

**REPRESENTATIVE POLICY BOARD**  
**OF THE**  
**SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT**

**Description of Organization, Rules of Practice**  
**and Procedures for Consumer Complaints**

**I. DESCRIPTION OF ORGANIZATION**

**Section 1. Description.**

The Representative Policy Board of the South Central Connecticut Regional Water District (the "Board") is empowered and described in Special Act No. 77-98, as amended (herein, as from time to time amended, called the "Act").

**Section 2. Functions.**

(a) The Board is empowered by the Act, after Public Hearing (defined in the Rules of Practice below), to approve (i) the water supply system and wastewater system rates and charges established by the Authority (Sec. 14); (ii) the establishment of land use standards and disposition policies for the water supply system (Sec. 18); (iii) the initiation of projects costing more than \$3.5 million or noncore business acquisitions or investments in an amount exceeding \$1.5 million (Sec.19); (iv) the acquisition of any other water supply system or wastewater system (Sec. 19); (v) the location of a new purification or filtration plant or wastewater treatment plant in any zoning district in which such use is not permitted under local zoning regulations (Sec. 29); (vi) amendments to land use standards and land disposition policies related to the water supply system if deemed substantial by the Board (Sec.18); (vii) the sale or transfer of an interest in the real property of the water supply system (Sec. 18); (viii) the development of the real property of the water supply system for any non-water use (Sec.18); and (ix) adjustments of South Central Connecticut Regional Water Authority ("Authority") rates and charges to cover payments in lieu of taxes ("PILOT") (Sec.21).

(b) The Board is also empowered by the Act, without Public Hearing, to approve (i) an amount of investment in noncore businesses greater than five percent of the authority's net utility plant (Sec. 1), pursuant to procedures and filing requirements approved by the Board, (ii) the appointment of the Chief Executive Officer by the Authority (Sec. 8), (iii) the interest rate on unpaid rates or charges for use of the water supply system (Sec. 14), (iv) the issuance of bonds by the Authority, except the Authority is authorized to refinance existing bonds without Board approval (Sec. 22) and (v) other matters such as amendments to the Land Use Plan for the water supply system deemed not to be substantial. The Board is empowered by the Act to (i) appoint Authority members and fix their compensation (Sec. 5), (ii) remove Authority members for cause (Sec. 5), (iii) establish an Office of Consumer Affairs (Sec. 15) and (iv) select a certified public accountant to perform the annual audit of the Authority's accounts, books and records (Sec. 20).

**Section 3. Official Address.**

All communication to the Board should be addressed to the Representative Policy Board, South Central Connecticut Regional Water District, 90 Sargent Drive, New Haven, Connecticut 06511 or electronically to [boards@rwater.com](mailto:boards@rwater.com)

**Section 4. Public Information.**

The public may inspect the bylaws, regulations, decisions and public records of the Board at its office at 90 Sargent Drive, New Haven, Connecticut 06511. Written requests should be submitted to the Board at its above-stated official address.

**II. RULES OF PRACTICE  
ARTICLE I**

**GENERAL PROVISIONS**

**Part 1**

**Scope and Construction of Rules**

**Section 1. Procedure Governed.**

These rules govern practice and procedure before the Board under the applicable laws of the State of Connecticut and except where by statute otherwise provided.

**Section 2. Definitions.**

As used in these rules, except as otherwise required by the context:

- (a) "Act" means Special Act No. 77-98; as amended.
- (b) "Authority" means the South Central Connecticut Regional Water Authority as created by Section 5 of the Act.
- (c) "Authorized Expenditure" means with regards to capital expenditure project over 3.5 million dollars (i) 110% of the amount originally approved by the Board or (ii) if the application related thereto as approved includes a cost index adjustment, then the greater of 110% of the amount originally approved by the Board, or the approved amount adjusted by the cost index.
- (d) "Board" means the Representative Policy Board of the District, its members, and any Person duly designated to act on its behalf.
- (e) "Chairperson" or "Chair" means the chairperson of the Board elected by the Board.
- (f) "Consumer" means any Person, firm, corporation, company, association, city, borough or town that receives service from the Authority or a subsidiary corporation whether or not such Person, company, corporation, association, city, borough or town is financially responsible for such service.
- (g) "Consumer Hearings" refers to Section 3, Article III hereof entitled "Procedures for Consumer Complaints".

- (h) "District" means the South Central Connecticut Regional Water District created by Section 3 of the Act.
- (i) "Fiscal Year" means the calendar year or any other annual period adopted by the Authority as its fiscal year.
- (j) "Electronic equipment," as defined in Section 1-200(12) of the General Statutes, means any technology that facilitates real-time public access to meetings, including, but not limited to, telephonic, video or other conferencing platforms.
- (k) "Hearing Officer" means any Member, or any other Person duly designated to preside at any Public Hearing of the Board in accordance with Section 13(b) of these rules.
- (l) "Issuance Test Rate Application" means a Rate Application where all or any portion of any rate increase is based upon revenues needed for debt service of a new bond issuance for capital expenditures.
- (m) "Legal Holidays" means those days designated as such by Section 1-4 of the General Statutes and any other day designated a holiday by the Authority.
- (n) "Maintenance Test Rate Application" means a Rate Application where all or any portion of the increase in rate is based upon a need for revenue to fund operating expenses of the Authority.
- (o) "Members" or "Membership" means the members of the Board appointed under Section 4 of the Act, when acting as such.
- (p) "Person" means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character.
- (q) "Presiding Member" means any Member duly designated to preside at any Public Hearing of the Board in accordance with Section 13(a) of these rules.
- (r) "Pro Forma Year" means with respect to any Rate Application the twelve month period following the date on which any projected rate increase is to take effect.
- (s) "Public Hearing" means that portion of the Board's procedures in the disposition of matters delegated to its jurisdiction by law wherein a presentation of evidence and argument occurs, which is preceded by due notice and which includes an opportunity to present to the Board such written and oral testimony and argument as the Board or the Hearing Officer deems appropriate. Public Hearings may be conducted in a hybrid mode and using electronic equipment.
- (t) "Rate Application" means any Issuance Test Rate Application, any Maintenance Test Rate Application or any other application for an increase or decrease in the Authority's rates.

