and the community in general. Of its 29 commissioners, 17 are appointed by the legislative body of our member towns, 8 by the Governor, and 4 by legislative leadership.

The MDC strongly opposes the bill before you today. For some time, legislators and policy makers have touted the benefits of regional cooperation and mutual aid. Fundamentally, it has been posited that essential services can be more economically and efficiently delivered to the public on a regional basis. This has certainly been proven the case where the MDC is concerned. The cost of water and sewer services to our eight member towns, if delivered on a town by town, individual basis, would far exceed the cost of providing those services through our regional agency. Clearly, there have been significant front end costs, ongoing liabilities and financial commitments and risks borne by our eight towns to the exclusion of nonmember towns. This must be recognized. To provide water at the same cost to nonmember town customers extends the benefits of regional cooperation to towns that have decided, for whatever reason, not to join this regional entity. Rather than incentivizing regional cooperation, this bill would have the opposite effect. It sends the message that a town need not bear the initial cost of joining, can continue to avoid any ongoing liabilities and financial exposure, but still reap the benefits created by the eight member towns that willingly accepted and paid the cost to create the MDC. It is akin to "renting" our system while enjoying all the benefits, without the responsibilities, of owner-

ship. There **should** be an additional cost to nonmember town customers for enjoying the benefits, while avoiding the burden, of the creation of a water infrastructure and delivery system that they decided not to contribute to. Without this infrastructure, it would be impossible for them to access MDC water. There is a solution for non-member towns to avoid the nonmember town charge – becoming a member of the MDC. While this option would entail some upfront costs, the long terms benefits are immeasurable.

That being stated, please note that presently, and in all likelihood for as long as the bonds for the MDC's Clean Water Project are being paid by member town customers **only**, non-member town customers, under the current rate structure, pays **less** for MDC water than a member town customer.

There are benefits and burdens to MDC membership. Our towns assume certain liabilities, extend their full faith and credit for borrowing purposes, and accept the financial responsibility to make sure our water and sewer systems are regulatory compliant and deliver these public services efficiently without interruption. To allow nonmember towns to set MDC policy and dilute the authority of our existing town membership again provides a benefit without any corresponding burden. The investment by member towns upon joining and remaining a part of the MDC confers on those towns voting rights to the exclusion of nonmember towns.

We urge the Planning and Development Committee to reject Senate Bill 332.

**TESTIMONY BY THE TOWN OF GLASTONBURY
GLASTONBURY TOWN COUNCIL
RAISED BILL 332 – AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT
IN HARTFORD COUNTY
PLANNING AND DEVELOPMENT COMMITTEE PUBLIC HEARING
FRIDAY, MARCH 14, 2014**

Co-Chairs Osten and Rojas, Vice Chairs Cassano and Fox, Ranking Members Fasano and Aman and members of the Planning and Development Committee. Good afternoon. My name is Stewart Beckett and I am testifying today as Chairman of the Glastonbury Town Council on behalf of the Town of Glastonbury. The Town strongly supports Raised Bill 332.

Glastonbury, along with Farmington, South Windsor, East Granby and Portland, is a non-member town of the Metropolitan District Commission (the District). This means that Glastonbury residents and businesses receive drinking water from the District, but do not receive other services, such as sewer service. In addition, Glastonbury does not have representation in the District's governance. There are approximately 6,100 business and residential customers in Glastonbury who receive water service from the District.

When the District bills Glastonbury residents for water service, it includes charges for water use, a customer service charge, a general surcharge and a special Capital surcharge. Over recent years, the general surcharge for non-member customers has increased significantly, from \$52.68 per year in 2011 to \$423 in 2013. This general surcharge, which is often referred to as a non-member surcharge, is not charged to customers in member towns.

Glastonbury, like other non-member towns, understands that the District is required by law to assess charges for water service uniformly among member and non-member towns. When the Town complained to the District that Glastonbury was being assessed this additional surcharge, the District indicated that the non-member surcharge is intended to recover capital charges incurred by the District between 1929 and 1966. The District also indicated that the surcharge was established in an effort to avoid a negative credit rating. The fact that the District may be experiencing financial difficulties does not justify the imposition only in non-member towns of additional charges for costs incurred decades ago. Accordingly, in our opinion, the District is unfairly charging non-member towns a general surcharge not applicable to member towns.

