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Methods of Capital Cost Recovery on Water Pollution Control Projects



A Summary and Analysis of the
1995 Sewer Benefit Assessment Survey

January 1997

METHODS OF CAPITAL COST RECOVERY ON WATER POLLUTION CONTROL PROJECTS

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1995 Sewer Benefit Assessment Survey

by
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Introduction

The single biggest capital investment many municipalities will make involves the construction of an infrastructure for the conveyance, treatment, and disposal of wastewater. These costs easily rival, and often exceed, the capital investment in the educational system, and yet the financing of the capital improvements for the two could not be more different. The education budget is distributed town-wide, regardless of the presence of school-age children in the taxpayer's household, and all taxpayers are expected to pay their share. In contrast, it has been common practice to place most of the burden of the cost of a wastewater project on the comparatively small segment of the total population actually served by the project. The "what, why, and how" of this practice is the subject of this booklet.

Wastewater treatment plants and sanitary sewer lines are generally built by municipalities when the actual or proposed developmental density of a community exceeds the ability of the soil to properly renovate the wastewater on the property where it is generated. In simpler terms, when septic systems can't adequately treat the wastewater, sanitary sewers become necessary to convey the wastewater to a facility which is designed to treat such wastes. These sewer systems are not cheap, averaging in today's dollars about \$100 per linear foot.

The process leading to the construction of a sanitary sewer system is similar in most municipalities. First, a need is defined, either because of an existing environmental problem, the desire to avoid causing such a problem, or simply to improve the prospects for commercial or industrial growth. The need is generally defined in a planning document known as a facilities plan or engineering study. The study will contain an evaluation of the existing situation, a determination of the need based on environmental and economic factors, an evaluation of different alternatives to address those needs, and a recommended solution. Based on the recommendations of that study, the municipality will ask the voters to approve the borrowing, or bonding, of funds to design and build the project.

As the project proceeds through design and construction, the money authorized by the voters is expended. The final cost of the project, after grants and cash contributions are deducted, is then formally converted to the appropriate fiscal document (either a loan or a bond issue), and the town becomes obligated by the terms of that document to pay a certain amount each year.

What is a benefit assessment?

A benefit assessment is the charge a municipality or wastewater district places against a property to recover the cost of capital expenditures for the acquisition, construction, or upgrading of wastewater collection, conveyance, or treatment facilities. In simpler terms, a benefit assessment is how the costs for designing and building a sewer system (or treatment plant) are divided among the properties served.

Note that this is **not** the same as a sewer user charge. A sewer use charge is designed to recover the operating costs of the wastewater treatment system (operations, maintenance, and limited component replacement) and is charged only to those properties which actually discharge to the sewer system. For more information on this issue, please see “Sewer User Charge Guidance Manual for Municipal Officials,” published March 1995 by the Connecticut DEP.

Who pays benefit assessments?

Benefit assessments are generally paid by all property owners whose property is adjacent to a sanitary sewer line, and for whom the sanitary sewer is available for use. This is where the term is derived, since the value of a property adjacent to a sanitary sewer is assumed to be “benefited” by the availability of that service. There may be specific instances where, even though a sanitary sewer line is physically available to a property, local regulations limit the extent of the sewer service area. In these cases, if the property is prevented administratively from tying into the sewer, it derives no benefit and therefore cannot be assessed. The property may still be subject to paying the costs of whatever portion of the project is being funded by general taxation.

Sewering the Subdivision: Variations on a Theme

One application which won't be discussed here is the sewerage of a new subdivision. There is often an economic advantage, if sewers are available, in constructing sanitary sewers to serve a subdivision when the subdivision is built. Administratively it's easier since the builder doesn't have to worry about getting a number of septic systems approved. From a construction standpoint it's easier since the new roads are under construction, and other utilities (water, phone, electric, cable) are being installed underground at the same time. It's also easier on the home buyer, since the cost of the utility connections is generally part of the overall cost of the home and is therefore “invisible” to the buyer. Normally, the developer will pay a fixed price up front to the community for the right to tie the subdivision into the municipal sewer system, and when the subdivision is complete, the developer will turn over the roads, drains, and sewers to the town to own and operate. The actual benefit assessment is what the developer pays to the town and may be negotiated, rather than calculated, because the town may be deriving a benefit as well if the sewers serving the subdivision run past developed or undeveloped land which was previously unsewered.

How is the assessment of benefits regulated?

Unlike sewer user charges, which generate revenue for the operation and maintenance of the wastewater collection and treatment system, benefit assessments are not covered by DEP regulation. The statutory reference defining and allowing such assessments is contained in Section 7-249 *et seq* of the Connecticut General Statutes (CGS), a copy of which is contained in the Appendix 3 of this booklet. In general, the statute allows a water pollution control authority (WPCA) to levy benefit assessments on properties that are “especially benefited” by the sewerage system.

The benefit assessment cannot exceed the actual benefit that the property derives and may be altered if the property should change to a use that is more benefited. For instance, vacant land zoned for industrial use derives a marketable benefit if it has sanitary sewer service available. That benefit may be increased when the property is developed, depending on the type of development.

What is a connection charge?

