

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**Current through 07-01-2024**

SPECIAL ACT 77-98 AS AMENDED BY SPECIAL ACT 78-24.
SPECIAL ACT 84-46. SPECIAL ACT 99-12. PUBLIC ACT 02-85
SPECIAL ACT 03-11. SPECIAL ACT 03-12. SPECIAL ACT 13-20. SPECIAL ACT 17-5.
SPECIAL ACT 18-4. SPECIAL ACT 24-7. AND JUNE SPECIAL SESSION.
PUBLIC ACT 24-1

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SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

**SPECIAL ACT 77-98 AS AMENDED BY SPECIAL ACT 78-24,
SPECIAL ACT 84-46, SPECIAL ACT 99-12, PUBLIC ACT 02-85
SPECIAL ACT 03-11, SPECIAL ACT 03-12 SPECIAL ACT 13-20, SPECIAL ACT 17-5,
SPECIAL ACT 18-4, SPECIAL ACT 24-7, AND JUNE SPECIAL SESSION,
PUBLIC ACT 24-1**

SECTION 1. It is found and declared as a matter of legislative determination that the creation of the South Central Connecticut Regional Water Authority for the primary purpose of providing and assuring the provision of an adequate supply of pure water and the safe disposal of wastewater at reasonable cost within the South Central Connecticut Regional Water District and such other areas as may be served pursuant to cooperative agreements and acquisitions authorized by section 11 of special act 77-98, as amended by section 5 of special act 78-24, section 3 of special act 84-46, section 7 of public act 02-85 and section 3 of special act 17-5, as amended by June Special Session, public act 24-1, and, to the degree consistent with the foregoing, of advancing water conservation and the conservation and compatible recreational use of land held by the authority, conducting or investing in noncore businesses, provided, at the time of any investment in such businesses, the authority's investment, less returns of or on such investments in such businesses made on and after June 30, 2013, shall not exceed the greater of five per cent of the authority's net utility plant devoted to its water and wastewater utility businesses or such higher amount approved by a majority of the total weighted votes of the membership of the representative policy board, excluding vacancies, except that the acquisition of the Aquarion Water Company or one or more of its subsidiaries shall have no such limitations, and the carrying out of its powers, purposes, and duties under sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46, sections 5 to 7, inclusive, of special act 99-12, sections 2 to 21, inclusive, of public act 02-85, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1, and for the benefit of the people residing in the South

Central Connecticut Regional Water District and the State of Connecticut, and for the improvement of their health, safety and welfare, that said purposes are public purposes, and that the authority will be performing an essential governmental function in the exercise of its powers under sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46, sections 5 to 7, inclusive, of special act 99-12, section 2 of public act 02-85, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1. The authority shall have the power to conduct or invest in noncore businesses authorized pursuant to this section, either directly or through an affiliated business entity.

SECTION 2. As used in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, public act 02-85, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1, unless a different meaning appears in the context: "Authority" means the South Central Connecticut Regional Water Authority created by section 5 of special act 77-98, as amended by section 4 of special act 78-24, public act 02-85 and special act 13-20; "district" means the South Central Connecticut Regional Water District created by section 3 of special act 77-98, as amended by section 2 of special act 78-24; "representative policy board" means the representative policy board of the South Central Connecticut Regional Water District created by section 4 of special act 77-98, as amended by section 3 of special act 78-24; "chief executive officer" means that full time employee of the Authority responsible for the execution of the policies of the authority and for the direction of the other employees of the authority; "treasurer" means the treasurer of the authority; "customer" means any person, firm, corporation, company, association or governmental unit furnished water or wastewater service by the authority or any owner of property who guarantees payment for water or wastewater service to such property; "properties" means the water supply and distribution system or systems, wastewater collection and treatment systems and other real or personal property of the authority; "bonds" means bonds, notes and other obligations issued by the authority; "revenues" means all rents, charges and other

income derived from the operation of the properties of the authority; "wastewater" means any substance, liquid or solid, which may contaminate or pollute or affect the cleanliness or purity of any water; "water supply system" means plants, structures and other real and personal property acquired, constructed or operated for the purpose of supplying water, including basins, dams, canals, aqueducts, standpipes, pumping stations, water distribution systems, including land, reservoirs, conduits, pipelines, mains, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants or other plants and works, connections, rights of flowage or diversion and other plants, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for the accumulation, supply or distribution of water or for the conduct of water or environment related activities; "wastewater system; means plants, structures and other real and personal property acquired, constructed or operated for the purpose of collecting, treating and discharging or reusing wastewater, whether or not interconnected, including wastewater treatment plants, pipes and conduits for collection of wastewater, pumping stations and other plants, works, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for the collection, transmission, treatment and disposition of wastewater; "subsidiary corporation" means a corporation organized under the general statutes or by special act which owns or operates all or part of a water supply or a wastewater system within the district and all of the voting stock of which is owned by the Authority; "noncore business" means an activity, including an activity conducted outside the State of Connecticut, that is the acquisition of the Aquarion Water Company or one or more of its subsidiaries or an activity that is related to water, environment, agriculture, sustainable manufacturing support, or an energy project consisting of either a class I renewable energy source, as defined in subdivision (20) of subsection (a) of section 16-1 of the general statutes, or a class III source, as defined in subdivision (38) of said section, but excluding wind sources located within the district and any activity located on property that is class I or class II land owned by the authority; and "affiliated business entity" means a corporation, a limited liability

company or a limited partnership controlled directly or indirectly by the authority that conducts or invests in a noncore business. A reference in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46, public act 02-85 and special act 13-20, to any general statute, public act or special act shall include any amendment or successor thereto.

SECTION 3. (a) There is created a district to be known as the "South Central Connecticut Regional Water District" which embraces the area and territory of the towns and cities of Ansonia, Beacon Falls, Bethany, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Killingworth, Madison, Milford, New Haven, North Branford, North Haven, Orange, Oxford, Prospect, Seymour, West Haven and Woodbridge; provided, in the event at any time after June 30, 1982, the authority shall neither own land or properties nor sell water or provide wastewater services directly to customers in any city or town within the district, the area and territory of such city or town thereupon shall be excluded from the district.

(b) Upon approval by the representative policy board pursuant to section 19 of special act 77-98 and the electors of the town of Wolcott at a referendum, the area and territory of the town of Wolcott shall become part of the South Central Connecticut Regional Water District.

SECTION 4. (a) There shall be a representative policy board of the South Central Connecticut Regional Water District which shall consist of one elector from each city and town within the district who shall be appointed by the chief elected official of such city or town, with the approval of its legislative body, and one elector of the state who shall be appointed by the governor. Members shall serve for a term of three years commencing July 1, except that the members first appointed shall serve terms commencing July 1, 1977, and such members appointed from Bethany, East Haven, Killingworth, New Haven, Orange and West Haven shall serve until June 30, 1978, such members appointed from Branford, Guilford, Madison, North

Branford, Prospect and Woodbridge shall serve until June 30, 1979, such members appointed from Cheshire, Hamden, Milford, North Haven and Wallingford shall serve until June 30, 1980, and the member first appointed by the governor shall serve for a term commencing upon appointment and ending on the third June thirtieth thereafter; provided members shall continue to serve until their successors are appointed and have qualified. In the event of the resignation, death or disability of a member from any city or town or the state, a successor may be appointed by the chief elected official of such city or town, or in the case of the member appointed by the governor, by the governor, for the unexpired portion of the term. The chief elected official of each such city or town may appoint a provisional member to serve until December 1, 1977, with full authority to act as a member until said date. Members and provisional members shall receive two hundred fifty dollars, adjusted as provided in this subsection, for each day in which they are engaged in their duties and shall be reimbursed for their necessary expenses incurred in the performance of their duties. Such two-hundred-fifty dollar compensation amount shall be adjusted on January 1, 2027, and every third year thereafter to reflect changes in the Consumer Price Index for All Urban Consumers, Northeast Urban, All Items (1982-84=100) published by the United States Bureau of Labor Statistics or a comparable successor index. They shall elect a chairman and a vice-chairman, who shall be members or provisional members of the representative policy board, and a secretary. The chairman shall receive a per diem payment of one and one-half times the amount paid to members and provisional members. The representative policy board shall meet at least quarterly with the authority and such members of the staff of the authority as the representative policy board deems appropriate.

(b) In voting upon all matters before the representative policy board, the vote of each member from a city or town shall be accorded a weight, determined as follows: The sum of (1) the quotient obtained by dividing the number of customers in the city or town from which such member is appointed by the total number of customers in all cities and towns from which members have been appointed, taken twice, and (2) the quotient obtained by dividing the

number of acres of land owned by the authority within the city or town from which such member is appointed by the total number of acres of land owned by the authority in all cities and towns from which members have been appointed, shall be divided by three, the quotient thereof multiplied by one hundred and the product thereof shall be rounded to the nearest whole number. The weighted vote of the member appointed by the governor shall be one. For the purposes of this section, "number of customers" means the number of premises or groups of premises treated as units for ordinary billing or other ordinary receipt of charges by the authority and shall be determined from the records of the authority on the last day of its preceding fiscal year and "number of acres of land" means the number of acres of land rounded to the nearest whole number as may appear on the records of the authority on the last day of its preceding fiscal year. Notwithstanding the foregoing, prior to the first day of the fiscal year of the authority commencing after the acquisition by the authority of a water supply system, the weighted vote of each member of the representative policy board from a city or town shall be as follows: Bethany, four; Branford, seven; Cheshire, three; East Haven, six; Guilford, four; Hamden, twelve; Killingworth, one; Madison, six; Milford, eleven; New Haven, seventeen; North Branford, eight; North Haven, four; Orange, three; Prospect, one; Wallingford, one; West Haven, ten; and Woodbridge, two. Whenever a vote is taken on any matter by the representative policy board, the vote shall be determined in accordance with this subsection. Members of the representative policy board holding a majority of the votes so weighted shall constitute a quorum.

c) The representative policy board shall adopt and may amend such rules of procedure and bylaws for the conduct of its affairs as it deems appropriate. It shall establish (1) a standing committee on land use and management to consult with the authority on all matters of land use and management, including acquisition and sale, recreational use, cutting of timber and other products, mining and quarrying; (2) a standing committee on finance to consult with the authority on matters relating to financial and budgetary matters and the establishment of rates; and (3) a standing committee on consumer affairs to consult with the

authority and the officer of consumer affairs established pursuant to section 15 of special act 77-98 on matters concerning the interests of people residing within the district. The representative policy board may appoint such other committees as it considers convenient from time to time.

d) The representative policy board of the South Central Connecticut Regional Water District shall also include a member from each of the cities of Ansonia and Derby and the towns of Beacon Falls, Oxford and Seymour, each appointed in the manner set forth in subsection (a) of this section. The members first appointed shall serve from the date of their appointment until June 30, 1985, in the case of Seymour; until June 30, 1986, in the case of Beacon Falls; and until June 30, 1987, in the case of Ansonia, Derby and Oxford. Such members may participate in meetings of the representative policy board notwithstanding such towns and cities will not become members of the South Central Connecticut Regional Water District until the effective date of the acquisition of the Ansonia Derby Water Company by the South Central Connecticut Regional Water Authority but, until such effective date, such members may vote only on matters concerning the fixing of rates and charges to support the financing of such acquisition. The weighted vote of such members shall be determined in the manner set forth in subsection (b) of this section as if such acquisition had occurred. This subsection shall have no further force and effect after the effective date of such acquisition or June 30, 1987, whichever occurs first.

(e) Upon the expansion of the South Central Connecticut Regional Water District to include the area and territory of the town of Wolcott, the representative policy board shall include one member from the town of Wolcott appointed in the manner described in subsection (a) of this section. Such member shall serve for an initial term ending on June 30, 2005, or such later time as the member's successor shall be appointed and qualified. The weighted vote of such member shall be determined in the manner set forth in subsection (b) of this section, provided in no event shall such weighted vote be less than one.

(f) The members of the representative policy board shall have the authority to act on behalf of the Aquarion representative policy board, as defined in section 35 of section 41 of June Special Session, public act 24-1, until such time as the members of the Aquarion representative policy board are appointed.

SECTION 5. (a) A public corporation, to be known as the “South Central Connecticut Regional Water Authority,” constituting a public instrumentality and political subdivision, is created for the purposes, charged with the duties and granted the powers provided in section 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24 and this act. On and before December 31, 2024, the authority shall consist of five members who shall be residents of the district and not be members of the representative policy board. On and after January 1, 2025, except as provided in subsection (c) of this section, the authority shall consist of seven members who shall reside in Connecticut and not be members of the representative policy board, and not fewer than five such member shall be residents of the district. All members shall be appointed without regard to political affiliation by a majority of the total votes of those members of the representative policy board present at a meeting at which at least two-thirds of the weighted vote, excluding vacancies, is present, for terms of five years, not to exceed four consecutive full terms, and until their successors are appointed and have qualified, except that of the members first appointed, one shall be appointed for a term ending January 1, 1983, one for a term ending January 1, 1982, one for a term ending January 1, 1981, one for a term ending January 1, 1980, and one for a term ending January 1, 1979. The sixth member first appointed shall be appointed for a three-year term ending January 1, 2028, and the seventh member first appointed shall be appointed for a five-year term ending January 1, 2030. Any vacancy occurring on the authority shall be filled in the same manner for the unexpired portion of the term. Any member of the authority may be removed from office by the representative policy board for cause. Members of the authority shall receive such compensation, to be adjusted every three years by the Consumer Price Index factor, as

described in Section 4 of special act 77-98, as amended by special act 78-24, special act 84-46, public act 02-85, special act 03-11, special act 13-20 and June Special Session, public act 24-1, if approved by the majority of weighted votes of the membership of the representative policy board, excluding vacancies, and shall be reimbursed for their necessary expenses incurred in performance of their duties.

(b) The members of the South Central Connecticut Regional Water Authority board shall have the authority to act on behalf of the Aquarion Water Authority, as described in section 35 of section 41 of June Special Session, public act 24-1, until such time as the members of the Aquarion Water Authority board are appointed.