- (u) “Rate Stabilization Fund” means a reserve account established in 1996 that includes a Variable Rate Bond Sub-account and a Surplus Sub-account. Deposits to and contributions from the Rate Stabilization Fund are governed by the General Bond Resolution.
- (v) “Rules” means the Rules of Practice set forth in Article II.

Any term not defined in these rules shall be as defined in the Act.

### **Section 3. Waiver of Rules.**

Where good cause appears, the Board may permit deviation from these rules, except when such deviation is prohibited by statutes. The Board may authorize the Hearing Officer for a particular proceeding to permit similar deviation from these rules with respect to such proceeding.

### **Section 4. Construction and Amendment.**

These rules shall be so construed by the Board, any Presiding Member or any Hearing Officer as to secure just, speedy and efficient determination of the issues presented. These rules may be amended by a majority of the weighted vote of the entire Membership at any regular meeting of the Board or at any special meeting called for that purpose, provided such amendment be given to the Members at least five days prior to such meeting.

### **Section 5. Computation of Time.**

Computation of any period of time referred to in these rules begins with the first day following that on which the act which initiates such period of time occurs. The last day of the period so computed is to be included unless it is a day on which the office of the Board is closed, in which event the period shall run until the end of the next following business day. When such period of time, with the intervening Saturdays, Sundays and Legal Holidays counted, is five days or less the said Saturdays, Sundays and Legal Holidays shall be excluded from the computation; otherwise such days shall be included in the computation.

### **Section 6. Protective Orders.**

(a) Any Person seeking to file any document under protective order shall submit to the Board a motion for protective order setting forth which document and/or information it seeks to protect from disclosure and the basis for such request. The motion shall also include a form protective order governing the treatment of the protected material and a form non-disclosure agreement to be executed by any Person seeking access to such protected material.

(b) The Board, the Vice Chair, the vice chair of the Board, the secretary of the Board, the Hearing Officer or the Presiding Member appointed for the proceeding may grant the motion for protective order if it, he or she concludes that the document or information contained therein is exempt from disclosure under the Freedom of Information Act (e.g., Conn. Gen. Stat. § 1-210(b)) or other provision of state or federal law.

## **Part 2 Formal Requirements**

### **Section 7. Office.**

The principal office of the Board is at 90 Sargent Drive, New Haven, Connecticut 06511. The office of the Board is open from 8:00 a.m. to 5:00 p.m. each day except Saturdays, Sundays and Legal Holidays.

### **Section 8. Date of Filing.**

(a) All applications and other documents governed by these rules shall be deemed to have been filed or received on the date on which they are issued or received by the Board. The Board's designated staff shall promptly distribute any such application to the Members.

(b) Applications requesting Board approval of proposed Authority actions will be accompanied by a letter of transmittal signed by a member of the Authority and must be submitted at least five days prior to the date of any action requested of the Board by the Authority on such application, provided that the five day period shall not be applicable to a particular application if the Board concurs with a report from the relevant committee of the Board that the public interest requires action by the Board prior to the expiration of said five day period and that it has been given adequate information by the Authority in anticipation of such filing. Said determination shall not consider the merits of the application but shall be one of a procedural nature only.

(c) A copy of all applications and other documents filed with the Board shall be simultaneously delivered to the Office of Consumer Affairs.

### **Section 9. Number of Copies.**

In addition to the copies furnished to Members, there shall be filed copies available for the use of the staff and the public.

### **Section 10. Schedule of Public Hearings.**

(a) The Board shall fix the date of Public Hearing and cause publication of the required notice thereof or may authorize its Chairperson or a committee thereof to fix such date and cause publication of such notice.

(b) When appropriate, the Chairperson may convene more than one hearing on any matter and direct such hearings to be held in suitable locations within the district so as to assure broader participation by the general public in discussion of the matters under consideration.

(c) In the case of the sale or transfer of real property pursuant to the Act, a Public Hearing shall be held in the city or town in which such real property is situated.

(d) The Chair may, in its discretion, after consultation with the Board member of the affected town, direct that the Public Hearing be held in such town, as a convenience to local residents. The determination to change the venue should provide due consideration to an Authority application

where an improvement or facility is planned (e.g. water tank, pump station, water treatment facility, solar panels etc.).

### **Section 11. Public Notice.**

(a) Publication of Notice. Upon the fixing of a date for Public Hearing under the Act, the Board shall direct the newspaper publication of notice thereof at least twenty days before the date set for such Public Hearing in a newspaper or newspapers having a general circulation in each city and town comprising the District except in the case of an emergency where it shall not be less than seven days. If there is no such newspaper, such notice shall be published in one or more electronic media, including, without limitation the Authority's internet website, as are likely to reach a broad segment of persons within the District. Such notice shall contain the date, time and place of such Public Hearing, a reference to the particular sections of the Act involved, and a description of the matters to be considered at such Public Hearing

(b) Filing of Notice. A copy of the notice described above shall be filed in the principal office of the Board and in the office of the clerk of each city and town in the District and shall be available for inspection by the public from the date of publication to the date of the Public Hearing.

(c) Mailing to Designated Persons. Written notice of Public Hearing may also be delivered in person or by first class mail or electronic mail to such Persons as the Board shall designate from time to time as hereinafter provided. Such notices shall be provided to the Office of Consumer Affairs.

(d) Persons to Receive Notice. Any Person who desires to receive personal notice of Public Hearings of the Board shall file a request with the Board in writing stating such Person's name and mailing address. Such notice shall be delivered to such Persons by first class mail or electronic mail as soon as practicable but not later than one week prior to any such Public Hearing of the Board. The Board shall maintain the names of such Persons on a list to receive notice of meetings for a period of one year, after which date, the name shall be deleted from such list unless or until such request is renewed in writing in the same manner, which renewal request shall be filed within thirty days after January first of each year.