The proposed legislation makes it clear that water rates must be charged equally to all water customers. Importantly, water rates are defined to include all water use charges, customer service charges and general surcharges. Essentially, the legislation confirms that member and non-member towns will be charged uniformly for water service.

Furthermore, in response to Glastonbury's concern about the lack of uniformity in water usage fees, the District cited costs for sanitary sewer services. Comparing water rates by referencing sewer charges is not appropriate, however, because non-member towns like Glastonbury do not receive any sewer services from the District. Accordingly, a uniform charge for water service to customers in member and non-member towns should only include the cost of water service, not sewer charges.

Finally, the legislation will give Glastonbury a voice in District decisions impacting the Town. As a non-member town, Glastonbury currently does not have representation on the District Board of Commissioners. At the same time, actions by the District Commission influence charges, policies, protocols, and other matters involving customers in non-member town. The proposed legislation enables each non-member town to appoint a representative to the District Board. That representative will be able to vote on any issue that

directly affects his or her community. This is vitally important for matters affecting residents and businesses in non-member communities.

As a non-member community, Glastonbury strongly supports Raised Bill 332 and respectfully requests your favorable action. Again, my thanks for your time this afternoon and considering these formal comments of the Town of Glastonbury and Glastonbury Town Council.



State of Connecticut

**HOUSE OF REPRESENTATIVES
STATE CAPITOL**

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MEMBER
EDUCATION COMMITTEE
FINANCE, REVENUE AND BONDING COMMITTEE

Planning and Development Committee

Friday, March 14, 2014

Testimony in support of,

S.B. 332, An Act Amending the Charter of the Metropolitan District in Hartford County

I would like to thank Chairman Rojas, Chairwoman Osten, Vice Chairman Steve Cassano, Vice Chairman Daniel Fox, Ranking Member Leonard Fasano, Ranking Member William Aman, and distinguished members of the Planning and Development Committee for giving me the opportunity to speak this afternoon. I want to thank you for raising Senate Bill 332, An Act Amending the Charter of the Metropolitan District in Hartford County. I speak this afternoon in strong support of SB 332.

My constituents and I are outraged at the MDC for their astronomical rate hikes. Most problematic is the vast disparity between member towns and nonmember towns. Not only do I think this is unfair, it is atrocious. I am well aware that some of these surcharges are for maintenance costs and upgrades. However, the distribution needs to be more equitable. In a letter to the editor to my local paper, a constituent wrote "If we had used NO WATER during this billing period we would have been charged \$ 153.12 any way" Senate Bill 332 is a step in the right direction and it will amend Special Act 551 of 1929 which is obsolete.

This senate bill addresses some of our concerns by seeking to:

- Charge all customers at uniform rates including surcharges.
- Allow at least one representative from each non-member town on the MDC board of commissioners.
- Take the first step towards informing the public by providing the current budget of the districts and the minutes of any meetings of the district board and all of the subcommittee bureaus. Such minutes shall be posted no later than seven days after the date of the session.

Water is a public utility and as such, it should go through the same overview and regulations that other public utilities such as electric and gas undergo. On behalf of the 7000 customers of MDC in Glastonbury, and many more in communities throughout Connecticut, I request that you support Senate Bill 332. What I request is a system that is fair and equitable. This Bill takes the first step in that direction. Thank you very much for giving me this opportunity to speak before the committee today.

Prasad Srinivasan, State Representative, 31st District



State of Connecticut
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 EXECUTIVE & LEGISLATIVE NOMINATIONS COMMITTEE

Testimony of Representative Mike Demicco
Planning and Development Committee
 March 14, 2014

Good Morning Representative Rojas, Senator Osten, Representative Fox, Senator Cassano and distinguished members of the Planning and Development Committee

I am State Representative Mike Demicco (21st District—Farmington), and I am joined by State Senator Terry Gerratana (6th District—New Britain, Berlin, Farmington). Thank you for the opportunity to submit testimony in support of Senate Bill 332, "An Act Amending the Charter of the Metropolitan District in Hartford County."