(c) Notwithstanding the provisions of subsection (a) of this section, upon the Public Utilities Regulatory Authority's approval of the South Central Connecticut Regional Water Authority or the Aquarion Water Authority to own and operate the Aquarion Water Company or one or more of its subsidiaries, the authority board shall consist of eleven members who shall reside in Connecticut and not be members of the representative policy board, six of whom shall be residents of the South Central Connecticut Regional Water District appointed by the representative policy board, and five of whom shall be appointed by the representative policy board of the Aquarion Regional Water District, as described in section 35 of section 41 of June Special Session, public act 24-1, in accordance with section 38 of section 41 of June Special Session, public act 24-1. The six members appointed by the representative policy board of the authority shall have the authority to act on behalf of the Aquarion Water Authority until such time as the members of the Aquarion Water Authority are appointed. All such authority members shall be appointed without regard to political affiliation by a majority of the total votes of those members of the representative policy board present at a meeting at which at least two-thirds of the weighted vote, excluding vacancies, is present, for terms of five years, not to exceed four consecutive full terms, and until their successors are appointed and have qualified. The sixth member first appointed shall be appointed for a three-year term

ending January 1, 2028, and the seventh member first appointed shall be appointed for a five-year term ending January 1, 2030. Any vacancy occurring on the authority shall be filled in the same manner for the unexpired portion of the term. Any member of the authority may be removed from office by the representative policy board for cause. Members of the authority shall receive such compensation to be adjusted every three years by the Consumer Price Index factor, as described in section 4 of special act 77-98, as amended by special act 78-24, special act 84-46, public act 02-85, special act 03-11, special act 13-20, special act 24-7 and June Special Session, public act 24-1, if approved by the majority of weighted votes of the membership of the representative policy board, excluding vacancies, and shall be reimbursed for their necessary expenses incurred in performance of their duties.

SECTION 6. The duration of the representative policy board and of the authority shall be perpetual unless terminated or altered by act of the general assembly, provided the general assembly shall not terminate the existence of the authority until all of its liabilities have been met and its bonds have been paid in full or such liabilities and bonds have otherwise been discharged.

SECTION 7. The officers of the authority shall be a chairman and a vice-chairman, who shall be members of the authority, and a treasurer and a secretary, who may be members of the authority. The first chairman shall be designated by the representative policy board for a two-year term and subsequent chairman shall be elected by the authority for two year terms. All other officers shall be elected by the authority for one-year terms. The treasurer shall execute a bond conditioned upon the faithful performance of the duties of his office, the amount and sufficiency of which shall be approved by the authority and the premium therefor shall be paid by the authority. The authority shall, from time to time, appoint an agent for the service of process, and shall notify the secretary of the state of the same and address of said agent.

SECTION 8. The authority may employ such persons as it may determine to be necessary or convenient for the performance of its duties and may fix and determine their qualifications, duties and compensation, provided the appointment of the chief executive officer shall be subject to the approval of the representative policy board. The authority shall establish a position with ongoing responsibilities for the use and management of its land resources and such other senior managerial positions as it deems appropriate, which shall be filled by appointment by the chief executive officer with the approval of the authority. The authority may also from time to time contract for professional services.

SECTION 9. The authority shall meet at least quarterly. Except as the bylaws of the authority may provide in emergency situations, the powers of the authority shall be exercised by the members at a meeting duly called and held. On and before December 31, 2024, three members shall constitute a quorum, and on and after January 1, 2025, four members shall constitute a quorum, provided that after the appointment of all authority members appointed by the representative policy board of the Aquarion Regional Water District, a quorum shall be six members, and no action shall be taken except pursuant to the affirmative vote of a quorum. The authority may delegate to one or more of its members, officers, agents or employees such powers and duties as it may deem proper.

SECTION 10. Except in the event of an emergency, whenever a public hearing is required under sections 1 to 33, inclusive, of special act 77-98, as amended by sections 1 to 11, inclusive, of special act 78-24, sections 2 to 21, inclusive, of public act 02-85 and special act 13-20, notice of such hearing shall be published by the representative policy board at least twenty days before the date set therefor, in a newspaper or newspapers having a general circulation in each city and town comprising the district. In the event of an emergency, notice of such hearing shall be authorized by the chairman of the representative policy board and

published in such newspaper or newspapers at least seven days before the date set therefor. If there is no such newspaper, such notice shall be published in one or more electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of persons within the district. Such notice shall set forth the date, time and place of such hearing and shall include a description of the matters to be considered at such hearing. A copy of the notice shall be filed in the office of the clerk of each such city and town and shall be available for inspection by the public. At such hearings, all the users of the water supply system or the wastewater system, owners of property served or to be served and other interested persons shall have an opportunity to be heard concerning the matter under consideration. When appropriate, the chairman of the representative policy board 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, provided in the case of the sale or transfer of real property pursuant to section 18 of special act 77-98, as amended by section 7 of special act 78-24, section 14 of public act 02-85 and section 5 of special act 13-20, a public hearing shall be held in the city or town in which such real property is situated. Any decision of the representative policy board on matters considered at such public hearing shall be in writing and shall be published in a newspaper or newspapers having a general circulation in each city and town comprising the district within thirty days after such decision is made. For purposes of this section, "emergency" means a determination by the chief executive officer of the authority, the chairman of the authority and the chairman of the representative policy board, or their designees, that (1) delay in the award of a contract or the expenditure of capital funds may threaten the public's safety or place property at risk, (2) immediate action is necessary to respond to or recover from a natural disaster or invasion or other hostile action,

or (3) immediate action is necessary to respond to an event threatening or compromising the integrity of the authority's information systems and associated infrastructure.

SECTION 11. Subject to the provisions of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 sections 5 to 7, inclusive, of special act 99-12, public act 02-85, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1, the authority shall have the power: (a) To sue and be sued; (b) to have a seal and alter the same at its pleasure; (c) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of personal property or any interest therein, including shares of stock of a subsidiary corporation; (d) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of any real property or interest therein, including water rights and rights of way and water discharge rights, which the authority determines to be necessary or convenient, and to acquire any existing wastewater system or water supply system or parts thereof which are wholly or partially within the district as described under section 3 of special act 77-98, as amended by section 2 of special act 78-24, section 1 of special act 84-46 and public act 02-85. As a means of so acquiring, the authority or a subsidiary corporation may purchase all of the stock or all of any part of the assets and franchises of any existing privately owned water or wastewater company, whereupon the authority or such subsidiary corporation shall succeed to all rights, powers and franchises thereof. Sections 16-43, 16-50c and 16-50d of the general statutes shall not apply to any action by the authority or a subsidiary corporation or any action by any privately owned water company or sewage company, as defined in section 16-1 of the general statutes, taken to effectuate the acquisition of the stock or all or any part of the assets and franchises of such water company or sewage company by the authority, provided section 16-43 of the general statutes shall apply to any action taken to effectuate the acquisition of the stock or all or any part of the assets and franchises of the Ansonia Derby Water Company by

the authority. Notwithstanding any provision of section 25-32 of the general statutes, land may be transferred to the authority or a subsidiary corporation of the authority as part of such an acquisition. The commissioner of health services shall not grant a permit for a change in the use of any class I or class II land owned by the Ansonia Derby Water Company on the effective date of this section and not transferred to the authority or a subsidiary corporation or a permit for the sale, lease or assignment of any such class II land, unless (1) all provisions of section 25-32 of the general statutes are complied with, and (2) the commissioner of health services determines, after holding a hearing, notice of which shall be published not later than thirty days before the hearing in one or more newspapers having a substantial circulation in the municipalities in which the land is located, that such change in the use or sale, lease, or assignment of the land will not have a significant adverse impact upon present and future water supply needs of the authority or a subsidiary corporation of the authority; (e) to construct and develop any water supply system or any wastewater system; (f) to own, operate, maintain, repair, improve, construct, reconstruct, replace, enlarge and extend any of its properties; (g) any provision in any general statute, special act or charter to the contrary notwithstanding, but subject to the provisions of section 12 of special act 77-98, as amended by section 8 of public act 02-85, and section 28 of special act 77-98, as amended by section 9 of special act 78-24, to sell water, however acquired, to customers within the district or to any municipality or water company; (h) any provisions in any general statute, special act or charter to the contrary notwithstanding, to purchase water approved by the commissioner of health from any person, private corporation or municipality when necessary or convenient for the operation of any water supply system operated by the authority; (i) to adopt and amend bylaws, rules and regulations for the management and regulation of its affairs and for the use and protection of the water and properties of the authority or a subsidiary corporation and, subject to the provisions of any resolution authorizing the issuance of bonds, rules for the sale

of water, the collection and processing of wastewater and the collection of rents and charges for both water supply and wastewater functions. A copy of such bylaws, rules and regulations and all amendments thereto, certified by the secretary of the authority, shall be filed in the office of the secretary of the state and with the clerk of each town and city within the district. Any superior court located within the district shall have jurisdiction over any violation of such bylaws, rules or regulations and the authority may prosecute actions before the superior court to enforce such bylaws, rules and regulations; (j) to make contracts and to execute all necessary or convenient instruments, including evidences of indebtedness, negotiable or non-negotiable; (k) to borrow money, to issue negotiable bonds or notes, to fund and refund the same and to provide for the rights of the holders of the authority's obligations; (l) to open the grounds in any public street or way or public grounds for the purpose of laying, installing, maintaining or replacing pipes and conduits, provided upon the completion of such work the grounds shall be restored to the condition they were in previously; (m) to enter into cooperative agreements with other water authorities, municipalities, water districts, water companies or water pollution control authorities within or without the district for interconnection of facilities, for exchange or interchange of services and commodities or for any other lawful purpose necessary or desirable to effect the purposes of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 and sections 5 to 7, inclusive, of special act 99-12, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1, such agreements to be binding for a period specified therein; (n) to acquire, hold, develop and maintain land and other real estate and waters for conservation and for compatible active and passive recreational purposes and to levy charges for such uses, provided the state department of health finds that such uses will not harm the quality of water provided by the authority; (o) to apply for and accept grants, loans or contributions from the United States, the state of Connecticut or any agency, instrumentality or subdivision

of either of them or from any person, and to expend the proceeds for any of its purposes; (p) to create programs and policies for the purpose of conserving water; (q) to do any and all things necessary or convenient to carry out the powers expressly given in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-76, sections 5 to 7, inclusive, of special act 99-12, public act 02-85, special act 13-20, special act 17-5, special act 24-7 and June Special Session, public act 24-1, including the powers granted by the general statutes to stock corporations, except the power to issue stock, and the powers granted by the general statutes to water pollution control authorities; and (r) to borrow money, to issue negotiable bonds or notes, to fund and refund the same and to provide for the rights of the holders of the authority's obligations for the specific purpose of acquiring the Aquarion Water Company or one or more of its subsidiaries.

SECTION 12. The authority shall not sell water to customers in any part of the district with respect to which any person, any firm or any corporation incorporated under the general statutes or any special act has been granted a franchise to operate as a water company, as defined in section 16-1 of the general statutes, or in which any town, city or borough or any district organized for municipal purposes operates a municipal water supply system, unless the legislative body of such town, city, borough or district, such person, or the governing board of such firm or corporation shall consent in writing to such sale by the authority. The authority shall not extend wastewater services into new areas previously unserved without the approval of either the legislative body of the town, city, borough or district in which such area is located or a duly authorized water pollution control authority. Notwithstanding the provisions of any town or district charter, any town or district may sell or transfer a wastewater system to the authority with the approval of the legislative body of such town or district after a public hearing.

SECTION 13. (a) Except with respect to (1) any real or personal property or interest therein, the legal title to which is vested in the state or a political subdivision thereof, (2) any existing water supply system or (3) any existing wastewater system, if such authority cannot agree with any owner upon the terms of acquisition by the authority of any real or personal property or interest therein which the authority is authorized to acquire, the authority may proceed, at its election, in the manner provided in subsection (b) or in the manner provided in subsection (c) of this section, except that the authority may not proceed in the manner described in subsections (b) and (c) of this section with respect to property to be acquired for noncore businesses.

(b) The authority may, after ten days' written notice to such owner, petition the superior court for the county or judicial district in which such property is located, or, if said court is not then sitting, any judge of said court, and thereupon said court or such judge shall appoint a committee of three disinterested persons, who shall be sworn before commencing their duties. Such committee, after giving reasonable notice to the parties, shall view the property in question, hear the evidence, ascertain the value, assess just damages to the owner or parties interested in the property and report its doings to said court or such judge. Within fourteen days after such report is made to said court or such judge, any party may move for the acceptance thereof. Said court or such judge may accept such report or may reject it for irregular or improper conduct by the committee in the performance of its duties. If the report is rejected, the court or judge shall appoint another committee, which shall proceed in the same manner as did the first committee. If the report is accepted, such acceptance shall have the effect of a judgment in favor of the owner of the property against said authority for the amount of such assessment, and, except as otherwise provided by law, execution may issue therefor. Such property shall not be used by such authority until the amount of such assessment has been paid to the party to whom it is due or deposited for his use with the

state treasurer and, upon such payment or deposit, such property shall become the property of the authority; provided, if at any stage of condemnation proceedings brought hereunder, it appears to the court or judge before whom such proceedings are pending that the public interest will be prejudiced by delay, said court or such judge may direct that the authority be permitted to enter immediately upon the property to be taken and devote it temporarily to the public use specified in such petition upon the deposit with said court of a sum to be fixed by said court or such judge, upon notice to the parties of not less than ten days, and such sum when so fixed and paid shall be applied so far as it may be necessary for the purpose of the payment of any award of damages which may be made, with interest thereon from the date of the order of said court or judge, and the remainder if any returned to the authority. If such petition is dismissed or no award of damages is made, said court or such judge shall direct that the money so deposited, so far as it may be necessary, shall be applied to the payment of any damages that the owner of such property or other parties in interest may have sustained by such entry upon and use of such property, and of the costs and expenses of such proceedings, such damages to be ascertained by said court or such judge or a committee to be appointed for that purpose, and if the sum so deposited is insufficient to pay such damages and all costs and expenses so awarded, judgment shall be entered against the authority for the deficiency, to be enforced and collected in the same manner as a judgment the superior court; and the possession of such property shall be restored to the owner or owners thereof. The expenses or costs of any such proceedings shall be taxed by said court or such judge and paid by the authority.

(c) The authority, in its name, may proceed in the manner specified for redevelopment agencies in accordance with section 8-128 to 8-133, inclusive, of the general statutes.