## **Part 3**

### **Public Hearings, Procedure**

#### **Section 12. General Provisions.**

The purpose of any Public Hearing shall be to provide to all users of the District water supply system or wastewater system, owners of property served or to be served, and other interested Persons an opportunity to be heard concerning the matters to be considered by the Board.

#### **Section 13. Presiding Members, Hearings Officers and Conduct of Hearings.**

(a) The Board may designate a Member to be a Presiding Member for the purpose of conducting any proceeding it shall hear under the Act.

(b) The Board may designate a Member or staff person of the Board or any natural person to be a Hearing Officer for the purpose of conducting any proceeding it shall conduct under the Act.

(c) Either designation made in subsections (a) or (b) above shall be limited to the particular proceeding for which the appointment is made and for the purpose of no other matter or business before the Board.

(d) In a Public Hearing conducted by a Presiding Member, each Member may fully participate in such Public Hearing provided, however, the following powers and duties shall be delegated to the Presiding Member:

(i) The Presiding Member shall convene and conduct the Public Hearing.

(ii) The Presiding Member shall call and examine witnesses, receive oral and written evidence, rule on the admissibility of evidence and rule on the order in which the Public Hearing is conducted. In the Public Hearing conducted by the Presiding Member, the Presiding Member shall require Persons presenting testimony to be placed under oath. Members present at such Public Hearing may directly question witnesses after recognition by the Presiding Member.

(iii) If, in the opinion of the Presiding Member, the public interest so requires, the Presiding Member shall continue the Public Hearing to a date certain in order to receive additional evidence and/or testimony from the applicant, other parties or other interested Persons and such added exhibits and/or testimony ordered by the Board pursuant to Section 15 of these rules.

(iv) At the conclusion of the presentation of evidence at the Public Hearing, the Presiding Member may close the Public Hearing but allow the Public Hearing record to remain open until a date certain to receive additional exhibits and shall determine a date certain to receive comments on such exhibits from the applicant, other parties and other interested Persons, at which such date certain the Public Hearing record shall close.

(e) In a Public Hearing conducted by a Hearing Officer, the Hearing Officer shall be empowered to exercise on behalf of the Board all of the authority to conduct a Public Hearing delegated to the Board under the Act within the following limits:

(i) The Hearing Officer shall convene and conduct all Public Hearings required by law within the scope of the Board's designation. No testimony or argument shall become part of the record or form a basis for any finding of the Hearing Officer unless the Hearing Officer is present in the place where the Public Hearing is being conducted, including hybrid, and personally hears or receives the testimony and argument there offered, except that exhibits and testimony filed upon order of the Board pursuant to Section 15 of these rules or accepted by the Board in its discretion shall be part of the record and may be submitted at a time and place determined by the Hearing Officer. The Public Hearings can be a hybrid.

(ii) The Hearing Officer shall call and examine witnesses, receive oral and written evidence, rule on the admissibility of evidence, and rule on the order in which the Public Hearing is conducted and on all other aspects of the Public Hearing. The Hearing Officer shall require Persons presenting testimony to be placed under oath. The Board shall require that the Hearing Officer report at a duly scheduled meeting of the Board his/her recommended findings of fact and conclusions of law in writing.

(iii) If, in the opinion of the Hearing Officer, the public interest so requires, the Hearing Officer shall have the authority to continue the Public Hearing to a date certain in order to receive additional evidence and/or testimony from the applicant, other parties or other interested Persons, and such added exhibits and/or testimony ordered by the Board pursuant to Section 15 of these rules.

(iv) At the conclusion of the presentation of evidence at the Public Hearing, the Hearing Officer may determine to close the Public Hearing but allow the Public Hearing record to remain open until a date certain to receive additional exhibits and shall determine a date certain to receive comments on such exhibits from the applicant, other parties and other interested Persons, at which such date certain the Public Hearing record shall close.

(v) A proposed final decision made by the Hearing Officer under this subsection (e) shall be in writing and contain a statement of the reasons for the decision and a finding of facts and conclusions of law on each issue of fact or law necessary to the decision.

(f) In a Public Hearing, members of the general public may be recognized by the Presiding Member or the Hearing Officer and comment on the matter before the Board or the Hearing Officer without being sworn. Such public comment shall be received after sworn testimony is presented.

(g) When Members not present at a Public Hearing intend to vote on the matter in question, such Members shall read or otherwise familiarize themselves with the record of the Public Hearing prior to participating by vote in the final decision of such matter.

#### **Section 14. Public Hearing Record.**

(a) The record in each proceeding shall be maintained by the Board in the custody of the office of the Board and shall include but shall not be limited to the following items: any notices, applications, decisions, protective orders, exhibits, and any other documents that have been filed with or issued by the Board in written form; all written evidence of any kind received and considered by the Board; the record of the Public Hearing in nontranscribed form for one year, including the votes of each Member. The records of such votes shall be available for public inspection at the principal office of the Board within forty-eight hours of the close of the Public Hearing or the subsequent meeting of the Board at which such votes are taken. The Board will not be required to set forth as a separate item any of the foregoing items which may have been duplicated and incorporated in some other portion of the record.

(b) Notwithstanding the foregoing, all documents filed with the Board under a motion for protective order in accordance with Section 6 of these rules shall be kept confidential and maintained as a part of the record in accordance with the applicable Protective Order. No such documents shall be available to the public for inspection; only members of the Board and the Office of Consumer Affairs, after signing a non-disclosure agreement, may review such documents. Any other party seeking access to such documents shall file a written request with the Board served on all participants including the Applicant demonstrating good cause for such access. The Applicant or other submitter of such protected information shall file a written response to the request for access including a recommendation regarding whether such access should be granted or denied. The Board shall have the discretion to grant or deny access to such confidential documents. Any access to such documents shall be subject to the execution of a non-disclosure agreement pursuant to which such Person agrees to keep such documents and the information contained therein confidential and free from disclosure.