The provisions of this bill will rectify several inequities that currently exist for the "non-member" towns within the Metropolitan District, of which Farmington is one. Specifically, the bill requires the Metropolitan District to: charge all customers at uniform rates, give non-member towns' representation on the District Board, and make budget and meeting information available to the public via the internet

As you may know, the towns of Farmington, East Granby, Glastonbury, and South Windsor receive water supplied by the Metropolitan District, but are not "members" of the District, since sanitary sewer service is not provided by the District to these towns. Thus, these "non-member" towns are afforded no direct representation regarding the District's annual budget or the rates it charges to customers for water service.

In recent years, the District began to charge its customers in non-member towns a "general surcharge," ostensibly to recoup the cost of historic capital improvements and to provide a more reliable source of revenue to the District. (This is in addition to the "special improvement surcharge," which has increased significantly in just a couple of years.) The general surcharge has increased dramatically from 2011 to now, leading to protests from the affected customers at public meetings, e-mails and phone calls to legislators, and ultimately the bill (SB 332) before you today.

The customers of the Metropolitan District in our town (Farmington) have made it clear that they are willing to pay their fair share, in order to continue to enjoy the water provided by the District. They are, however, adamantly opposed to paying MORE THAN their fair share for this arrangement.

We would respectfully ask the Planning and Development Committee to favorably report this bill, which will guarantee representation and equitable water rates for the Metropolitan District's non-member towns.

One important final note: owing to an apparent drafting error, the town of Farmington was inadvertently left out of the provisions of this bill. We would respectfully ask the Committee to draft and approve substitute language to amend the bill, thus correcting this omission.

Thank you very much.

I am Michael Wolf of South Windsor, Connecticut, and I am here specifically in support of Section 1 of Bill number 332, but to support the other amendments to various statutes that pertain to the operation and structure of the Hartford area Metropolitan District Commission embodied by the bill. As a consumer of MDC water from a "non-member town," the imposition by the MDC of specific surcharges added to our bills—spuriously justified as restitution for use of infrastructure, some of which was put in place nearly ninety years ago . long before service to the part of the Town of South Windsor in which I live even began—has been an injustice that we have been compelled to bear for over a year. The General Assembly's proposed circumscription of the powers of the MDC in that regard are welcome. But while the bill goes a long way toward rectifying the abuse in this instance of the MDC's policy making powers, it is an amelioration of one injustice but not an impediment to other forms of autocratic abuse of power.

For example, the bill includes a provision mandating public disclosure of the finances of the MDC, including its expenditures, but it does not include any enforcement mechanism for occasions on which abuse of discretion is evident. And while there will be new non-member town representation on the Board of Commissioners—the governing board of the MDC—they will represent only a small minority of The Board: four members out of 31. Thus, given the manner in which the extant 27 board members have treated the non-member towns, the prospect of some sort of equitable principle governing the MDC's actions vis-à-vis those towns seems remote. But more fundamental still is the impunity with which the MDC operates as a general rule. By statute, the MDC is exempt from regulation and control by the PURA, which is the successor of the DPUC. Hence, any need to constrain the MDC in the future will require new legislation like that being proposed here today rather than affording to those aggrieved an opportunity to petition for the redress of their grievances, and I use that phrase advisedly.

The U.S. Constitution (under Amendment I pursuant to the incorporation doctrine related to the XIV Amendment) and the Connecticut Constitution (under Article First, Section 14) require all state legislatures in America generally, but in this instance the legislature of the State of Connecticut specifically, to protect the right of the people whom they govern to petition their governments for the redress of grievances. That right, in fact, is the only reason that other rights are meaningful, for without a right of redress for the aggrieved their other rights cannot be vindicated. Under Connecticut's common law, the MDC enjoys the powers and immunities of a municipal government, and thus, it is incumbent upon that government to submit itself to the petitioning right of the citizenry under our constitutions. Yet, the legislature exempted the MDC from that duty by statute, and the current public act does not rectify that *ultra vires* exercise of legislative power.

I am grateful for the current effort to at least reign in the MDC's abuse of its power to bill, but my own experiences with the MDC convince me that a more fundamental change is necessary. The rudiments of fair governance include responsiveness of government to the legitimate will of both the population as a whole and individuals aggrieved by its actions or inactions. So thank you for this effort, but I would exhort you to consider a more global revision of the statutory arrangement that affords the MDC such autocratic power.