SECTION 14. With the approval of the representative policy board, the authority shall establish just and equitable rates or charges for the use of the water supply system and the

wastewater system authorized herein, to be paid by any customer, including rates of interest on unpaid rates or charges, and may change such rates, charges or rates of interest from time to time. Such water supply system rates or charges shall be established so as to provide funds sufficient in each year, with other water supply related revenues, if any, (a) to pay the cost of maintaining, repairing and operating the water supply system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (b) to pay the principal of and the interest on outstanding water supply bonds of the authority as the same shall become due and payable, (c) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, (d) to make payments in lieu of taxes as provided in section 21 of special act 77-98, as amended by section 8 of special act 78-24 and public act 02-85, as the same become due and payable, upon the water supply system properties of the authority or of a subsidiary corporation to the municipalities in which such properties are situated, (e) to provide for the maintenance, conservation and appropriate recreational use of the land of the authority and (f) to pay all other reasonable and necessary expenses of the authority and of the representative policy board to the extent that such expenses are allocable to the water supply system activities of the authority and the representative policy board. Such wastewater system rates or charges shall be established so as to provide funds sufficient in each year with other wastewater related revenues, if any, (1) to pay the cost of maintaining, repairing and operating the wastewater system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (2) to pay the principal of and the interest on outstanding wastewater bonds of the authority as the same shall become due and payable, (3) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, (4) to pay all other reasonable and necessary expenses of the authority and of the representative policy board to the extent that

such expenses are allocable to the wastewater activities of the authority and of the representative policy board. No such rate or charge shall be established until it has been approved by the representative policy board, after said board has held a public hearing at which all the users of the waterworks system or the wastewater system, the owners of property served or to be served and others interested have had an opportunity to be heard concerning such proposed rate or charge. The representative policy board shall approve such rates and charges unless it finds that such rates and charges will provide funds in excess of the amounts required for the purposes described previously in this section, or unless it finds that such rates and charges will provide funds insufficient for such purposes. The rates or charge, so established for any class of users or property served shall be extended to cover any additional premises thereafter served which are within the same class, without the necessity of a hearing thereon. Any change in such rates or charges shall be made in the same manner in which they were established. The rates or charges levied upon any customer of any water supply system acquired pursuant to subsection (d) of section 11 of special act 77-98, as amended by section 5 of special act 78-24, section 3 of special act 84-46, public act 02-85 and special act 17-5 or served pursuant to a cooperative agreement pursuant to subsection (m) of said section 11 shall not be required to be equalized with the authority's existing rates, but may be set on a separate basis, provided such rates are just, equitable and nondiscriminatory. Such rates or charges, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge shall bear interest not to exceed the maximum rate as would be allowed for unpaid taxes. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no

event for longer than fifteen years. The amount of any such rate or charge which remains due and unpaid after twenty-eight days, which number of days may be changed with the approval of the majority of the weighted votes of the membership of the representative policy board, excluding vacancies, with interest thereon at a rate approved by the representative policy board but not to exceed the maximum interest rate allowed pursuant to the Connecticut general statutes for unpaid property taxes and with reasonable attorneys' fees, be recovered by the authority in a civil action in the name of the authority against such owners. Any municipality shall be subject to the same rate or charges under the same conditions as other users of the water supply system or the wastewater system. The assets or the revenues of the water system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the wastewater system and the assets or the revenues of the wastewater system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the water system.

SECTION 15. (a) The representative policy board shall establish an office of consumer affairs to act as the advocate for consumer interests in all matters which may affect consumers, including without limitation matters of rates, water quality and supply and wastewater service quality. The costs of such office of consumer affairs, unless otherwise provided by the state, shall jointly be paid by the authority and the Aquarion Water Authority.

(b) The office of consumer affairs is authorized to appear and participate in any regulatory or judicial proceedings, federal or state, in which the interests of such consumers may be involved. The office of consumer affairs shall have access to the authority's records, shall be entitled to call upon the assistance of the authority's experts and shall have the benefit of all other facilities or information of the authority in carrying out the duties of the office, except for such internal documents, information or data as are not available to parties to the authority's proceedings.

(c) Nothing in this section shall be construed to prevent any party interested in any proceeding or action of the authority from appearing in person or from being represented by counsel therein. As used in this section, "consumer" means any person, company, corporation, 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.

SECTION 16. All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon either sealed bids or proposals or electronic submission of bids or proposals, and in each case made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for review of said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract.

SECTION 17. (a) If any member or employee of the representative policy board or of the authority or any employee of a subsidiary corporation or an affiliated business entity is

financially interested in or has any personal beneficial interest, directly or indirectly, in any proposed contract or proposed purchase order for any supplies, materials, equipment or contractual services to be furnished to or used by the representative policy board, the authority, a subsidiary corporation or an affiliated business entity such member or employee shall immediately so inform the representative policy board, the authority, the subsidiary corporation or the affiliated business entity whichever he or she is a member or employee of, and shall take no part in the deliberations or vote concerning such contract or purchase order. The representative policy board, as to its members and employees, and the subsidiary corporation or affiliated business entity as to its employees, the authority, as to its members and employees, may terminate the membership or employment of any person who violates this subsection.

(b) No member or employee of the representative policy board, the authority, a subsidiary corporation or an affiliated business entity shall accept or receive, directly or indirectly, from any person, firm or corporation to which any contract or purchase order may be awarded, by rebate, gift or otherwise, any promise, obligation or contract for future reward or compensation or any money or any-thing of value in excess of ten dollars, provided the aggregate value of all such things provided by a donor to a recipient in any calendar year shall not exceed fifty dollars and, excluding any food or beverage or food and beverage, costing less than fifty dollars in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance. Any person who violates any provision of this subsection shall be fined not more than five hundred dollars or imprisoned for not more than six months or both.

SECTION 18. (a) Notwithstanding any other provision of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24 and sections 2-21, inclusive, of public act 02-85, the authority shall not sell or otherwise transfer any unimproved real property or any

interest or right therein, except for access or utility purposes, or develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, until the land use standards and disposition policies required by subsection (b) of this section have been approved by the representative policy board, unless the chief executive officer of the town or city in which such property is located has approved such sale, transfer or development in writing. The provisions of this section shall not apply to any portion of a wastewater system.

(b) Within two years from the date it acquires all or part of a water supply system, the authority shall develop and submit to the representative policy board for approval (1) standards for determining the suitability of its real property for categories of land use, including which, if any, of its real property may be surplus with regard to the purity and adequacy of both present and future water supply, which, if any, may be desirable for specified modes of recreation or open space use and which may be suitable for other uses, giving due consideration to the state plan of conservation and development, to classification and performance standards recommended in the final report of the council on water company lands pursuant to subsection (c) of section 16-49c of the general statutes and to such other plans and standards as may be appropriate and (2) policies regarding the disposition of its real property including identification of dispositions which are unlikely to have any significant effect on the environment. Prior to approving any standards or policies specified in this subsection, the representative policy board shall hold one or more public hearings to consider the proposed standards and policies. The proposed standards and policies shall be available for public inspection in the offices of the authority from the date notice of such hearing is published. The authority may amend such standards and policies from time to time with the approval of the representative policy board, which shall hold public hearings if it deems such amendments substantial.

(c) After approval of land use standards and disposition policies in the manner provided in subsection (b) of this section, the authority shall not: (1) Sell or otherwise transfer any real property or any interest or right therein, except for (A) access, or (B) utility purposes or, (C) to

dedicate land as open space by conveying a conservation restriction, as defined in section 47-42a of the general statutes, to the federal, state or a municipal government or a nonprofit land-holding organization, as defined in section 47-6b of the general statutes, or (2) develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, without the approval of a majority of the weighted votes of all of the members of the representative policy board, excluding vacancies, in the case of a parcel of twenty acres or less, and by three-fourths of the weighted votes of all of the members of said board, excluding vacancies, in the case of a parcel in excess of twenty acres. The representative policy board shall not approve such sale or other transfer or development unless it determines, following a public hearing, that the proposed action (A) conforms to the established standards and policies of the authority, (B) is not likely to affect the environment adversely, particularly with respect to the purity and adequacy of both present and future water supply and (C) is in the public interest, giving due consideration, among other factors, to the financial impact of the proposed action on the customers of the authority and on the municipality in which the real property is located.

(d) Each request by the authority for approval pursuant to subsection (c) shall be accompanied by an evaluation of the potential impact of the proposed action for which approval is requested, which shall include: (1) A description of the real property and its environment, including its existing watershed function and the costs to the authority of maintaining such property in its current use: (2) a statement that the proposed action conforms to the land classification standards and disposition policies of the authority: (3) a detailed statement of the environmental impact of the proposed action and, if appropriate, of any alternatives to the proposed action, considering (A) direct and indirect effects upon the purity and adequacy of both present and future water supply, (B) the relationship of the proposed action to existing land use plans, including municipal and regional land use plans and the state plan of conservation and development, (C) any adverse environmental 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; except that for a sale or transfer identified in accordance with subsection (b) as being unlikely to have any significant effect on the environment, the authority may submit a preliminary assessment of the impact likely to occur in lieu of such detailed statement of environmental impact, and the representative policy board may, on the basis of such preliminary assessment, waive or modify the requirements for such detailed statement, and (4) a summary of the final evaluation and recommendation of the authority.

(e) The representative policy board shall submit the evaluation required by subsection (d) of this section for comment and review, at least sixty days in advance of the public hearing, to the department of health, the department of planning and energy policy, the regional planning agency for the region, the chief executive officer of the city or town in which the real property is situated and other appropriate agencies, and shall make such evaluation available to the public for inspection. The decision of the representative policy board approving or disapproving the proposed action shall be published in a newspaper or newspapers having a general circulation within the district and copies of such decision shall be filed with the clerk of each town and city in the district.

(f) Whenever the authority intends to sell or otherwise transfer any unimproved real property or any interest or right therein after approval by the representative policy board, the authority shall first notify in writing, by certified mail, return receipt requested, the commissioner of environmental protection and the legislative body of the city or town in which such land is situated, of such intention to sell or otherwise transfer such property and the terms of such sale or other transfer, and no agreement to sell or otherwise transfer such property may be entered into by the authority except as provided in this subsection. (1) Within ninety days after such notice has been given, the legislative body of the city or town or the commissioner of environmental protection may give written notice to the authority by certified

mail, return receipt requested, of the desire of the city, town or state to acquire such property and each shall have the right to acquire the interest in the property which the authority has declared its intent to sell or otherwise transfer, provided the state's right to acquire the property shall be secondary to that of the city or town. (2) If the legislative body of the city or town or the commissioner of environmental protection fails to give notice as provided in subdivision (1) or gives notice to the authority by certified mail, return receipt requested, that the city, town or state does not desire to acquire such property, the city or town or the state shall have waived its right to acquire such property in accordance with the terms of this subsection. (3) Within eighteen months after notice has been given as provided in subdivision (1) by the city or town or the state of its desire to acquire such property, the authority shall sell the property to the city or town or the state, as the case may be, or, if the parties cannot agree upon the amount to be paid therefor, the city or town or the state may proceed to acquire the property in the manner specified for redevelopment agencies in accordance with sections 8-128 to 8-133, inclusive, of the general statutes, provided property subject to the provisions of subsections (b) and (c) of section 25-32 of the general statutes shall not be sold without the approval of the department of health. (4) If the city or town or the state fails to acquire the property or to proceed as provided in said sections within eighteen months after notice has been given by the city or town or the state of its desire to acquire the property, such city or town or the state shall have waived its rights to acquire such property in accordance with the terms of this subsection. (5) Notwithstanding the provision of section 21 of special act 77-98, as amended by section 8 of special act 78-24 and section 16 of public act 02-85, the authority shall not be obligated to make payments in lieu of taxes on such property for the period from the date the city or town gives notice of its desire to acquire such property. (6) Notwithstanding the provisions of subdivision (4) if the authority thereafter proposes to sell or otherwise transfer such property to any person subject to less restrictions

on use or for a price less than that offered by the authority to the city or town and the state, the authority shall first notify the city or town and the commissioner of environmental protection of such proposal in the manner provided in subdivision (1), and such city or town and the state shall again have the option to acquire such property and may proceed to acquire such property in the same manner and within the same time limitations as are provided in subdivisions (1) to (4), inclusive, of this subsection. (7) The provisions of this subsection shall not apply to transfers of real property from the authority to any public service company. (8) A copy of each notice required by this subsection shall be sent by the party giving such notice to the clerk of the town or city in which the real property is situated and such clerk shall make all such notices part of the appropriate land records.

(g) Nothing contained in this section shall be construed to deprive the state department of health of its jurisdiction under section 25-32 of the general statutes. The authority shall notify the state commissioner of health of any proposed sale or other transfer of land, or change or use, as required by said section.

(h) The authority shall use the proceeds of any sale or transfer under this section solely for capital improvements to its remaining properties, acquisition of real property or any interest or right therein, retirement of debt or any combination of such purposes.

(i) The provisions of this section shall apply to any unimproved real property or any interest or right therein related to the water supply system whether owned or possessed by the authority or by any subsidiary corporation.

SECTION 19. The authority shall not (1) acquire, by purchase, lease or otherwise any existing water supply system or parts thereof or any wastewater system or parts thereof, (2) commence any project costing more than three and one-half million dollars to repair, improve, construct, reconstruct, enlarge and extend any of its properties or systems, or (3) acquire or make a subsequent investment in any noncore business in an amount more than one and

one-half million dollars without the approval, following a public hearing, of a majority of the total weighted votes of the membership of the representative policy board, excluding vacancies. The dollar amounts specified in subdivisions (2) and (3) of this section shall be adjusted every three years by the Consumer Price Index factor, as described in section 4 of special act 77-98, as amended by special act 78-24, special act 84-46, public act 02-85, special act 03-11, special act 13-20 and this act, with the approval of a majority of the weighted votes of the membership of the representative policy board, excluding vacancies. In the case of the first acquisition by the authority of an existing water supply system or part thereof, after such approval by the representative policy board the authority shall file with the town clerk of each city and town in the district its plan for such acquisition. The legislative body of each such city and town shall approve or disapprove such acquisition plan within sixty days after such filing, provided failure to disapprove within such sixty days shall be deemed approval of such acquisition plan. The authority shall not first acquire an existing water supply system or part thereof except in accordance with an acquisition plan approved by at least sixty percent of such legislative bodies.

SECTION 20. (a) The authority shall have an annual audit of its accounts, books and records by a certified public accountant selected by the representative policy board. A copy of the audit shall be filed in the office of the town clerk in each town within the district and shall be available for public inspection during the ordinary business hours of the authority at the principal office of the authority. A concise financial statement shall be posted annually on the South Central Connecticut Regional Water Authority's web site.

(b) The attorney general may examine the books, accounts and records of the authority.

SECTION 21. (a) Neither the authority nor a subsidiary corporation or an “affiliated business entity” shall be required to pay taxes or assessments upon any of the properties acquired by it or under its jurisdiction, control or supervision, provided in lieu of such taxes or assessments the authority shall make annual payments to each municipality in which it or a subsidiary corporation owns property related to the water supply system equal to the taxes which would otherwise be due for the property of the authority or such subsidiary corporation in such municipality, excluding any improvements made to or constructed on any such real property by the authority or such subsidiary corporation, provided land owned by the authority or a subsidiary corporation related to the water supply system shall be assessed in accordance with section 12-63 of the general statutes, and provided further payments for property acquired by the authority or a subsidiary corporation during any tax year shall be adjusted for such fractional year in accordance with the customary practice in such municipality for adjusting taxes between the buyer and seller of real property. In addition, the authority or a subsidiary corporation shall reimburse each such municipality for its expenses in providing municipal services to any improvements made to or constructed on any real property by the authority or such subsidiary corporation within such municipality. As used in this section, "improvements" does not include water pipes or improvements to water pipes.

(b) The authority may contest the assessed valuation of any properties owned by the authority or a subsidiary corporation with respect to which any payment in lieu of taxes is determined in the same manner as any owner of real property in such municipality. Payments in lieu of taxes payable to any municipality shall be paid by the authority to the municipality upon the date and in the manner provided for the payment of real property taxes of the municipality.