**Section 15. Filing of Added Exhibits.**

Upon order of the Board before or during a Public Hearing, the Authority or any other Person shall prepare and file added exhibits and testimony.

**Section 16. Rules of Evidence.**

The following rules of evidence shall be followed in Public Hearings:

(a) Rules of Evidence. Any oral or documentary evidence may be received, but the Presiding Member or the Hearing Officer may, as a matter of policy, exclude irrelevant, immaterial or unduly repetitious evidence. The Presiding Member or Hearing Officer shall give effect to the rules of privilege recognized by law.

(b) Documentary Evidence. Documentary evidence may be received at the discretion of the Presiding Member or Hearing Officer in the form of copies or excerpts, if the original is not found readily available. Upon request by any Person an opportunity shall be granted to compare the copy with the original, which shall be subject to production by the Person offering such copies, subject to the provisions of Section 52-180 of the General Statutes, as amended.

(c) Cross Examination. Such cross examination may be conducted as the Presiding Member or the Hearing Officer shall find to be required for a full and true disclosure of the facts, but no Person shall be entitled to cross examine any other witness or speaker as a matter of right.

(d) Facts Noticed, Board Records. The Board may take notice of judicially cognizable facts, including prior decisions and orders of the Board. Any exhibit admitted as evidence by the Presiding Member or the Hearing Officer in a prior Public Hearing may be offered as evidence in a subsequent proceeding and admitted as an exhibit therein.

**Section 17. Order of Procedure at Public Hearings.**

(a) Applicant. In Public Hearings on applications by the Authority, the Authority shall open and close the proceedings. In a case where the opening portion has already been submitted in written form as provided by these rules, the Board may open the Public Hearing with the cross examination of Persons who have given written testimony. In the event any Person has given written testimony and is not available for such cross examination at the time and place directed by the Board, all of such written testimony may be discarded and removed from the record at the direction of the Board or Hearing Officer.

(b) Interested Persons. Subject to reasonable limitations as hereinafter provided, all users of the District water supply system and/or wastewater system, owners of property served or to be served and other interested Persons shall be afforded an opportunity to be heard concerning the matters to be considered by the Board. Any Person desiring to submit oral testimony may request in writing up to the commencement of the Public Hearing that such Person's name be placed on the list of speakers to be recognized by the Presiding Member or the Hearing Officer. The Presiding Member or the Hearing Officer shall recognize such Persons in the order such requests were received. Persons may also be recognized by the Presiding Member or the Hearing Officer during the course of the Public Hearing. All Persons providing testimony shall be put under oath.

**Section 18. Limiting Number of Witnesses.**

To avoid unnecessary cumulative evidence, the Presiding Member or the Hearing Officer may limit the number of witnesses or the time for testimony upon a particular issue in the course of any Public Hearing or direct that such testimony be submitted to the Board in writing.

**Section 19. Limitation of Direct Case.**

In any proceeding or Public Hearing, the Authority shall be limited substantially to the application and the exhibits and other materials annexed thereto unless the Presiding Member or the Hearing Officer shall rule otherwise for good cause shown. All prepared written testimony filed with the application shall be received in evidence with the same force and effect as though it were stated orally by the witnesses, provided that each such witness shall be present at the Public Hearing either in-person or virtual at which such prepared written testimony is offered, shall adopt such written testimony under oath, and shall be made available for cross examination as directed by the Presiding Member or the Hearing Officer. The Public Hearing can be hybrid.

**Part 4**

**Public Hearings, Decision**

**Section 20. Filing of Proposed Findings of Fact, Conclusions of Law and Briefs.**

At the conclusion of the presentation of evidence in any Public Hearing, the Board or the Hearing Officer may fix a time within which any Person may file proposed findings of fact, conclusions of law, and briefs.

**Section 21. Final Decision.**

(a) Procedure and Contents. All decisions of the Board respecting any application shall be in writing (which writing may be in the form of minutes reflecting such decision). The decision shall be supported by the findings of fact and conclusions of law relied upon by the Board in arriving at the decision, the findings of fact and conclusions of law to be separately stated.

(b) Notice of Decision. Copies of all decisions or orders of the Board shall be available for public inspection in the offices of the Board. Any decision of the Board on matters considered at a Public Hearing shall be published in a newspaper or newspapers having a general circulation in each city and town comprising the District within thirty days after each decision is made. In addition to the required newspaper publication, decisions may also be posted on the Authority's website.

(c) Time Period to Make Decision. Failure of the Board to reject or deny any proposed action by the Authority within 150 days after the filing of an application shall be deemed to be an approval of such proposed action unless the Authority shall grant an extension or extensions of such time limits for up to the aggregate maximum of sixty days. In rate cases, a period of 110 days will apply unless the Authority shall grant an extension or extensions of such time limits for up to the aggregate maximum of sixty days; provided however, in the case of temporary rate surcharge cases filed pursuant to Section 31(c), a period of 60 days will apply unless the Authority shall grant an extension or extensions of such time limits for up to the aggregate maximum of 30 days.

**Section 22. Reserved.**

**ARTICLE II**

**APPLICATIONS**

**Part 1**

**Applications, General Provisions**

**Section 23. General Rule.**

Applications shall include all forms of proposals, requests, applications, petitions, and filings of whatever nature whatsoever that are placed before the Board pursuant to the Act.

**Section 24. Form.**

The form to be followed in the filing for different types of applications hereunder will vary to the extent necessary to provide for the nature of the legal rights, duties or privileges involved therein. Nevertheless, all applications shall include the following components:

(a) Statement of Application. Each application shall incorporate a statement setting forth clearly and concisely the authorization sought. The statement shall cite by appropriate reference the statutory provision or other authority under which such authorization is to be granted by the Board. In addition to the specific requirements for particular types of applications that may hereinafter be stated, the statement of application shall further set forth:

- (i) an explicit statement setting forth the need for the proposed action for approval;
- (ii) an analysis of the alternatives to the proposed action considered by the Authority and the basis for selection of the proposed action and the rejection of the possible alternatives;
- (iii) a statement of the cost (both capital and operating) to be incurred and/or saved from current expenditures as the case may be as a result of such proposed action and an analysis of the cost and/or savings to be realized from any rejected alternative, including the taking of no action;
- (iv) a concise and explicit statement of the facts on which the Board is expected to rely in granting the authorization sought;
- (v) special components as applicable; and
- (vi) an explanation of any unusual circumstances involved in the application, to which the Board will be expected to direct its particular attention.

