



TESTIMONY IN SUPPORT OF

**HB 5888 AAC THE METROPOLITAN DISTRICT COMMISSION**

February 17, 2023

**To:** Honored Chairs Sen. Rahman and Rep. Kavros DeGraw, Ranking Members Sen. Fazio and Rep. Zullo, Distinguished Members of the Planning & Development Committee

**From:** Lori Brown, Executive Director, Executive Director, CT League of Conservation Voters

On behalf of the Connecticut League of Conservation Voters (CTLCV), thank you for the opportunity to submit testimony regarding SB 5888 to require an annual financial audit and establish a task force to examine the operations of the MDC. This quasi, public-private authority has long been at the center of controversy due to its lack of accountability and for policy decisions that are not in the best interest of the public it was created to serve.

CTLCV has been working to bring reforms to the MDC since the 2017 revelation regarding the Authority's hidden deals to sell our public municipal water supply to an out of state water bottling company at a huge discount while raising rates for residential customers who were conserving water. MDC's disregard for the public's opposition to this use of a public trust resource led to legislation creating the position of MDC Public Advocate. A good step, but not a solution to the **structural problems that have resulted in a failed business model.**

There must be a serious effort to review the finances, operations, and ethical standards by which the MDC must abide. The legislature created the MDC and can make course corrections by statute if the Authority is unable to perform in the best interest of the public. We support the following:

**\*Require annual audits of the Metropolitan District's books and accounts**

The MDC's business model is based on the need to sell ever larger quantities of water to remain solvent and maintain their water infrastructure. According to the MDC Public Advocate, this is a "conservation death spiral." MDC has been unable to find savings or alternatives to this unsustainable model, so a new "set of eyes" independent of the MDC is needed.

**\*Establish a task force to examine the organization and operations**

MDC's charter is out of date and must be revisited by an independent task force whose appointed members are not current or past commissioners of the MDC. The task force should not wind up dominated by the same appointees that currently serve on the MDC's board.

The task force should also review how MDC commissioners are appointed, the criteria used, and whether this needs to be more transparent and accountable. The Charter should thoroughly define the roles and responsibilities of a Commissioner and who they represent.

**\*Require the MDC Board of Commissioners to adopt, administer and enforce the model code of ethics**

The public trust in the MDC has been severely eroded by their own actions and lack of any accountability to the public. They were created with the same powers of a municipality (such as issuing bonds), but not required to have the same code of ethics. It is important to restore the public trust by ensuring full compliance with an established code of ethics, such as the CCM model.

We at CTLCV urge the committee to consider this legislation as significant for the well-being of our state's water resources. How the largest water system in the state manages this public resource **impacts the entire state's ability to handle droughts, allocate water fairly, design rates that encourage conservation, prepare for climate change and protect our rivers, streams and wetland habitats.**

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