(c) In the event the authority in any year does not have sufficient funds to make such payments in lieu of taxes, or any portion of them, as the same become due and payable, the

authority shall adjust its rates and charges and the representative policy board shall approve such adjustment of rates and charges, after a public hearing thereon as provided in section 14 of special act 77-98, as amended by section 6 of special act 78-24, so as to provide funds within one year after the date on which such payment became due and payable to make such payment. Any municipality or any holder of bonds or notes of the authority aggrieved by the failure of the authority to make any payment in lieu of taxes or portion thereof as the same becomes due and payable may apply to the superior court for the county in which such municipality is situated for an order directing the authority to appropriately increase its rates and charges.

(d) Neither the authority nor a subsidiary corporation shall be required to pay taxes imposed upon or measured by the receipts or earnings derived by the authority or such subsidiary corporation through the ownership or operation of a water supply system, or imposed as a result of the income, powers, activities or items reflected on the balance sheet of the authority or such subsidiary corporation.

SECTION 22. (a) The authority, subject to the approval of the representative policy board, shall have the power and is authorized from time to time to issue its negotiable bonds for any of its corporate purposes, including incidental expenses in connection therewith, and to secure the payment of the same by a lien or pledge covering all or part of its contracts, earnings or revenues. The authority shall have power from time to time, without the approval of the representative policy board, to refund any bonds by the issuance of new bonds within the terms of any refunding provisions of its bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any of its public purposes. Except as may be otherwise expressly provided by the authority every issue of bonds by the authority shall be preferred obligations, taking priority over all other claims against the authority, including payments in lieu of taxes to any municipality, and

payable out of any moneys, earnings or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular moneys, earnings or revenues. Notwithstanding the fact that the bonds may be payable from a special fund, if they are otherwise of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds shall be negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

(b) The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, bear interest at such rates per annum, not exceeding statutory limitations, be payable at such times, be in such denomination, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United State of America, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. All bonds of the authority shall be sold through a negotiated sale or a public sale to the bidder who shall offer the lowest true interest cost to the authority, to be determined by the authority.

(c) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions which shall be a part of the contract with the holders of the bonds thereby authorized as to (1) pledging all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority to secure the payment of the bonds or of any issue of the bonds subject to such agreement with the bondholders as may then exist; (2) the rates, rentals, fees and other charges to be fixed and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues, (3) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof; (4) limitations on the rights of the authority to restrict and regulate the use of the properties in connection with which such bonds are issued;

(5) limitations on the purposes to which, and the manner in which, the proceeds of sale of any issue of bonds may be applied; (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds; (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; (8) the creation of special funds into which any earnings or revenues of the authority may be deposited; (9) the terms and provisions of any trust deed or indenture securing the bonds or under which bonds may be issued; (10) definitions of the acts or omission to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided such rights and remedies shall not be inconsistent with the general laws of this state; (11) limitations on the power of the authority to sell or otherwise dispose of its properties; (12) any other matters, of like or different character, which in any way affect the security or protection of the bonds; and (13) limitations on the amount of moneys derived from the properties to be expended for operating, administrative or other expenses of the authority.

(d) The authority may obtain from a commercial bank or insurance company a letter of credit, line of credit or other liquidity facility or credit facility for the purpose of providing funds for the payments in respect of bonds, notes or other obligations required by the holder thereof to be redeemed or repurchased prior to maturity or for providing additional security for such bonds, notes or other obligations. In connection therewith, the authority may enter into reimbursement agreements, remarketing agreements, standby bond purchase agreements and any other necessary or appropriate agreements. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties

of the authority and any other property which may be pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

(e) In connection with or incidental to the carrying of bonds or notes or in connection with or incidental to the sale and issuance of bonds or notes, the authority may enter into such contracts to place the obligation of the authority, as represented by the bonds or notes, in whole or in part, on such interest rate or cash flow basis as the authority may determine, including without limitation, interest rate swap agreements, insurance agreements, forward payment conversion agreements, contracts providing for payments based on levels of, or changes in, interest rates or market indices, contracts to manage interest rate risk, including, without limitation, interest rate floors or caps, options, puts, calls and similar arrangements. Such contracts shall contain such payment, security, default, remedy and other terms and conditions as the authority may deem appropriate and shall be entered into with such party or parties as the authority may select, after giving due consideration, where applicable, for the creditworthiness of the counter party or counter parties, provided such parties or counter parties shall be a financial institution whose unsecured long-term obligations are rated within the top two rating categories of any nationally recognized rating service. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority and any other property which may be pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

(f) It is the intention of the general assembly that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical

delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(g) Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(h) The authority shall have the power out of any funds available to purchase, as distinguished from the power of redemption above, and all bonds so purchased shall be cancelled.

(i) In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of any law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the properties and the custody, safeguarding and application of all moneys, and may provide that the properties shall be constructed and paid for under the supervision and approval of consulting engineers. The authority may provide by such trust indenture or other depository for the methods of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as part of the cost of maintenance, operation and repair of the properties. If the bonds are secured by a trust indenture, bondholders shall have no authority to appoint a separate trustee to represent them.

(j) Notwithstanding any other provision of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 and sections 2 to 21, inclusive, of public act 02-85, any resolution or resolutions authorizing bonds or notes of the authority shall contain a covenant by the authority that it will at all times maintain rates, fees, rentals or other charges sufficient to pay, and that any contracts entered into by the authority for the sale and distribution of water or the collection of wastewater shall contain rates, fees, rentals or other charges sufficient to pay, the cost of operation and maintenance of the properties and the principal of and interest on any obligation issued pursuant to such resolution or resolutions as the same severally become due and payable, and to maintain any reserves or other funds required by the terms of such resolution or resolutions.

(k) If any officer of the authority whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be such officer before delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if they had remained in office until such delivery.

SECTION 23. The authority shall have the power and is authorized to issue negotiable notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed eight years from date of issue of such original note. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of the sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued and may be secured in the same manner as the bonds and such notes and the resolution or resolutions authorizing such notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes shall be as fully negotiable as the bonds of the authority.

SECTION 24. The state of Connecticut does pledge to and agree with the holders of the bonds or notes of the authority that the state will not limit or alter the rights vested in the authority to acquire, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges referred to in sections 1 to 33, inclusive, of special act 77-98, and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of the bondholders or noteholders until the bonds or notes together with interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders or noteholders are fully met and discharged.

SECTION 25. The bonds, notes or other obligations of the authority shall not be a debt of the state of Connecticut or of any municipality, and neither the state nor any municipality shall be liable therefor, nor shall they be payable out of funds other than those of the authority.

SECTION 26. The bonds and notes of the authority shall be securities in which all public officers and bodies of this state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies and other persons carrying on a banking business and all other persons whatever, except as hereinafter provided, who are now or may be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital in their control or belonging to them; provided, notwithstanding the provisions of any other general statute or special act to the contrary, such bonds shall not be eligible for the investment of funds, including capital, of trusts, estates or guardianships under the control of individual administrators, guardians,

executors, trustees or other individual fiduciaries. The bonds shall also be securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may be authorized.

SECTION 27. The state of Connecticut covenants with the purchasers and with all subsequent holders and transferees of bonds or notes issued by the authority, in consideration of the acceptance of and payment for the bonds or notes, that the bonds and notes of the authority, the income therefrom and all moneys, funds and revenues pledged to pay or secure the payment of such bonds or notes shall at all times be free from taxation.

SECTION 28 Nothing in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 and June Special Session, public act 24-1, shall be construed to deprive the commissioner of environmental protection, the commissioner of health or any successor commissioner or board of any jurisdiction which such commissioners or boards may now or hereafter have. Neither the public utilities control authority nor any successor board or commissioner shall have jurisdiction of any kind over the authority, a subsidiary corporation, the representative policy board or the rates fixed or charges collected by the authority.

SECTION 29. Insofar as the provisions of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24 and sections 2 to 21, inclusive, of public act 02-85, are inconsistent with the provisions of any other general or special act or any municipal ordinance, the provisions of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24 and sections 2 to 21, inclusive, of public act 02-85, shall be controlling; provided nothing contained in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 and sections 2 to 21, inclusive, of public act 02-85, shall exempt the

authority from compliance with zoning regulations lawfully established by any municipality, except that the plants, structures and other facilities of the water supply system or the wastewater system owned or operated by the authority shall be permitted uses in all zoning districts in every city, town or borough within the district; and provided further that the authority may not construct purification or filtration plants or wastewater treatment plants in any zoning district in which such use is not permitted under local zoning regulations without first obtaining approval of the proposed location of such facility from the representative policy board following a public hearing.

SECTION 30. (a) The authority or any person who is aggrieved by a decision of the representative policy board with respect to the establishment of rates or charges, the establishment of land use standards and disposition policies, the sale or other transfer or change of use of real property, the location of purification, filtration or wastewater treatment plants, the commencement of any project costing more than three and one-half million dollars, and as adjusted by the Consumer Price Index factor, as described in section 4 of special act 77-98, as amended by special act 78-24, special act 84-46, public act 02-85, special act 03-11, special act 13-20 and this act, and subject to the approval of a majority of the weighted votes of the membership of the representative policy board, excluding vacancies, to repair, improve, construct, reconstruct, enlarge or extend any of the properties or systems of the authority or the acquisition by purchase, lease or otherwise of any existing water supply system, wastewater system or part thereof, other than the purchase of all or any part of the properties and franchises of the New Haven Water Company, is entitled to review by the Superior Court as provided in this section. For the purposes of this section the holders of any bonds or notes of the authority and any trustee acting on behalf of such holders shall be deemed aggrieved persons with respect to any decision of the representative policy board which violates any covenant or other provision of the resolution or resolutions authorizing such bonds or notes.

(b) Proceedings for review shall be instituted by filing a petition in the Superior Court for the judicial district of New Haven within forty-five days after publication of the decision of the representative policy board or, if a rehearing is requested, within forty-five days after the decision thereon. Copies of the petition shall be served upon the representative policy board and published in a newspaper or newspapers having a general circulation in each town or city comprising the district.

(c) The filing of the petition shall not of itself stay enforcement of the decision of the representative policy board. The representative policy board may grant, or the reviewing court may order, a stay upon appropriate terms, provided enforcement of a decision respecting the establishment of rates or charges may be stayed only after issuance of a judgment for the appellant by the reviewing court.

(d) Within thirty days after service of the petition, or within such further time as may be allowed by the court, the representative policy board shall transmit to the reviewing court the original or a certified copy of the entire record of the proceeding under review, which shall include the representative policy board's findings of fact and conclusions of law, separately stated. By stipulation of all parties to the review proceedings, the record may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs. The court may require or permit subsequent corrections or additions to the record.

(e) If, before the date set for hearing, application is made to the court for leave to present additional evidence, and it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for failure to present it in the proceeding before the representative policy board, the court may refer the case back to the board with instructions to take such evidence as the court directs. The representative policy board may modify its findings and decision by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions with the reviewing court.

(f) The review shall be conducted by the court without a jury and shall be confined to the record. In cases of alleged irregularities in procedure before the representative policy board, not shown in the record, proof thereon may be taken in the court. The court, upon request, shall hear oral argument and receive written briefs.

(g) The court shall not substitute its judgment for that of the representative policy board as to the weight of the evidence on questions of fact. The court shall affirm the decision of the representative policy board unless the court finds that the substantial rights of the appellant have been prejudiced because the representative policy board's findings, inferences, conclusions, or decisions are: (1) in violation of constitutional provisions, the general statutes or the provisions of this or another special act; (2) in excess of the authority of the representative policy board; (3) made upon unlawful procedure; (4) affected by other error of law; (5) clearly erroneous in view of the reliable probative, and substantial evidence on the whole record; or (6) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion. If the court finds such prejudice, it shall sustain the appeal and, if appropriate, may render a judgment under subsection (h) of this section or remand the case for further proceedings.

(h) If a particular representative policy board action is required by law, the court, on sustaining the appeal, may render a judgment that modifies the representative policy board decision, orders the representative policy board action, or orders the representative policy board to take such action as may be necessary to effect the particular action.

(i) In any case in which an aggrieved party claims that he cannot pay the costs of an appeal under this section and will thereby be deprived of a right to which he is entitled, he shall, within the time permitted for filing the appeal, file with the clerk of the court to which the appeal is to be taken an application for waiver of payment of such fees, costs and necessary expenses, including the requirements of bond, if any. The application shall conform to the

requirements of section 28A of the Practice Book. After such hearing as the court determines is necessary, the court shall enter its judgment on the application, which judgment shall contain a statement of the facts the court has found, with its conclusions thereon. The filing of the application for the waiver shall toll the time limits for the filing of an appeal until such time as a judgment on such application is entered.

(j) Neither the authority nor the representative policy board shall be construed to be an agency within the scope of chapter 54 of the general statutes.

SECTION 31. (a) Whenever the authority acquires the property and franchises of any private water company or companies operating a water supply system within its district, all employees of such company or companies who are necessary for the operation of the authority, except senior managerial officers, shall become employees of the authority and shall be credited by the authority with all rights that have accrued as of the date of such acquisition with respect to seniority, sick leave, vacation, insurance and pension benefits in accordance with the records, personnel policies or labor agreements of the acquired company or companies.

(b) The authority shall assume and observe all accrued pension obligations of such acquired company or companies, and members and beneficiaries of any pension, retirement or other employee benefit system established by the acquired company or companies shall continue to have such rights, privileges, benefits, obligations and status with respect to such established systems as have accrued as of the date of such acquisition. The authority may enter into agreements with representatives of its employees relative to the inclusion of its employees in any applicable state or municipal employee's retirement plan or plans, and the authority shall constitute a municipality eligible to participate in such retirement plans. The authority may enter into agreements with representatives of its employees relative to the transfer to or the establishment of pension trust funds under the joint control of such authority

and representatives of its employees, and shall have all powers necessary to maintain and administer such trust funds jointly with representatives of its employees.

(c) The authority shall assume and observe all labor contracts of such company or companies in existence at the time of transfer and all obligations incurred by such contracts regarding wages, salaries, hours, sick leave and other leave, working conditions, grievance procedures, collective bargaining and pension or retirement.

(d) The authority shall assume and observe personnel policies of such company or companies in existence at the time of transfer relating to personnel not covered by labor contracts, and all obligations incurred through such personnel policies regarding wages, salaries, hours, sick leave, vacation, pension and retirement, subject to such modifications therein as the authority may subsequently adopt, provided such modifications shall not affect any rights of such employees which have vested prior to such modification.

(e) Nothing in this section shall prevent the authority from hiring any senior managerial officers of such company on such terms as it may determine or be construed to prohibit the authority from exercising the normal prerogatives of management with respect to such matters as the promotion, demotion, assignment, transfer or discharge of its employees, nor shall the authority be bound by any term of any personnel policy entered into by such company or companies in anticipation of acquisition by the authority.