(b) Annexed Materials. There shall be attached to the application any exhibits, sworn written testimony, data, models, illustrations and all other materials that the applicant deems necessary or desirable to support the granting of the application. In addition, such annexed materials shall also include such exhibits, sworn testimony, and other data that any statute or these rules may require.

**Section 25. Original Records.**

The applicant shall furnish and make available for the use of the Board the original books, papers and documents from which any part of the application is derived. If so directed, certified or verified copies shall be furnished in lieu of such original records. Failure to furnish original records may be ground for rejection of any component and, if appropriate, for refusal of the application.

**Section 26. Rejection of Application.**

Failure of the Board or a committee thereof to reject and return to the Authority an application as incomplete within thirty days of filing shall be deemed acceptance of the application as complete under these rules.

**Section 27. Incomplete Filings.**

An application shall be considered complete if it complies with Section 24 as to form and with Sections 30 to 40 herein as to special provisions noted within this document. When called to the attention of the Authority for lack of completeness, an application must be promptly corrected. If such is not the case, the application may be rejected and deemed denied for lack of proper submission.

**Section 28. Reserved.**

**Section 29. Additional Evidence.**

The enumeration of required items hereinafter set forth as the minimum evidentiary submission in the following sections shall not preclude the submission of additional evidence hereunder.

**APPLICATIONS, SPECIAL PROVISIONS**

**Part 2**

**Rate Fixing**

**(Section 14 of the Act)**

**Section 30. General Rule.**

These rules apply to all proceedings involving the fixing of the Authority's rates, including all proposed amendments to existing rates and proposed new rates, which shall be referred to as Rate Applications hereinafter. Such Rate Applications shall include all requests by the Authority pursuant to Section 14 of the Act to fix or change any rate or charge, or to alter any classification, contract, practice or rule which will result in a rate change. All such Rate Applications shall comply with the rules hereinabove set forth in Part 1 of this Article II.

**Section 31. Special Components.**

(a) Each Issuance Test Rate Application filed pursuant to Section 619A of the Authority's *Water System Revenue Bond Resolution General Bond Resolution* shall contain the following data either in the statement of application or as exhibits annexed thereto and accompanying the application:

(i) **Rate Application: Section I**

(A) A summary statement explaining the nature of the Rate Application and highlighting its key elements. Such statement shall cite by appropriate reference the statutory provision or other authority under which such authorization is to be granted by the Board and shall further set forth:

(1) a statement explaining the nature of an Issuance Test Rate Application, including a reference to Section 619A of the Authority's *Water System Revenue Bond Resolution General Bond Resolution* under which the authorization of such an application is to be granted by the Board;

(2) a statement of the amount of debt proposed for issuance;

(3) a statement of the proposed revenue increase reflected in absolute dollars and percent above historic revenues;

(4) a statement explaining the role, if any, of the Rate Stabilization Fund in the Rate Application, including the Rate Stabilization Fund's role with respect to allocation or expenditure of funds; and

(5) an explanation of any unusual circumstances involved in the application, to which the Board will be expected to direct its particular attention.

(ii) **Rate Application: Section II**

(A) A summary schedule of historical revenue increases, including the approved percentage increase in revenues and the effective date of each revenue increase.

(B) A statement explaining the current rate structure, referencing the latest cost of service study, and any proposed changes in the rate structure, supporting such proposal with such cost of service study and other data.

(C) A summary statement of required revenues by class of Consumer for the current Fiscal Year and the year following the Fiscal Year setting forth the funds required for operating and maintenance expenses, debt service requirements, payments in lieu of taxes, and amounts necessary to meet general bond resolution requirements.

(D) A statement identifying the historic twelve consecutive month period selected from the relevant eighteen-month period upon which to base changes in rates, charges and rate structure and the rationale and basis for that selection. Such statement shall include a schedule setting forth the actual revenues raised during such twelve-month period.

(E) A summary statement of revenues expected to be received, reflecting any shortfall or excess in such revenues, from existing rates in the current Fiscal Year and the year following the Fiscal Year if no rate action is taken, noting in particular any utilization of the Rate Stabilization Fund.

(F) A schedule comparing the capital expenditures budgeted for a particular Fiscal Year with those actually completed in that same year for each of the three most recently completed Fiscal Years. Such schedule shall also state the percentage of the current Fiscal Year's capital budget expended through the end of the month prior to the filing of the Rate Application and the projected expenditures through the end of the Fiscal Year.

**(iii) Rate Application: Section III**

(A) A detailed statement of required revenues for the Pro Forma Year setting forth the projected operating and maintenance expenses, by line item; debt service schedules and projected debt, including projected debt service at interest rates in increments of 25 basis points that fall within the range of potential rates at the time of issue; and payments in lieu of taxes.

(B) A narrative of the Authority's rationale and methodology in determining revenue requirements and the sources of revenue expected to meet those requirements.

(C) A statement of assumptions used in calculating all data for the Pro Forma Year and the year following the Fiscal Year. Such statement shall include the assumed rate of growth of operating and maintenance expenditures along with any and all other relevant assumptions.

(D) A statement setting forth the Authority's most recent five-year plan of capital improvements adjusted for any carryover projects. Such statement shall also discuss the relationship of planned capital spending to the Capital Planning Model and such plan's consistency with the Authority's Strategic Plan.

**(iv) Rate Application: Section IV**

(A) A summary statement of debt history.