SECTION 32. The relations between the authority and its employees with respect to collective bargaining and the arbitration of labor disputes shall be governed by sections 7-467 to 7-477, inclusive, of the general statutes.

SECTION 33. The state bond commission may insure in the name of the state and may make advance commitments to insure any sums borrowed by the authority, not exceeding in the aggregate five million dollars, for the purpose of providing working capital and

organization funds for the authority. In the event the state becomes liable as a result of default with respect to any such sums borrowed by the authority which were so insured by the state, necessary payment shall be made by the state treasurer from funds appropriated for debt service. Whatever sums are borrowed by the authority under the provisions of this section shall be repaid by the lender or lenders of the same on or before July 1, 1988.

SECTION 12 OF SPECIAL ACT 78-24 AS AMENDED BY SECTION 21 OF PUBLIC

ACT 02-85. Neither the members of the authority, nor any person acting in its behalf nor any member or employee of the representative policy board, while acting within the scope of their authority shall be subject to any personal liability resulting from the erection, construction, reconstruction, maintenance or operation of the properties or any of the improvements of the authority or a subsidiary corporation or resulting from carrying out any of the powers expressly given in special act 77-98, as amended by special 78-24, special act 84-46, special act 99-12 and sections 2-21, inclusive, of public act 02-85.

SPECIAL ACT 03-12.(a) Notwithstanding any provision of the general statutes or any public or special act, the South Central Connecticut Regional Water Authority, created by special act 77-98, as amended, may sell, lease, assign or otherwise dispose of any class I or class II land, as defined in section 25-37c of the general statutes, upon which a single-family dwelling or barn owned by the South Central Connecticut Regional Water Authority is situated provided (1) such single-family dwelling or barn was so situated prior to January 1, 1976, (2) any underground storage tanks on such property have been removed, (3) the property is not greater than the minimum acreage required to meet zoning requirements plus any allowance necessary for setback allowances and access or egress consistent with local zoning and use requirements, and, if the single-family dwelling or barn is located on class I land, such minimum acreage is met by utilizing class II or class III land, as defined in section 25-37c of the general statutes, to the greatest extent possible, (4) a restrictive covenant that would limit

the expansion of the single-family dwelling or barn and restrict any activity or expansion of any activity that would have a significant adverse effect on the public water supply is placed on the property, and (5) for class I land, the single-family dwelling or barn has historical significance, as confirmed, in writing, by the Connecticut Trust for Historic Preservation or its successor organization.

(b) The restrictive covenant required by subsection (a) of this section shall include, but not be limited to, provisions ensuring that (1) the premises shall only be used for a single-family dwelling or barn; (2) the total impervious surface area, including, but not limited to, building roofs, driveways, swimming pools, walkways and patios, shall not be increased by more than two hundred fifty square feet over the existing impervious surface area as of the date of the conveyance of the property from the public water utility to other parties; (3) access is provided to public drinking water utility staff to perform routine inspections of the property, at a minimum, on an annual basis during normal hours of business for the water utility; (4) underground storage tanks are prohibited; and (5) any other provisions deemed necessary by the South Central Connecticut Regional Water Authority to protect the public water supply. The total existing impervious surface area shall be established by an improvement location survey completed to A-2 survey accuracy depicting any such areas, which survey shall be filed on the land records with the restrictive covenant.

(c) Whenever the South Central Connecticut Regional Water Authority intends to sell, lease, assign or otherwise dispose of any class I or class II land consistent with this section upon which is situated a single-family dwelling or barn, the South Central Connecticut Regional Water Authority shall provide notice in writing, by certified mail, return receipt requested, at least thirty days before the date of the proposed disposition, to the Commissioners of Environmental Protection and Public Health, the legislative body of the city or town in which the single-family dwelling or barn is situated, the Nature Conservancy, the

Trust for Public Land, the Land Trust Service Bureau and the Connecticut Fund for the Environment, of such intention to sell or otherwise transfer such property. Such notice shall include a copy of a survey depicting the acreage and property lines of the parcel as well as the location of any single-family dwelling or barn to be sold.

(d) All net proceeds, after costs of disposition, from the disposition of such class I or class II land and dwelling or barn consistent with this section shall be used by the South Central Connecticut Regional Water Authority to protect or otherwise acquire interests, including, but not limited to, fee title to or conservation easements over additional watershed or aquifer land of public water systems.

SECTION 34. It is found and declared as a matter of legislative determination that the creation of the Aquarion Water Authority for the primary purpose of providing and assuring the provision of an adequate supply of pure water and the safe disposal of wastewater at reasonable cost within the Aquarion Regional Water District and such other areas as may be served pursuant to cooperative agreements and acquisitions and, to the degree consistent with the foregoing, of advancing water conservation and the conservation and compatible recreational use of land held by the authority, conducting or investing in noncore businesses, provided, at the time of any investment in such businesses, the authority's investment, less returns of or on such investments in such businesses, shall not exceed the greater of five per cent of the authority's net utility plant devoted to its water and wastewater utility businesses or such higher amount approved by a majority of the total weighted votes of the membership of the Aquarion representative policy board, excluding vacancies, and the carrying out of its powers, purposes, and duties under sections 34 to 65, inclusive, of June Special Session, public act 24-1 and for the benefit of the people residing in the Aquarion Regional Water District and the state of Connecticut, and for the improvement of their health, safety and welfare, that said purposes are public purposes, and that the authority will be performing an

essential governmental function in the exercise of its powers under sections 34 to 65, inclusive, of June Special Session, public act 24-1. The authority shall have the power to conduct or invest in noncore businesses authorized pursuant to this section, either directly or through an affiliated business entity.

SECTION 35. As used in sections 34 to 65, inclusive, of June Special Session, public act 24-1 unless a different meaning appears in the context: "Authority" means the Aquarion Water Authority; "district" means the Aquarion Regional Water District; "Aquarion representative policy board" means the representative policy board of the Aquarion Regional Water District; "chief executive officer" means that full time employee of the authority responsible for the execution of the policies of the authority and for the direction of the other employees of the authority; "treasurer" means the treasurer of the authority; "customer" means any person, firm, corporation, company, association or governmental unit furnished water or wastewater service by the authority or any owner of property who guarantees payment for water or wastewater service to such property; "properties" means the water supply and distribution system or systems, wastewater collection and treatment systems and other real or personal property of the authority; "bonds" means bonds, notes and other obligations issued by the authority; "revenues" means all rents, charges and other income derived from the operation of the properties of the authority; "wastewater" means any substance, liquid or solid, which may contaminate or pollute or affect the cleanliness or purity of any water; "water supply system" means plants, structures and other real and personal property acquired, constructed or operated for the purpose of supplying water, including basins, dams, canals, aqueducts, standpipes, pumping stations, water distribution systems, including land, reservoirs, conduits, pipelines, mains, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants or other plants and works, connections, rights of flowage or diversion and other plants, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for

the accumulation, supply or distribution of water or for the conduct of water or environment related activities; "wastewater system" means plants, structures and other real and personal property acquired, constructed or operated for the purpose of collecting, treating and discharging or reusing wastewater, whether or not interconnected, including wastewater treatment plants, pipes and conduits for collection of wastewater, pumping stations and other plants, works, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for the collection, transmission, treatment and disposition of wastewater; "subsidiary corporation" means a corporation organized under the general statutes or by special act which owns or operates all or part of a water supply or a wastewater system within the district and all of the voting stock of which is owned by the authority; "noncore business" means an activity, including an activity conducted outside the state of Connecticut, that is the acquisition of the Aquarion Water Company or one or more of its subsidiaries or an activity that is related to water, environment, agriculture, sustainable manufacturing support, or an energy project consisting of either a class I renewable energy source, as defined in subdivision (20) of subsection (a) of section 16-1 of the general statutes, or a class III source, as defined in subdivision (38) of said section, but excluding wind sources located within the district and any activity located on property that is class I or class II land owned by the authority; and "affiliated business entity" means a corporation, a limited liability company or a limited partnership controlled directly or indirectly by the authority that conducts or invests in a noncore business. A reference in sections 34 to 65, inclusive, of June Special Session, public act 24-1 to any general statute, public act or special act shall include any amendment or successor thereto.

SECTION 36. There is created a district to be known as the "Aquarion Regional Water District" which embraces the area and territory of the towns and cities of Beacon Falls, Bethel, Bridgeport, Brookfield, Burlington, Canaan, Cornwall, Danbury, Darien, East Derby, East Granby, East Hampton, Easton, Fairfield, Farmington, Goshen, Granby, Greenwich,

Groton, Harwinton, Kent, Lebanon, Litchfield, Mansfield, Marlborough, Middlebury, Monroe, New Canaan, New Fairfield, New Hartford, New Milford, Newtown, Norfolk, North Canaan, Norwalk, Norwich, Oxford, Plainville, Redding, Ridgefield, Salisbury, Seymour, Shelton, Sherman, Simsbury, Southbury, Southington, Stamford, Stonington, Stratford, Suffield, Torrington, Trumbull, Washington, Weston, Westport, Wilton, Wolcott, and Woodbury; provided, if the authority shall neither own land or properties nor sell water or provide wastewater services directly to customers in any city or town within the district, the area and territory of such city or town thereupon shall be excluded from the district.

SECTION 37. (a) The Aquarion representative policy board shall consist of one elector from each city and town within the district who shall be appointed by the chief elected official of such city or town, with the approval of its legislative body, and one elector of the state who shall be appointed by the governor. The term of the initial members of the Aquarion representative policy board shall commence when each member is first appointed and each member shall serve for a term of three years, except that members first appointed from Beacon Falls, Bethel, Bridgeport, Brookfield, Burlington, Canaan, Cornwall, Danbury, Darien, East Derby, East Granby, East Hampton, Easton, Fairfield, Farmington, Goshen, Granby, Greenwich, Groton, and Harwinton shall serve until June 30, 2026, the members first appointed from Kent, Lebanon, Litchfield, Mansfield, Marlborough, Middlebury, Monroe, New Canaan, New Fairfield, New Hartford, New Milford, Newtown, Norfolk, North Canaan, Norwalk, Norwich, Oxford, Plainville, Redding, and Ridgefield shall serve until June 30, 2027, and the members first appointed from Salisbury, Seymour, Shelton, Sherman, Simsbury, Southbury, Southington, Stamford, Stonington, Stratford, Suffield, Torrington, Trumbull, Washington, Weston, Westport, Wilton, Wolcott, and Woodbury shall serve until June 30, 2028, and the member first appointed by the governor shall serve for a term commencing upon appointment and ending on the third June thirtieth thereafter; provided members shall

continue to serve until their successors are appointed and have qualified. In the event of the resignation, death or disability of a member from any city or town or the state, a successor may be appointed by the chief elected official of such city or town, or in the case of the member appointed by the governor, by the governor, for the unexpired portion of the term. Members shall receive two hundred fifty dollars, adjusted as provided in this subsection, for each day in which they are engaged in their duties and shall be reimbursed for their necessary expenses incurred in the performance of their duties. Such two-hundred-fifty dollar compensation amount shall be adjusted on January 1, 2027, and every third year thereafter to reflect changes in the Consumer Price Index for All Urban Consumers, Northeast Urban, All Items (1982-84=100) published by the United States Bureau of Labor Statistics or a comparable successor index. They shall elect a chairman and a vice-chairman, who shall be members of the Aquarion representative policy board, and a secretary. The chairman shall receive a per diem payment of one and one-half times the amount paid to members and provisional members. The Aquarion representative policy board shall meet at least quarterly with the authority and such members of the staff of the authority as the Aquarion representative policy board deems appropriate.

(b) Notwithstanding the provisions of subsection (a) of this section, no members shall be appointed to the board of the authority or the Aquarion representative policy board until the date of the Public Utilities Regulatory Authority's approval of the South Central Connecticut Regional Water Authority or the Aquarion Water Authority to own and operate the Aquarion Water Company or one or more of its subsidiaries. The South Central Connecticut Regional Water Authority shall send written notice to each entity with appointment authority pursuant to subsection (a) of this section upon such approval.

(c) In voting upon all matters before the Aquarion representative policy board, the vote of each member from a city or town shall be accorded a weight, determined as follows: The sum of (1) the quotient obtained by dividing the number of customers in the city or town from which such member is appointed by the total number of customers in all cities and towns from

which members have been appointed, taken twice, and (2) the quotient obtained by dividing the number of acres of land owned by the authority within the city or town from which such member is appointed by the total number of acres of land owned by the authority in all cities and towns from which members have been appointed, shall be divided by three, the quotient thereof multiplied by one hundred and the product thereof shall be rounded to the nearest whole number. The weighted vote of the member appointed by the governor shall be one. For the purposes of this section, "number of customers" means the number of premises or groups of premises treated as units for ordinary billing or other ordinary receipt of charges by the authority and shall be determined from the records of the authority on the last day of its preceding fiscal year and "number of acres of land" means the number of acres of land rounded to the nearest whole number as may appear on the records of the authority on the last day of its preceding fiscal year. Whenever a vote is taken on any matter by the Aquarion representative policy board, the vote shall be determined in accordance with this subsection. Members of the Aquarion representative policy board holding a majority of the votes so weighted shall constitute a quorum.

(d) The Aquarion representative policy board shall adopt and may amend such rules of procedure and bylaws for the conduct of its affairs as it deems appropriate. It shall establish (1) a standing committee on land use and management to consult with the authority on all matters of land use and management, including acquisition and sale, recreational use, cutting of timber and other products, mining and quarrying; (2) a standing committee on finance to consult with the authority on matters relating to financial and budgetary matters and the establishment of rates; and (3) a standing committee on consumer affairs to consult with the authority and the officer of consumer affairs established pursuant to section 48 of June Special Session, public act 24-1 on matters concerning the interests of people residing within the district. The Aquarion representative policy board may appoint such other committees as it considers convenient from time to time.

SECTION 38. (a) A public corporation, to be known as the "Aquarion Water Authority", constituting a public instrumentality and political subdivision, is created for the purposes, charged with the duties and granted the powers provided in section 34 to 65, inclusive, of June Special Session, public act 24-1. On and after December 31, 2025, the authority shall consist of eleven members. Five of the members shall be residents of the Aquarion Regional Water District who are appointed by the Aquarion representative policy board and shall not be members of the Aquarion representative policy board, and six of the members shall be members of the South Central Connecticut Regional Water Authority who are appointed by the South Central Connecticut Regional Water Authority representative policy board. The eleven members of the board for the Aquarion Water Authority shall be and remain the same eleven members of the board of the South Central Connecticut Water Authority. All authority board members shall be appointed without regard to political affiliation by a majority of the total votes of those members of the Aquarion representative policy board present at a meeting at which at least two-thirds of the weighted vote, excluding vacancies, is present, for terms of five years, not to exceed four consecutive full terms, and until their successors are appointed and have qualified, except that of the members first appointed, two shall be appointed for a term ending January 1, 2026, two for a term ending January 1, 2027, two for a term ending January 1, 2028, two for a term ending January 1, 2029, and three for a term ending January 1, 2030. Any vacancy occurring on the authority shall be filled in the same manner for the unexpired portion of the term. Any member of the authority may be removed from office by the Aquarion representative policy board for cause. Members of the authority shall receive such compensation, to be adjusted every three years by the Consumer Price Index factor, as described in section 37 of June Special Session, public act 24-1, if approved by the majority of weighted votes of the membership of the Aquarion representative policy board, excluding vacancies, and shall be reimbursed for their necessary expenses incurred in performance of their duties.