(B) A detailed statement of the magnitude of the debt to be issued and the mode(s) and terms of such debt.

**(v) Rate Application: Section V**

(A) A detailed schedule comparing proposed rates and charges with existing rates and charges.

(B) In the event that a change in the rate structure is proposed in any Rate Application, a summary of any such proposed changes in the rate structure, referencing Section 31(a)(ii)(B) hereof.

(vi) **Rate Application: Section VI**

(A) A proposed Notice of Public Hearing and Filing of Rates and Other Charges for Water-related Services to be published by the Board prior to the Public Hearing on such matter in accordance with Sections 10 and 14 of the Act.

(B) A proposed set of Resolutions

(1) approving the proposed rates and charges; and

(2) authorizing the issuance of new debt.

(b) Each Maintenance Test Rate Application shall contain all the data set forth in Section 31(a) hereof with the following modifications:

(i) All data set forth in the following subsections of Section 31: (a)(i)(A)(1), (a)(i)(A)(2), (a)(iv)(B), and (a)(vi)(B)(2) shall be omitted.

(ii) The portions of Section 31, subsections (a)(iii)(A), (a)(iii)(C) and (a)(v)(A) that involve Pro Forma Year data shall be omitted.

(iii) The schedule setting forth the actual revenues required under Section 31(a)(ii)(D) hereof shall be replaced with a schedule setting forth the actual revenues raised during the year immediately preceding the Fiscal Year.

(c) Temporary Rate Surcharge Rate Applications shall be accompanied by a request to reopen the most recent Board proceeding approving a previous Rate Application and to take administrative notice of the record in such proceeding. Each Temporary Rate Surcharge Rate Application shall also include:

(i) an explanation of the change in circumstances, compared to the facts set forth in the most recent approved Rate Application proceeding, that require the temporary rate surcharge,

(ii) a statement of any material deviations in expenses and revenues from those approved in the most recent approved Rate Application proceeding,

(iii) a summary of the alternative measures considered or implemented prior to applying for the surcharge,

(iv) an explanation of the short- and long-term consequences of a failure to implement the surcharge,

(v) the amount and structure of the proposed temporary rate surcharge and the anticipated additional annual revenues expected to be generated by the surcharge following implementation,

(vi) evidence that the approval of the temporary rate surcharge will not cause the authority's financial condition to be any more favorable than was expected in the most recent approved Rate Application, and

(vii) the material required by subsection 31(a)(vi) except for item 31(a)(vi)(B)(2).

(d) All other Rate Applications shall comply with the requirements set forth in Section 31(a) hereof, except that other Rate Applications shall include statements, schedules or calculations involving Pro Forma Year data to the extent the Pro Forma Year and the year following the Fiscal Year are different twelve month periods.

(e) Each Rate Application shall be accompanied by such additional information and exhibits as the Board or the Hearing Officer may request or as the Authority determines may be helpful in explaining any of the proposed changes or any of the underlying economic data or assumptions.

(f) The Presiding Member or Hearing Officer, shall, at the conclusion of the Public Hearing regarding a Rate Application, establish a schedule for the filing of briefs unless the applicant, the Office of Consumer Affairs, and any parties having intervener status waive their respective rights to prepare and file a brief with the Board following the Public Hearing.

### **Part 3**

#### **Acquisitions and Improvements**

##### **(Section 19 of the Act)**

##### **Section 32. General Rule.**

These rules apply to all proceedings for the approval by the Board of any proposal of the Authority to acquire any existing water supply system or parts thereof, any existing wastewater system or parts thereof, commence any project costing more than \$3.5 million dollars to repair, improve, construct, reconstruct, enlarge or extend any of its properties or systems or acquire or make an investment in a noncore business in an amount exceeding \$1.5 million. For system improvement projects over \$3.5 million dollars, the Authority shall be authorized to expend the Authorized Expenditure. The expenditure of any funds in excess of Authorized Expenditure shall require approval of the Board.

##### **Section 33-A. Special Components.**

In addition to the requirements stated in Part 1 of this Article II, each application for the approval of any such proposal shall contain the following data as deemed available, either in the statement of application or as exhibits annexed thereto and accompanying the application:

(a) A statement of financial condition of the Authority and of any company which the Authority proposes to acquire. Such statement will reflect the financial condition of the Authority before and after the transaction for which approval is sought.

(b) A copy of any agreement to acquire.

(c) The amount of bonds or other obligations the Authority intends to issue, and to the extent available, the terms and rate of interest thereof and the amount and description of any indebtedness the Authority desires to assume.

(d) A copy, if available, of any documents intended to secure or define the terms of the proposed bonds or other obligations.

(e) A statement of the purpose for which bonds or other obligations are to be issued, including but not limited to the following facts:

(i) If for property acquisition, a detailed description thereof, the consideration to be paid therefor, and the method of arriving at the amount.

(ii) If for repair, improvement, construction, enlargement or extension of facilities, a description thereof in reasonable detail, the cost or estimated cost thereof, and the reason or necessity for the expenditures.

(iii) If for improvement of service, a statement of the character of the improvements proposed, or if for maintenance of service, a statement of the reasons why service should be maintained from capital.

(f) A description of any property involved in the transaction, including any franchises, permits, or operative rights; and, if the transaction is a sale, lease, assignment, merger or consolidation, a statement of the book cost and the original cost, if known, of the property involved.

(g) Any application for repair, improvement, construction, enlargement or extension of facilities may include a cost index adjustment to account for the passage of time between the date on which the estimate of project cost was determined and the completion date of the project. A cost index adjustment may be included in the application, if, and only if, the projected primary contract execution date will be more than twelve months after the date of cost estimate, and the projected completion date is more than two years from the date of approval. The initial cost estimate shall be based upon the projected project cost as of the date of estimation irrespective of, and without adjustment for, the projected time to complete the project. Such cost index adjustment shall be based upon the Handy Whitman Index or other industry standard index appropriate for the item of cost to be adjusted. Any application requesting approval of a cost index adjustment shall include (i) the date or dates as of which the cost estimate for the project has been determined; (ii) the date or dates projected for the entering of the contract for the construction of the component or components of the cost, which are to be subject to the adjustment by the cost index and the rationale or basis for the projected dates; (iii) the projected completion date of the project and the basis and rationale for that date; and (iv) the cost index or indices to be utilized for each component of cost and the rationale for choosing each index.

(h) Any application for repair, improvement, construction, enlargement or extension of facilities which includes a contingency as a component of cost shall include the basis and rationale for such contingency.

**Section 33-B. Additional Procedures for Projects Costing More than \$3.5 Million Dollars.**

In addition to the requirements of Section 33-A, the process for obtaining Board approval of projects costing more than \$3.5 million dollars or where the original estimate was less than \$3.5 million dollars but where subsequent estimates exceed \$3.5 million dollars shall be for the Authority or the Authority's management to make a presentation first to the Finance Committee of the Board and subsequently to the Board.

**Section 33-C. Additional Procedures for Project Costs Exceeding Authorized Expenditures.**

In addition to the requirements of Section 33-A, in all instances when project costs are estimated to exceed Authorized Expenditure, approval of the revised project cost by the Board shall be required. The process to be followed in such instances is as follows:

(i) The Authority shall simultaneously notify in writing the Chairperson of the Board and the chairperson of the Finance Committee of the Board of the fact that the project is estimated to cost more than Authorized Expenditure.

(ii) If no action is taken by the Board within forty-five days after receipt of notification that the estimated cost is likely to exceed Authorized Expenditure, the revised project cost shall be deemed approved unless the Authority shall grant an extension or extensions of such time limit for up to an aggregate maximum of sixty days.

(iii) The revised project cost or any subsequent revised project cost approved by the Board shall not be exceeded without further approval of the Board.

(iv) In the event the Board shall disapprove a proposed revised project cost, the Authority shall not expend an amount in excess of the greater of (a) Authorized Expenditure or (b) any subsequently approved revised project cost.

**Section 33-D. Components of a Section 19 Application to Acquire or Make an Investment in a Noncore Business in Excess of \$1.5 million. References in these Rules to "purchase" or "acquisition" of a noncore business shall be deemed to include an investment in such a business.**

1. **General Background:** A description of the company or enterprise to be purchased including:

- type of business;
- product(s) or service(s) offered;
- location(s);
- description of real estate owned, leased or in possession of;
- annual revenues for the past three years;
- number of employees;

-form of organization, e.g. a sole proprietorship, partnership, corporation (C, S or non-stock), limited liability company (LLC);

- any subsidiary or affiliated companies.

2. **History of the company:** Provide the date the business was founded, key individuals in the organization and how it expanded over time. Include a description of any recent sales of the company or changes in ownership. List any prior sales or changes in ownership. Include an explanation of why the business was sold and why it is now for sale.

3. **Management/Employees:** Provide an overview of the management of the company including management or key employees and whether they will stay with the business after the sale. Describe existing non-compete and non-solicitation agreements in effect and whether they have been reviewed for enforceability. Identify any union/ labor issues including any planned integration with the Authority's present labor force. Describe employee benefits including pension and health benefits, including whether pension plan is underfunded and the amount necessary to fully fund the pension plan. Provide any planned changes in management, number of employees or benefits after the acquisition. Identify the Authority employee who will be primarily responsible for managing the new business together with a description of that individual's qualifications and experience.

4. **Financial Records:** Include financial records (audited by a CPA if available) for the past three to five years and any separate federal and state tax returns together with the credentials of the return preparer. Describe any significant contracts, vendor contracts or leases that will be part of the purchase of the business. Explain whether any will be assumed or terms renegotiated.

5. **Regulatory, Environmental & Legal Issues:** Describe any regulatory or environmental issues affecting the business including any current or threatened litigation. List disclosed liabilities. Describe efforts to identify undisclosed liabilities. List and describe contractual obligations.

6. **Sales & Marketing:** Explain how the current sales and marketing of the products or services is accomplished. Describe sales staff compensation (commissions or salary) and the extent to which the current owner is responsible for selling or bidding the work. If so, state whether that function will be assumed by another person in the firm or whether someone will need to be hired. Provide a plan of how the Authority will facilitate the transition of the customers to the new ownership. Describe whether and how the sales of the firm's products or services will be expanded in the next three to five years. Explain how the business set its prices for its products and services. Provide the market size and this company's share of it. Explain how the Authority owning the organization will result in growth of sales and market share.

7. **Customer Diversification.** List any customers who comprise 10% or more of the sales. State whether sales for the company are heavily concentrated in a small number of customers or a broad diversified customer base. Describe the type of customer by location and product or service line.

8. **Competition:** Describe the competition and whether it is direct competition or indirect through substitute products or services. State whether the competition is well-established and well-funded. Provide the company's market share and outline any barriers to market entry by new participants.

9. **Industry Trends:** Provide an overview of where the industry is going and whether it is consolidating or expanding. Identify any new innovation in the industry that will require significant changes in how business is conducted. Explain the industry trends and whether there is new innovation on the horizon.

10. **Transaction document(s).** Provide a copy of the stock or asset purchase agreement or other acquisition document.

11. **Five-year forecast.** Provide a five-year forecast of revenues, expenses and anticipated capital expenditures. Identify the key metrics that the Authority will use to measure the future performance of the business.

12. **Conflicts of interest.** Describe any potential conflicts of interest concerning Authority employees, Authority members, Board members, company employees and company board members. Describe any potential conflicts of interest or financial impacts regarding the Authority's existing operations.

13. **Valuation.** Identify the firm, analyst and/or Authority employee that determined the company's value. Provide a copy of any written analysis or valuation opinions.

14. **Risks.** Identify all material risks (including legal, regulatory, environmental and financial) associated with the new business and its integration with the Authority's existing operations. Describe any steps to be taken to insulate the Authority's water customers from these risks.