(b) Notwithstanding the provisions of subsection (a) of this section, no members shall be appointed to the board of the authority or the Aquarion representative policy board until the date of the Public Utilities Regulatory Authority's approval of the South Central Connecticut Regional Water Authority or the Aquarion Water Authority to own and operate the Aquarion Water Company or one or more of its subsidiaries.

SECTION 39. The duration of the Aquarion representative policy board and of the authority shall be perpetual unless terminated or altered by act of the General Assembly, provided the General Assembly shall not terminate the existence of the authority until all of its liabilities have been met and its bonds have been paid in full or such liabilities and bonds have otherwise been discharged.

SECTION 40. The officers of the authority shall be a chairman and a vice-chairman, who shall be members of the authority, and a treasurer and a secretary, who may be members of the authority. The first chairman and vice-chairman shall be the chairman and vice-chairman of the South Central Connecticut Regional Water Authority, who shall each serve for two-year terms, and each subsequent chairman and vice-chairman shall be elected by the authority for two-year terms. All other officers shall be elected by the authority for one-year terms. The treasurer shall execute a bond conditioned upon the faithful performance of the duties of his office, the amount and sufficiency of which shall be approved by the authority and the premium therefor shall be paid by the authority. The authority shall, from time to time, appoint an agent for the service of process, and shall notify the secretary of the state of the same and address of said agent.

SECTION 41. The authority may employ such persons as it may determine to be necessary or convenient for the performance of its duties and may fix and determine their qualifications, duties and compensation, provided the chief executive officer shall be the chief

executive officer of the South Central Connecticut Regional Water Authority. The authority shall establish a position with ongoing responsibilities for the use and management of its land resources and such other senior managerial positions as it deems appropriate, which shall be filled by appointment by the chief executive officer with the approval of the authority. The authority may also, from time to time, contract for professional services.

SECTION 42. The authority shall meet at least quarterly. Except as the bylaws of the authority may provide in emergency situations, the powers of the authority shall be exercised by the members at a meeting duly called and held. On and after December 31, 2025, six members shall constitute a quorum, and no action shall be taken except pursuant to the affirmative vote of a quorum. The authority may delegate to one or more of its members, officers, agents or employees such powers and duties as it may deem proper.

SECTION 43. Except in the event of an emergency, whenever a public hearing is required under sections 34 to 65, inclusive, of June Special Session, public act 24-1, notice of such hearing shall be published by the Aquarion representative policy board at least twenty days before the date set therefor, in a newspaper or newspapers having a general circulation in each city and town comprising the district. In the event of an emergency, notice of such hearing shall be authorized by the chairman of the Aquarion representative policy board and published in such newspaper or newspapers at least seven days before the date set therefor. If there is no such newspaper, such notice shall be published in one or more electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of persons within the district. Such notice shall set forth the date, time and place of such hearing and shall include a description of the matters to be considered at such hearing. A copy of the notice shall be filed in the office of the clerk of each such city and town and shall be available for inspection by the public. At such hearings, all the users of the water supply

system or the wastewater system, owners of property served or to be served and other interested persons shall have an opportunity to be heard concerning the matter under consideration. When appropriate, the chairman of the Aquarion representative policy board 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, provided in the case of the sale or transfer of real property pursuant to section 51 of June Special Session, public act 24-1, a public hearing shall be held in the city or town in which such real property is situated. Any decision of the Aquarion representative policy board on matters considered at such public hearing shall be in writing and shall be published in a newspaper or newspapers having a general circulation in each city and town comprising the district within thirty days after such decision is made. For purposes of this section, "emergency" means a determination by the chief executive officer of the authority, the chairman of the authority and the chairman of the Aquarion representative policy board, or their designees, that (1) delay in the award of a contract or the expenditure of capital funds may threaten the public's safety or place property at risk, (2) immediate action is necessary to respond to or recover from a natural disaster or invasion or other hostile action, or (3) immediate action is necessary to respond to an event threatening or compromising the integrity of the authority's information systems and associated infrastructure.

SECTION 44. Subject to the provisions of sections 34 to 65, inclusive, of June Special Session, public act 24-1, the authority shall have the power: (a) To sue and be sued; (b) to have a seal and alter the same at its pleasure; (c) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of personal property or any interest therein, including shares of stock of a subsidiary corporation; (d) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of any real property or

interest therein, including water rights and rights of way and water discharge rights, which the authority determines to be necessary or convenient, and to acquire any existing wastewater system or water supply system or parts thereof which are wholly or partially within the district as described under section 36 of June Special Session, public act 24-1. As a means of so acquiring, the authority or a subsidiary corporation may purchase all of the stock or all of any part of the assets and franchises of any existing privately owned water or wastewater company, whereupon the authority or such subsidiary corporation shall succeed to all rights, powers and franchises thereof. Sections 16-43, 16-50c and 16-50d of the general statutes shall not apply to any action by the authority or a subsidiary corporation or any action by any privately owned water company or sewage company, as defined in section 16-1 of the general statutes, taken to effectuate the acquisition of the stock or all or any part of the assets and franchises of such water company or sewage company by the authority. Notwithstanding any provision of section 25-32 of the general statutes, land may be transferred to the authority or a subsidiary corporation of the authority as part of such an acquisition; (e) to construct and develop any water supply system or any wastewater system; (f) to own, operate, maintain, repair, improve, construct, reconstruct, replace, enlarge and extend any of its properties; (g) notwithstanding any provision of the general statutes, special acts or this charter, but subject to the provisions of section 45 of June Special Session, public act 24-1, to sell water, however acquired, to customers within the district or to any municipality or water company; (h) notwithstanding any provision of the general statutes, special acts or this charter, to purchase water approved by the Commissioner of Public Health from any person, private corporation or municipality when necessary or convenient for the operation of any water supply system operated by the authority; (i) to adopt and amend bylaws, rules and regulations for the management and regulation of its affairs and for the use and protection of the water and properties of the authority or a subsidiary corporation and, subject to the provisions of

any resolution authorizing the issuance of bonds, rules for the sale of water, the collection and processing of wastewater and the collection of rents and charges for both water supply and wastewater functions. A copy of such bylaws, rules and regulations and all amendments thereto, certified by the secretary of the authority, shall be filed in the office of the Secretary of the State and with the clerk of each town and city within the district. Any superior court located within the district shall have jurisdiction over any violation of such bylaws, rules or regulations and the authority may prosecute actions before the superior court to enforce such bylaws, rules and regulations; (j) to make contracts and to execute all necessary or convenient instruments, including evidences of indebtedness, negotiable or non-negotiable; (k) to borrow money, to issue negotiable bonds or notes, to fund and refund the same and to provide for the rights of the holders of the authority's obligations; (l) to open the grounds in any public street or way or public grounds for the purpose of laying, installing, maintaining or replacing pipes and conduits, provided upon the completion of such work the grounds shall be restored to the condition they were in previously; (m) to enter into cooperative agreements with other water authorities, municipalities, water districts, water companies or water pollution control authorities within or without the district for interconnection of facilities, for exchange or interchange of services and commodities or for any other lawful purpose necessary or desirable to effect the purposes of sections 34 to 65, inclusive, of June Special Session, public act 24-1, such agreements to be binding for a period specified therein; (n) to acquire, hold, develop and maintain land and other real estate and waters for conservation and for compatible active and passive recreational purposes and to levy charges for such uses, provided the state department of health finds that such uses will not harm the quality of water provided by the authority; (o) to apply for and accept grants, loans or contributions from the United States, the state of Connecticut or any agency, instrumentality or subdivision of either of them or from any person, and to expend the proceeds for any of its purposes; (p) to create

programs and policies for the purpose of conserving water; (q) to do any and all things necessary or convenient to carry out the powers expressly given in sections 34 to 36, inclusive, of June Special Session, public act 24-1 and sections 38 to 40, inclusive, of June Special Session, public act 24-1, including the powers granted by the general statutes to stock corporations, except the power to issue stock, and the powers granted by the general statutes to water pollution control authorities; and (r) to borrow money, to issue negotiable bonds or notes, to fund and refund the same and to provide for the rights of the holders of the authority's obligations for the specific purpose of acquiring the Aquarion Water Company or one or more of its subsidiaries.

SECTION 45. The authority shall not sell water to customers in any part of the district with respect to which any person, any firm or any corporation incorporated under the general statutes or any special act has been granted a franchise to operate as a water company, as defined in section 16-1 of the general statutes, or in which any town, city or borough or any district organized for municipal purposes operates a municipal water supply system, unless the legislative body of such town, city, borough or district, such person, or the governing board of such firm or corporation shall consent in writing to such sale by the authority. The authority shall not extend wastewater services into new areas previously unserved without the approval of either the legislative body of the town, city, borough or district in which such area is located or a duly authorized water pollution control authority. Notwithstanding the provisions of any town or district charter, any town or district may sell or transfer a wastewater system to the authority with the approval of the legislative body of such town or district after a public hearing.

SECTION 46. (a) Except with respect to (1) any real or personal property or interest therein, the legal title to which is vested in the state or a political subdivision thereof, (2) any existing water supply system, or (3) any existing wastewater system, if such authority cannot agree with any owner upon the terms of acquisition by the authority of any real or personal

property or interest therein which the authority is authorized to acquire, the authority may proceed, at its election, in the manner provided in subsection (b) of this section or in the manner provided in subsection (c) of this section, except that the authority may not proceed in the manner described in subsections (b) and (c) of this section with respect to property to be acquired for noncore businesses.

(b) The authority may, after ten days' written notice to such owner, petition the superior court for the county or judicial district in which such property is located, or, if said court is not then sitting, any judge of said court, and thereupon said court or such judge shall appoint a committee of three disinterested persons, who shall be sworn before commencing their duties. Such committee, after giving reasonable notice to the parties, shall view the property in question, hear the evidence, ascertain the value, assess just damages to the owner or parties interested in the property and report its doings to said court or such judge. Within fourteen days after such report is made to said court or such judge, any party may move for the acceptance thereof. Said court or such judge may accept such report or may reject it for irregular or improper conduct by the committee in the performance of its duties. If the report is rejected, the court or judge shall appoint another committee, which shall proceed in the same manner as did the first committee. If the report is accepted, such acceptance shall have the effect of a judgment in favor of the owner of the property against said authority for the amount of such assessment, and, except as otherwise provided by law, execution may issue therefor. Such property shall not be used by such authority until the amount of such assessment has been paid to the party to whom it is due or deposited for his use with the state treasurer and, upon such payment or deposit, such property shall become the property of the authority; provided, if at any stage of condemnation proceedings brought hereunder, it appears to the court or judge before whom such proceedings are pending that the public interest will be prejudiced by delay, said court or such judge may direct that the authority be

permitted to enter immediately upon the property to be taken and devote it temporarily to the public use specified in such petition upon the deposit with said court of a sum to be fixed by said court or such judge, upon notice to the parties of not less than ten days, and such sum when so fixed and paid shall be applied so far as it may be necessary for the purpose of the payment of any award of damages which may be made, with interest thereon from the date of the order of said court or judge, and the remainder if any returned to the authority. If such petition is dismissed or no award of damages is made, said court or such judge shall direct that the money so deposited, so far as it may be necessary, shall be applied to the payment of any damages that the owner of such property or other parties in interest may have sustained by such entry upon and use of such property, and of the costs and expenses of such proceedings, such damages to be ascertained by said court or such judge or a committee to be appointed for that purpose, and if the sum so deposited is insufficient to pay such damages and all costs and expenses so awarded, judgment shall be entered against the authority for the deficiency, to be enforced and collected in the same manner as a judgment by the superior court; and the possession of such property shall be restored to the owner or owners thereof. The expenses or costs of any such proceedings shall be taxed by said court or such judge and paid by the authority.

(c) The authority, in its name, may proceed in the manner specified for redevelopment agencies in accordance with sections 8-128 to 8-133, inclusive, of the general statutes.

SECTION 47. With the approval of the Aquarion representative policy board, the authority shall establish just and equitable rates or charges for the use of the water supply system and the wastewater system authorized herein, to be paid by any customer, including rates of interest on unpaid rates or charges, and may change such rates, charges or rates of interest from time to time. Such water supply system rates or charges shall be established so as to provide funds sufficient in each year, with other water supply related revenues, if any,

(a) to pay the cost of maintaining, repairing and operating the water supply system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (b) to pay the principal of and the interest on outstanding water supply bonds of the authority as the same shall become due and payable, (c) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, (d) to make payments in lieu of taxes as provided in section 54 of June Special Session, public act 24-1, as the same become due and payable, upon the water supply system properties of the authority or of a subsidiary corporation to the municipalities in which such properties are situated, (e) to provide for the maintenance, conservation and appropriate recreational use of the land of the authority, and (f) to pay all other reasonable and necessary expenses of the authority and of the Aquarion representative policy board to the extent that such expenses are allocable to the water supply system activities of the authority and the Aquarion representative policy board. Such wastewater system rates or charges shall be established so as to provide funds sufficient in each year with other wastewater related revenues, if any, (1) to pay the cost of maintaining, repairing and operating the wastewater system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (2) to pay the principal of and the interest on outstanding wastewater bonds of the authority as the same shall become due and payable, (3) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, and (4) to pay all other reasonable and necessary expenses of the authority and of the Aquarion representative policy board to the extent that such expenses are allocable to the wastewater activities of the authority and of the Aquarion representative policy board. No such rate or charge shall be established until it has been approved by the Aquarion representative policy board, after said board has held a public hearing at which all the users of the waterworks system or the wastewater system, the owners of property served

or to be served and others interested have had an opportunity to be heard concerning such proposed rate or charge. The Aquarion representative policy board shall approve such rates and charges unless it finds that such rates and charges will provide funds in excess of the amounts required for the purposes described previously in this section, or unless it finds that such rates and charges will provide funds insufficient for such purposes. The rates or charge, so established for any class of users or property served, shall be extended to cover any additional premises thereafter served which are within the same class, without the necessity of a hearing thereon. Any change in such rates or charges shall be made in the same manner in which they were established. The rates or charges levied upon any customer of any water supply system shall not be required to be equalized with the authority's existing rates, but may be set on a separate basis, provided such rates are just, equitable and nondiscriminatory. Such rates or charges, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge shall bear interest not to exceed the maximum rate as would be allowed for unpaid taxes. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no event for longer than fifteen years. The amount of any such rate or charge that remains due and unpaid after twenty-eight days, which number of days may be changed with the approval of the majority of the weighted votes of the membership of the Aquarion representative policy board, excluding vacancies, with interest thereon at a rate approved by the Aquarion representative policy board but not to exceed the maximum interest rate allowed pursuant to the Connecticut general statutes for unpaid property taxes and with reasonable attorneys' fees, be recovered by the authority in a civil action in the name of the authority against such owners. Any municipality shall be subject

to the same rate or charges under the same conditions as other users of the water supply system or the wastewater system. The assets or the revenues of the water system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the wastewater system and the assets or the revenues of the wastewater system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the water system. charge against the owners thereof, which lien and charge shall bear interest not to exceed the maximum rate as would be allowed for unpaid taxes. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no event for longer than fifteen years. The amount of any such rate or charge that remains due and unpaid after twenty-eight days, which number of days may be changed with the approval of the majority of the weighted votes of the membership of the Aquarion representative policy board, excluding vacancies, with interest thereon at a rate approved by the Aquarion representative policy board but not to exceed the maximum interest rate allowed pursuant to the Connecticut general statutes for unpaid property taxes and with reasonable attorneys' fees, be recovered by the authority in a civil action in the name of the authority against such owners. Any municipality shall be subject to the same rate or charges under the same conditions as other users of the water supply system or the wastewater system. The assets or the revenues of the water system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the wastewater system and the assets or the revenues of the wastewater system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the water system.

SECTION 48. The office of consumer affairs established by the representative policy board of the South Central Connecticut Regional Water District shall act as the advocate for consumer interests in all matters which may affect consumers of the Aquarion Regional Water District, including without limitation matters of rates, water quality and supply and wastewater service quality and shall have those powers and authorizations set forth in section 15 of special act 77-98, as amended by section 8 of special act 99-12 and section 11 of special act 02-85, as amended by June Special Session, public act 24-1. The costs of such office of consumer affairs, unless otherwise provided by the state, shall be jointly shared paid by the South Central Connecticut Regional Water Authority and the Aquarion Water Authority.

SECTION 49. All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon either sealed bids or proposals or electronic submission of bids or proposals, and in each case made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for review of said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract.

SECTION 50. (a) If any member or employee of the Aquarion representative policy board or of the authority or any employee of a subsidiary corporation or an affiliated business entity is financially interested in or has any personal beneficial interest, directly or indirectly, in any proposed contract or proposed purchase order for any supplies, materials, equipment or contractual services to be furnished to or used by the Aquarion representative policy board, the authority, a subsidiary corporation or an affiliated business entity such member or employee shall immediately so inform the Aquarion representative policy board, the authority, the subsidiary corporation or the affiliated business entity whichever he or she is a member or employee of, and shall take no part in the deliberations or vote concerning such contract or purchase order. The Aquarion representative policy board, as to its members and employees, and the subsidiary corporation or affiliated business entity as to its employees, the authority, as to its members and employees, may terminate the membership or employment of any person who violates this subsection.

(b) No member or employee of the Aquarion representative policy board, the authority, a subsidiary corporation or an affiliated business entity shall accept or receive, directly or indirectly, from any person, firm or corporation to which any contract or purchase order may be awarded, by rebate, gift or otherwise, any promise, obligation or contract for future reward or compensation or any money or anything of value in excess of ten dollars, provided the aggregate value of all such things provided by a donor to a recipient in any calendar year shall not exceed fifty dollars and, excluding any food or beverage or food and beverage, costing less than fifty dollars in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance. Any person who violates any provision of this subsection shall be fined not more than five hundred dollars or imprisoned for not more than six months or both.

SECTION 51. (a) Notwithstanding any provision of sections 34 to 65, inclusive, of June Special Session, public act 24-1, the authority shall not sell or otherwise transfer any unimproved real property or any interest or right therein, except for access or utility purposes, or develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, until the land use standards and disposition policies required by subsection (b) of this section have been approved by the Aquarion representative policy board, unless the chief executive officer of the town or city in which such property is located has approved such sale, transfer or development in writing. The provisions of this section shall not apply to any portion of a wastewater system.

(b) Within two years from the date it acquires all or part of a water supply system, the authority shall develop and submit to the Aquarion representative policy board for approval (1) standards for determining the suitability of its real property for categories of land use, including which, if any, of its real property may be surplus with regard to the purity and adequacy of both present and future water supply, which, if any, may be desirable for specified modes of recreation or open space use and which may be suitable for other uses, giving due consideration to the state plan of conservation and development, to classification and performance standards recommended in the final report of the council on water company lands pursuant to subsection (c) of section 16-49c of the general statutes and to such other plans and standards as may be appropriate, and (2) policies regarding the disposition of its real property including identification of dispositions which are unlikely to have any significant effect on the environment. Prior to approving any standards or policies specified in this subsection, the Aquarion representative policy board shall hold one or more public hearings to consider the proposed standards and policies. The proposed standards and policies shall be available for public inspection in the offices of the authority from the date notice of such hearing is published. The authority may amend such standards and policies from time to time

with the approval of the Aquarion representative policy board, which shall hold public hearings if it deems such amendments substantial.

(c) After approval of land use standards and disposition policies in the manner provided in subsection (b) of this section, the authority shall not: (1) Sell or otherwise transfer any real property or any interest or right therein, except (A) for access, (B) for utility purposes, or (C) to dedicate land as open space by conveying a conservation restriction, as defined in section 47-42a of the general statutes, to the federal, state or a municipal government or a nonprofit land-holding organization, as defined in section 47-6b of the general statutes, or (2) develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, without the approval of a majority of the weighted votes of all of the members of the Aquarion representative policy board, excluding vacancies, in the case of a parcel of twenty acres or less, and by three-fourths of the weighted votes of all of the members of said board, excluding vacancies, in the case of a parcel in excess of twenty acres. The Aquarion representative policy board shall not approve such sale or other transfer or development unless it determines, following a public hearing, that the proposed action (A) conforms to the established standards and policies of the authority, (B) is not likely to affect the environment adversely, particularly with respect to the purity and adequacy of both present and future water supply, and (C) is in the public interest, giving due consideration, among other factors, to the financial impact of the proposed action on the customers of the authority and on the municipality in which the real property is located.

(d) Each request by the authority for approval pursuant to subsection (c) of this section shall be accompanied by an evaluation of the potential impact of the proposed action for which approval is requested, which shall include: (1) A description of the real property and its environment, including its existing watershed function and the costs to the authority of maintaining such property in its current use, (2) a statement that the proposed action conforms to the land classification standards and disposition policies of the authority, (3) a detailed

statement of the environmental impact of the proposed action and, if appropriate, of any alternatives to the proposed action, considering (A) direct and indirect effects upon the purity and adequacy of both present and future water supply, (B) the relationship of the proposed action to existing land use plans, including municipal and regional land use plans and the state plan of conservation and development, (C) any adverse environmental 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; except that for a sale or transfer identified in accordance with subsection (b) of this section as being unlikely to have any significant effect on the environment, the authority may submit a preliminary assessment of the impact likely to occur in lieu of such detailed statement of environmental impact, and the Aquarion representative policy board may, on the basis of such preliminary assessment, waive or modify the requirements for such detailed statement, and (4) a summary of the final evaluation and recommendation of the authority.

(e) The Aquarion representative policy board shall submit the evaluation required by subsection (d) of this section for comment and review, at least sixty days in advance of the public hearing, to the department of health, the department of planning and energy policy, the regional planning agency for the region, the chief executive officer of the city or town in which the real property is situated and other appropriate agencies, and shall make such evaluation available to the public for inspection. The decision of the Aquarion representative policy board approving or disapproving the proposed action shall be published in a newspaper or newspapers having a general circulation within the district and copies of such decision shall be filed with the clerk of each town and city in the district.

(f) Whenever the authority intends to sell or otherwise transfer any unimproved real property or any interest or right therein after approval by the Aquarion representative policy board, the authority shall first notify in writing, by certified mail, return receipt requested, the Commissioner of Energy and Environmental Protection and the legislative body of the city or

town in which such land is situated, of such intention to sell or otherwise transfer such property and the terms of such sale or other transfer, and no agreement to sell or otherwise transfer such property may be entered into by the authority except as provided in this subsection. (1) Within ninety days after such notice has been given, the legislative body of the city or town or the Commissioner of Energy and Environmental Protection may give written notice to the authority by certified mail, return receipt requested, of the desire of the city, town or state to acquire such property and each shall have the right to acquire the interest in the property which the authority has declared its intent to sell or otherwise transfer, provided the state's right to acquire the property shall be secondary to that of the city or town. (2) If the legislative body of the city or town or the Commissioner of Energy and Environmental Protection fails to give notice as provided in subdivision (1) of this subsection or gives notice to the authority by certified mail, return receipt requested, that the city, town or state does not desire to acquire such property, the city or town or the state shall have waived its right to acquire such property in accordance with the terms of this subsection. (3) Within eighteen months after notice has been given as provided in subdivision (1) of this subsection by the city or town or the state of its desire to acquire such property, the authority shall sell the property to the city or town or the state, as the case may be, or, if the parties cannot agree upon the amount to be paid therefor, the city or town or the state may proceed to acquire the property in the manner specified for redevelopment agencies in accordance with sections 8-128 to 8-133, inclusive, of the general statutes, provided property subject to the provisions of subsections (b) and (c) of section 25-32 of the general statutes shall not be sold without the approval of the department of health. (4) If the city or town or the state fails to acquire the property or to proceed as provided in said sections within eighteen months after notice has been given by the city or town or the state of its desire to acquire the property, such city or town or the state shall have waived its rights to acquire such property in accordance with the terms of this subsection. (5) Notwithstanding the provisions of section 54 of this section, the authority shall not be obligated to make payments in lieu of taxes on such property for the period from the

date the city or town gives notice of its desire to acquire such property. (6) Notwithstanding the provisions of subdivision (4) of this subsection, if the authority thereafter proposes to sell or otherwise transfer such property to any person subject to less restrictions on use or for a price less than that offered by the authority to the city or town and the state, the authority shall first notify the city or town and the Commissioner of Energy and Environmental Protection of such proposal in the manner provided in subdivision (1) of this subsection, and such city or town and the state shall again have the option to acquire such property and may proceed to acquire such property in the same manner and within the same time limitations as are provided in subdivisions (1) to (4), inclusive, of this subsection. (7) The provisions of this subsection shall not apply to transfers of real property from the authority to any public service company. (8) A copy of each notice required by this subsection shall be sent by the party giving such notice to the clerk of the town or city in which the real property is situated and such clerk shall make all such notices part of the appropriate land records.

(g) Nothing contained in this section shall be construed to deprive the state Department of Public Health of its jurisdiction under section 25-32 of the general statutes. The authority shall notify the state Commissioner of Public Health of any proposed sale or other transfer of land, or change or use, as required by said section.

(h) The authority shall use the proceeds of any sale or transfer under this section solely for capital improvements to its remaining properties, acquisition of real property or any interest or right therein, retirement of debt or any combination of such purposes.

(i) The provisions of this section shall apply to any unimproved real property or any interest or right therein related to the water supply system whether owned or possessed by the authority or by any subsidiary corporation.

SECTION 52. The authority shall not (1) acquire, by purchase, lease or otherwise any existing water supply system or parts thereof or any wastewater system or parts thereof, (2) commence any project costing more than three and one-half million dollars to repair,

improve, construct, reconstruct, enlarge and extend any of its properties or systems, or (3) acquire or make a subsequent investment in any noncore business in an amount more than one and one-half million dollars without the approval, following a public hearing, of a majority of the total weighted votes of the membership of the Aquarion representative policy board, excluding vacancies. The dollar amounts specified in subdivisions (2) and (3) of this section shall be adjusted every three years by the Consumer Price Index factor, as described in section 37 of June Special Session, public act 24-1, with the approval of a majority of the weighted votes of the membership of the Aquarion representative policy board, excluding vacancies.

SECTION 53. (a) The authority shall have an annual audit of its accounts, books and records by a certified public accountant selected by the Aquarion representative policy board. A copy of the audit shall be filed in the office of the town clerk in each town within the district and shall be available for public inspection during the ordinary business hours of the authority at the principal office of the authority. A concise financial statement shall be posted annually on the Aquarion Water Authority's web site.

(b) The attorney general may examine the books, accounts and records of the authority.

SECTION 54. (a) Neither the authority nor a subsidiary corporation or an "affiliated business entity" shall be required to pay taxes or assessments upon any of the properties acquired by it or under its jurisdiction, control or supervision, provided in lieu of such taxes or assessments the authority shall make annual payments to each municipality in which it or a subsidiary corporation owns property related to the water supply system equal to the taxes which would otherwise be due for the property of the authority or such subsidiary corporation in such municipality, excluding any improvements made to or constructed on any such real

property by the authority or such subsidiary corporation, provided land owned by the authority or a subsidiary corporation related to the water supply system shall be assessed in accordance with section 12-63 of the general statutes, and provided further payments for property acquired by the authority or a subsidiary corporation during any tax year shall be adjusted for such fractional year in accordance with the customary practice in such municipality for adjusting taxes between the buyer and seller of real property. In addition, the authority or a subsidiary corporation shall reimburse each such municipality for its expenses in providing municipal services to any improvements made to or constructed on any real property by the authority or such subsidiary corporation within such municipality. As used in this section, "improvements" does not include water pipes or improvements to water pipes.

(b) The authority may contest the assessed valuation of any properties owned by the authority or a subsidiary corporation with respect to which any payment in lieu of taxes is determined in the same manner as any owner of real property in such municipality. Payments in lieu of taxes payable to any municipality shall be paid by the authority to the municipality upon the date and in the manner provided for the payment of real property taxes of the municipality.

(c) In the event the authority in any year does not have sufficient funds to make such payments in lieu of taxes, or any portion of them, as the same become due and payable, the authority shall adjust its rates and charges and the Aquarion representative policy board shall approve such adjustment of rates and charges, after a public hearing thereon as provided in section 14 of special act 77-98, as amended by section 6 of special act 78-24, so as to provide funds within one year after the date on which such payment became due and payable to make such payment. Any municipality or any holder of bonds or notes of the authority aggrieved by the failure of the authority to make any payment in lieu of taxes or portion thereof as the same becomes due and payable may apply to the superior court for the county in which such

municipality is situated for an order directing the authority to appropriately increase its rates and charges.

(d) Neither the authority nor a subsidiary corporation shall be required to pay taxes imposed upon or measured by the receipts or earnings derived by the authority or such subsidiary corporation through the ownership or operation of a water supply system, or imposed as a result of the income, powers, activities or items reflected on the balance sheet of the authority or such subsidiary corporation.