15. **Conclusion:** List any other factors that the Board should take into consideration in reviewing the application for acquisition of the business.

#### **Part 4**

### **Land Use Standards and Disposition Policies for the Real Property of the Water Supply System**

#### **(Section 18(b) of the Act)**

#### **Section 34. General Rule.**

These rules apply to all proceedings brought by the Authority under Section 18(b) of the Act for approval by the Board of standards for determining the suitability of the real property of the water supply system for categories of land use or of policies regarding the disposition of such real property.

#### **Section 35. Special Components.**

In addition to the requirements stated in Part 1 of this Article II, an application for the approval of land use standards and land disposition policies shall contain the data prescribed by Section 18(b) of the Act either in the statement of the application or as exhibits attached thereto and accompanying the application.

## Part 5

### Dispositions of the Real Property of the Water Supply System

#### (Section 18(d) of the Act)

##### **Section 36. General Rule.**

These rules apply to all proceedings for the approval by the Board of any proposal of the Authority to dispose of any real property of the water supply system or any interest or right therein.

##### **Section 37. Special Components.**

In addition to the requirements hereinabove stated in Part 1 of this Article II, each application for the approval by the Board of the disposition of any real property of the water supply system shall contain the following data, either in the statement of application or as exhibits annexed thereto and accompanying the application.

(a) An evaluation of the potential impact of the proposed action for which approval is requested as required by Section 18(d) of the Act, which shall include:

(i) An explicit statement that the proposed action conforms to the land classification standards and disposition policies of the Authority and a concise statement of facts supporting such statement.

(ii) A description of the real property and its environment, including its existing watershed function.

(iii) A detailed statement of the environmental impact of the proposed action, including an analysis of the alternatives to the proposed action considered by the Authority and the basis for selection of the proposed action and the rejection of the possible alternatives, considering:

(A) direct and indirect effects upon the purity and adequacy of both the present and future water supply,

(B) the relationship of the proposed action to the existing land use plans, including municipal and regional land use plans and the state plan of conservation and development,

(C) any adverse effects which cannot be avoided if the proposed action is implemented,

(D) any irreversible and irretrievable commitments of resources which would be involved should the proposed action be implemented, and

(E) any mitigation measures proposed to minimize adverse environmental impacts.

(iv) A statement of the cost (both capital and operating) to be incurred and/or saved in maintaining the property in its current use as the case may be as a result of such proposed action.

(v) A summary of the final evaluation and recommendation of the Authority.

(b) The terms and conditions of the proposed sale or transfer.

(c) In the case of a sale or transfer identified in accordance with Section 18(b) of the Act as being unlikely to have a significant effect on the environment, the Authority may submit a preliminary assessment of the impact to occur in lieu of such detailed statement of environmental impact, and the Board may, on the basis of such preliminary assessment, waive or modify the requirement of such detailed statement.

## **Part 6**

### **Location of Purification and Filtration Plants and Wastewater Treatment Plants**

#### **(Section 29 of the Act)**

#### **Section 38. General Rule.**

These rules shall apply to all proceedings for the approval by the Board of the location of any proposed purification or filtration plant or any wastewater treatment plant in any zoning district in which such use is not permitted under local zoning regulations.

#### **Section 39. Special Components.**

In addition to the requirements stated in Part 1 of this Article II, each application shall contain the following data as deemed applicable either in the statement of application or as exhibits attached thereto and accompanying the application.

(a) General plans of the proposed plant describing the nature of the site, including its size and shape; the proposed size, shape and arrangement of the structures; and the nature and intensity of development in the surrounding area.

(b) The zoning map and regulations of the municipality in which the proposed plant is to be constructed.

(c) Statement of the advantages with respect to public convenience and necessity which the proposed location possesses over others which may have been considered by the Authority.

## **ARTICLE III**

### **Procedures for Consumer Complaints**

#### **Section 40. Complaints General.**

These rules govern the disposition of all complaints from Consumers related to water service, wastewater service and noncore which are made to the Office of Consumer Affairs and/or the

Consumer Affairs Committee of the Board after all internal Authority management steps regarding such complaints, including final action by an Authority Review Officer, have been completed. Complaints which have not received final action by the Authority's management but have been made to the Office of Consumer Affairs shall be referred to the Authority's management for final action.

**Section 41. Office of Consumer Affairs.**

(a) After final action by the Authority's management a Consumer shall be permitted to render a complaint to the Office of Consumer Affairs. In the event a complaint is made to the Board or a member thereof or to the Consumer Affairs Committee created pursuant to Section 4(c)(3) of the Act, it shall be referred to the Office of Consumer Affairs.

(b) The Office of Consumer Affairs shall investigate the complaint and make a written report thereon to the Consumer Affairs Committee in accordance with those procedures adopted by the Consumer Affairs Committee and approved by the Board, as modified, from time to time. Copies of such written report shall be given to the Authority's management and the Consumer. The report shall be final and binding unless either the Authority's management or the Consumer objects thereto within seven days of its receipt. Such objection shall be made in writing to the Board to the attention of the Consumer Affairs Committee.

**Section 42. Hearings.**

(a) All objections to the Report of the Office of Consumer Affairs shall immediately be referred by the Board to the Consumer Affairs Committee for disposition. Such delegation by the Board shall be final and complete and the Board authorizes the Consumer Affairs Committee to utilize those procedures best suited to insuring that all such objections are given a full and fair Consumer Hearing.

(b) The Consumer Affairs Committee shall establish procedures for hearing and deciding such objections which include, but are not limited to, opportunity for objecting party to provide evidence and make a statement, written or oral or both, to the Person(s) authorized to make a final decision, recording of all such proceedings; opportunity to question Authority employees if the objecting party is the Consumer, recording all votes and rendering written decision.

(c) The Consumer Affairs Committee may delegate its responsibilities pursuant to this section to a panel consisting of no less than three members of the Consumer Affairs Committee, one of whom may be substituted for by the Chairperson if at least three such members are unavailable.