SECTION 55. (a) The authority, subject to the approval of the Aquarion representative policy board, shall have the power and is authorized from time to time to issue its negotiable bonds for any of its corporate purposes, including incidental expenses in connection therewith, and to secure the payment of the same by a lien or pledge covering all or part of its contracts, earnings or revenues. The authority shall have power from time to time, without the approval of the Aquarion representative policy board, to refund any bonds by the issuance of new bonds within the terms of any refunding provisions of its bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any of its public purposes. Except as may be otherwise expressly provided by the authority every issue of bonds by the authority shall be preferred obligations, taking priority over all other claims against the authority, including payments in lieu of taxes to any municipality, and payable out of any moneys, earnings or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular moneys, earnings or revenues. Notwithstanding the fact that the bonds may be payable from a special fund, if they are otherwise of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds shall be negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

(b) The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, bear interest at such rates per annum, not exceeding statutory limitations, be payable at such times, be in such denomination, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. All bonds of the authority shall be sold through a negotiated sale or a public sale to the bidder who shall offer the lowest true interest cost to the authority, to be determined by the authority.

(c) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions which shall be a part of the contract with the holders of the bonds thereby authorized as to (1) pledging all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority to secure the payment of the bonds or of any issue of the bonds subject to such agreement with the bondholders as may then exist, (2) the rates, rentals, fees and other charges to be fixed and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues, (3) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof, (4) limitations on the rights of the authority to restrict and regulate the use of the properties in connection with which such bonds are issued, (5) limitations on the purposes to which, and the manner in which, the proceeds of sale of any issue of bonds may be applied, (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds, (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given, (8) the creation of special funds into which any earnings or revenues of the authority may be deposited, (9) the terms and

provisions of any trust deed or indenture securing the bonds or under which bonds may be issued, (10) definitions of the acts or omission to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided such rights and remedies shall not be inconsistent with the general laws of this state, (11) limitations on the power of the authority to sell or otherwise dispose of its properties, (12) any other matters, of like or different character, which in any way affect the security or protection of the bonds, and (13) limitations on the amount of moneys derived from the properties to be expended for operating, administrative or other expenses of the authority.

(d) The authority may obtain from a commercial bank or insurance company a letter of credit, line of credit or other liquidity facility or credit facility for the purpose of providing funds for the payments in respect of bonds, notes or other obligations required by the holder thereof to be redeemed or repurchased prior to maturity or for providing additional security for such bonds, notes or other obligations. In connection therewith, the authority may enter into reimbursement agreements, remarketing agreements, standby bond purchase agreements and any other necessary or appropriate agreements. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority and any other property which may be pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

(e) In connection with or incidental to the carrying of bonds or notes or in connection with or incidental to the sale and issuance of bonds or notes, the authority may enter into such contracts to place the obligation of the authority, as represented by the bonds or notes, in whole or in part, on such interest rate or cash flow basis as the authority may determine,

including without limitation, interest rate swap agreements, insurance agreements, forward payment conversion agreements, contracts providing for payments based on levels of, or changes in, interest rates or market indices, contracts to manage interest rate risk, including, without limitation, interest rate floors or caps, options, puts, calls and similar arrangements. Such contracts shall contain such payment, security, default, remedy and other terms and conditions as the authority may deem appropriate and shall be entered into with such party or parties as the authority may select, after giving due consideration, where applicable, for the creditworthiness of the counterparty or counterparties, provided such parties or counterparties shall be a financial institution whose unsecured long-term obligations are rated within the top two rating categories of any nationally recognized rating service. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority and any other property which may be pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

(f) It is the intention of the general assembly that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(g) Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(h) The authority shall have the power out of any funds available to purchase, as distinguished from the power of redemption above, and all bonds so purchased shall be cancelled.

(i) In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of any law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the properties and the custody, safeguarding and application of all moneys, and may provide that the properties shall be constructed and paid for under the supervision and approval of consulting engineers. The authority may provide by such trust indenture or other depository for the methods of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as part of the cost of maintenance, operation and repair of the properties. If the bonds are secured by a trust indenture, bondholders shall have no authority to appoint a separate trustee to represent them.

(j) Notwithstanding any other provision of sections 34 to 65, inclusive, of June Special Session, public act 24-1, any resolution or resolutions authorizing bonds or notes of the authority shall contain a covenant by the authority that it will at all times maintain rates, fees, rentals or other charges sufficient to pay, and that any contracts entered into by the authority for the sale and distribution of water or the collection of wastewater shall contain rates, fees, rentals or other charges sufficient to pay, the cost of operation and maintenance of the properties and the principal of and interest on any obligation issued pursuant to such

resolution or resolutions as the same severally become due and payable, and to maintain any reserves or other funds required by the terms of such resolution or resolutions.

(k) If any officer of the authority whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be such officer before delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if they had remained in office until such delivery.

SECTION 56. The authority shall have the power and is authorized to issue negotiable notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed eight years from date of issue of such original note. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of the sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued and may be secured in the same manner as the bonds and such notes and the resolution or resolutions authorizing such notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes shall be as fully negotiable as the bonds of the authority.

SECTION 57. The state of Connecticut does pledge to and agree with the holders of the bonds or notes of the authority that the state will not limit or alter the rights vested in the authority to acquire, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges referred to in sections 34 to 66, inclusive, of June Special Session, public act 24-1 and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of the bondholders or noteholders until the bonds or notes together with interest thereon, interest on any unpaid installments of interest and all costs and expenses in

connection with any action or proceeding by or on behalf of the bondholders or noteholders are fully met and discharged.

SECTION 58. The bonds, notes or other obligations of the authority shall not be a debt of the state of Connecticut or of any municipality, and neither the state nor any municipality shall be liable therefor, nor shall they be payable out of funds other than those of the authority.

SECTION 59. The bonds and notes of the authority shall be securities in which all public officers and bodies of this state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies and other persons carrying on a banking business and all other persons whatever, except as hereinafter provided, who are now or may be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital in their control or belonging to them; provided, notwithstanding the provisions of any other general statute or special act to the contrary, such bonds shall not be eligible for the investment of funds, including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees or other individual fiduciaries. The bonds shall also be securities that may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may be authorized.

SECTION 60. The state of Connecticut covenants with the purchasers and with all subsequent holders and transferees of bonds or notes issued by the authority, in consideration of the acceptance of and payment for the bonds or notes, that the bonds and notes of the authority, the income therefrom and all moneys, funds and revenues pledged to pay or secure the payment of such bonds or notes shall at all times be free from taxation.

SECTION 61. Nothing in sections 34 to 65, inclusive, of June Special Session, public act 24-1 shall be construed to deprive the Commissioner of Energy and Environmental Protection, the Commissioner of Public Health or any successor commissioner or board of any jurisdiction which such commissioners or boards may now or hereafter have. Neither the Public Utilities Regulatory Authority nor any successor board or commissioner shall have jurisdiction of any kind over the authority, a subsidiary corporation, the Aquarion representative policy board or the rates fixed or charges collected by the authority.

SECTION 62. Insofar as the provisions of sections 34 to 65, inclusive, of June Special Session, public act 24-1 are inconsistent with the provisions of any other general statute, special act or any municipal ordinance, the provisions of sections 34 to 65, inclusive, of June Special Session, public act 24-1 shall be controlling; provided nothing contained in sections 34 to 65, inclusive, of June Special Session, public act 24-1 shall exempt the authority from compliance with zoning regulations lawfully established by any municipality, except that the plants, structures and other facilities of the water supply system or the wastewater system owned or operated by the authority shall be permitted uses in all zoning districts in every city, town or borough within the district; and provided further that the authority may not construct purification or filtration plants or wastewater treatment plants in any zoning district in which such use is not permitted under local zoning regulations without first obtaining approval of the proposed location of such facility from the Aquarion representative policy board following a public hearing.

SECTION 63. (a) The authority or any person who is aggrieved by a decision of the Aquarion representative policy board with respect to the establishment of rates or charges, the establishment of land use standards and disposition policies, the sale or other transfer or change of use of real property, the location of purification, filtration or wastewater treatment

plants, the commencement of any project costing more than three and one-half million dollars, and as adjusted by the Consumer Price Index factor, as described in section 37 of June Special Session, public act 24-1, and subject to the approval of a majority of the weighted votes of the membership of the Aquarion representative policy board, excluding vacancies, to repair, improve, construct, reconstruct, enlarge or extend any of the properties or systems of the authority or the acquisition by purchase, lease or otherwise of any existing water supply system, wastewater system or part thereof, other than the purchase of all or any part of the properties and franchises of the Aquarion Water Company, is entitled to review by the Superior Court as provided in this section. For the purposes of this section, the holders of any bonds or notes of the authority and any trustee acting on behalf of such holders shall be deemed aggrieved persons with respect to any decision of the Aquarion representative policy board which violates any covenant or other provision of the resolution or resolutions authorizing such bonds or notes.

(b) Proceedings for review shall be instituted by filing a petition in the superior court for the judicial district of Hartford within forty-five days after publication of the decision of the Aquarion representative policy board or, if a rehearing is requested, within forty-five days after the decision thereon. Copies of the petition shall be served upon the Aquarion representative policy board and published in a newspaper or newspapers having a general circulation in each town or city comprising the district.

(c) The filing of the petition shall not of itself stay enforcement of the decision of the Aquarion representative policy board. The Aquarion representative policy board may grant, or the reviewing court may order, a stay upon appropriate terms, provided enforcement of a decision respecting the establishment of rates or charges may be stayed only after issuance of a judgment for the appellant by the reviewing court.

(d) Within thirty days after service of the petition, or within such further time as may be allowed by the court, the Aquarion representative policy board shall transmit to the reviewing court the original or a certified copy of the entire record of the proceeding under review, which

shall include the Aquarion representative policy board's findings of fact and conclusions of law, separately stated. By stipulation of all parties to the review proceedings, the record may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs. The court may require or permit subsequent corrections or additions to the record.

(e) If, before the date set for hearing, application is made to the court for leave to present additional evidence, and it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for failure to present it in the proceeding before the Aquarion representative policy board, the court may refer the case back to the board with instructions to take such evidence as the court directs. The Aquarion representative policy board may modify its findings and decision by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions with the reviewing court.

(f) The review shall be conducted by the court without a jury and shall be confined to the record. In cases of alleged irregularities in procedure before the Aquarion representative policy board, not shown in the record, proof thereon may be taken in the court. The court, upon request, shall hear oral argument and receive written briefs.

(g) The court shall not substitute its judgment for that of the Aquarion representative policy board as to the weight of the evidence on questions of fact. The court shall affirm the decision of the Aquarion representative policy board unless the court finds that the substantial rights of the appellant have been prejudiced because the Aquarion representative policy board's findings, inferences, conclusions, or decisions are: (1) In violation of constitutional provisions, the general statutes or the provisions of this or another special act; (2) in excess of the authority of the Aquarion representative policy board; (3) made upon unlawful procedure; (4) affected by other error of law; (5) clearly erroneous in view of the reliable probative, and substantial evidence on the whole record; or (6) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion. If the court

finds such prejudice, it shall sustain the appeal and, if appropriate, may render a judgment under subsection (h) of this section or remand the case for further proceedings.

(h) If a particular Aquarion representative policy board action is required by law, the court, on sustaining the appeal, may render a judgment that modifies the Aquarion representative policy board decision, orders the Aquarion representative policy board action, or orders the Aquarion representative policy board to take such action as may be necessary to effect the particular action. (i) In any case in which an aggrieved party claims that he cannot pay the costs of an appeal under this section and will thereby be deprived of a right to which he is entitled, he shall, within the time permitted for filing the appeal, file with the clerk of the court to which the appeal is to be taken an application for waiver of payment of such fees, costs and necessary expenses, including the requirements of bond, if any. After such hearing as the court determines is necessary, the court shall enter its judgment on the application, which judgment shall contain a statement of the facts the court has found, with its conclusions thereon. The filing of the application for the waiver shall toll the time limits for the filing of an appeal until such time as a judgment on such application is entered.

(j) Neither the authority nor the Aquarion representative policy board shall be construed to be an agency within the scope of chapter 54 of the general statutes.

SECTION 64. (a) Whenever the authority acquires the property and franchises of any private water company or companies operating a water supply system within its district, all employees of such company or companies who are necessary for the operation of the authority, except senior managerial officers, shall become employees of the authority and shall be credited by the authority with all rights that have accrued as of the date of such acquisition with respect to seniority, sick leave, vacation, insurance and pension benefits in accordance with the records, personnel policies or labor agreements of the acquired company or companies.

(b) The authority shall assume and observe all accrued pension obligations of such acquired company or companies, and members and beneficiaries of any pension, retirement or other employee benefit system established by the acquired company or companies shall continue to have such rights, privileges, benefits, obligations and status with respect to such established systems as have accrued as of the date of such acquisition. The authority may enter into agreements with representatives of its employees relative to the inclusion of its employees in any applicable state or municipal employee's retirement plan or plans, and the authority shall constitute a municipality eligible to participate in such retirement plans. The authority may enter into agreements with representatives of its employees relative to the transfer to or the establishment of pension trust funds under the joint control of such authority and representatives of its employees, and shall have all powers necessary to maintain and administer such trust funds jointly with representatives of its employees.

(c) The authority shall assume and observe all labor contracts of such company or companies in existence at the time of transfer and all obligations incurred by such contracts regarding wages, salaries, hours, sick leave and other leave, working conditions, grievance procedures, collective bargaining and pension or retirement.

(d) The authority shall assume and observe personnel policies of such company or companies in existence at the time of transfer relating to personnel not covered by labor contracts, and all obligations incurred through such personnel policies regarding wages, salaries, hours, sick leave, vacation, pension and retirement, subject to such modifications therein as the authority may subsequently adopt, provided such modifications shall not affect any rights of such employees which have vested prior to such modification.

(e) Nothing in this section shall prevent the authority from hiring any senior managerial officers of such company on such terms as it may determine or be construed to prohibit the authority from exercising the normal prerogatives of management with respect to such

matters as the promotion, demotion, assignment, transfer or discharge of its employees, nor shall the authority be bound by any term of any personnel policy entered into by such company or companies in anticipation of acquisition by the authority.

SECTION 65. The relations between the authority and its employees with respect to collective bargaining and the arbitration of labor disputes shall be governed by sections 7-467 to 7-477, inclusive, of the general statutes.

SECTION 66. Sections 34 to 41, inclusive, of June Special Session, public act 24-1 shall not be effective on and after December 31, 2027, unless the Public Utilities Regulatory Authority approves the South Central Connecticut Regional Water Authority or the Aquarion Water Authority to own and operate the Aquarion Water Company, or one or more of its subsidiaries, by said date.