A connection charge, referenced in CSG 7-255, may be levied at the time of connection with the sewer and is generally in addition to the benefit assessment. Connection charges take basically two forms. The first, which exists while the debt for the sewer system is still active, generally covers the municipal cost of processing a permit to connect, including the inspection of the connection. The second, which usually occurs after the capital debt for the sewer has been paid off, covers both the permit processing costs and a lump-sum payment in lieu of a benefit assessment. In the latter case, the funds collected in lieu of a benefit assessment are available for use for any capital costs within the existing or proposed municipal sewerage system.

The ability to use funds collected as benefit assessments or connection charges is restricted by CGS 7-267. This statute requires that funds collected for the sewerage system must be kept separate from all other municipal funds and may not be transferred or used for anything but the costs associated with the sewerage system. This means that, regardless of the other fiscal needs of the community, money that has been collected for the operation, maintenance, or debt retirement of the sewerage system cannot be transferred or reallocated to other municipal accounts.

How are assessments determined?

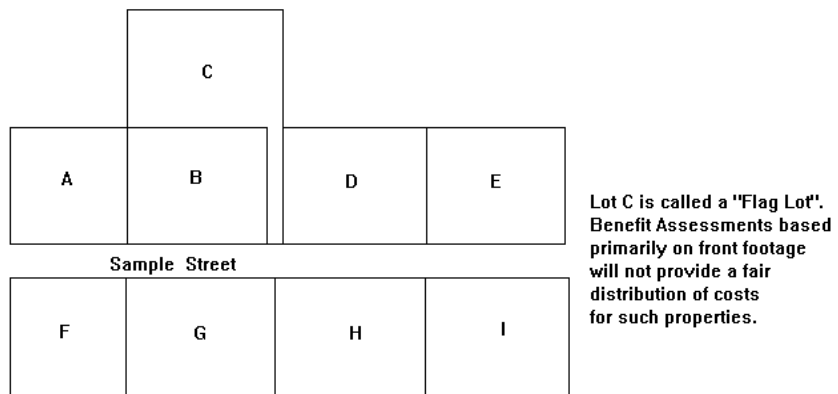
Municipalities use a number of methods for determining how the costs of a wastewater treatment or collection project will be distributed among the properties served. The methodology for distributing these costs varies greatly from town to town. Slightly less than half of those responding to the survey use only one factor in determining a benefit assessment policy. In more cases, a combination of the methods discussed on the following pages will be used to equitably distribute the costs of the project to all the benefitted properties. As can be seen in the data which follows, there is no single method which is preferred by the majority of towns in Connecticut. The basic components upon which towns base their assessments are:

Fixed Charge: Each property, regardless of size, value, or volume of flow, is assessed

the same value. This method is often used to establish a base rate that all properties must pay, regardless of other factors. In primarily residential communities, this method is effectively the same as the flow proportion method (below) using equivalent dwelling units.

Front Footage:

One of the earliest methods utilized was to place the value of the benefit on the footage of the property which borders the sewer line. This was done on the assumption that the longer the footage, the larger the property was and the more it was benefitted due to the presence of the sewer. This method did not take into account the potential for problems due to “flag lots” which tend to have a small frontage on the road but occupy the back property. Slightly over a third of the survey



respondents indicated that they used this method, singly or in combination, to assess benefits

Lot Size:

To address the inequities which were arising due to using front footage as the determining factor, some communities turned to or added a factor to reflect the total acreage of the benefitted property, again assuming that the benefit derived was proportional to the size of the property. This system obviously has its own flaws, as a very deep lot may receive a benefit assessment for acreage which couldn't benefit from the sewer because of the distance of portions of the property from the sewer line. In other cases, a lot with poor field conditions (steep slopes, large rock outcrops, or wetlands, for example) may not benefit from the presence of the sewer line, regardless of the lot size. The benefit assessment policies in many towns have matured over time to reflect either buildable acreage, or acreage within a certain distance of the sewer line.

Property Value : In another one of the basic methods of assessment, each property is charged based on the assessed value of the property. This assumes that the increase in value due to the presence of the sewer is a fixed percentage of the total property value. The variability inherent in this approach generally relegates it to a minor factor in an assessment formula, although there are several towns where property value is the primary component of the assessment.

Flow Proportion: With this methodology, each property is charged based on their estimated or actual proportional use of the sewer system. Either a flow estimate is made prior to the initiation of construction, or it is based on actual use and billed as an added percentage to the operation and maintenance (user charge) bill. An alternate method sometimes used (especially where water records are incomplete or unavailable) is to bill based on the number of Equivalent Dwelling Units (EDUs) on the site. This a form of estimating flow based on the type of usage. An EDU is the approximate volume of water used by a single family residence and ranges from 200 to 250 gallons per day. Basing benefit assessments on flow proportion was used in 35 of the responding communities; of those, 16 use it as the sole method to apportion assessments.

General Taxation: Many municipalities place a percentage of the total cost of a municipal wastewater project on the general tax base. Because this doesn't always show up in the actual assessment policy, it is suspected that the number of communities which actually place a portion of the cost of a wastewater project on the tax base is much higher than what the survey data shows. One fourth of the towns responding indicated that a portion of the project cost (generally about 25%) was placed on the general tax base, although several towns placed a substantial (67% - 100%) portion of the project cost on the tax base.

The rationale for placing a portion of the cost on the general tax base varies, but may include such items as:

Quality of Life: In a number of communities, the installation or extension of sanitary sewers constitutes an improvement in the quality of life for the entire town, not just the affected residents, especially where water pollution previously had an adverse impact on the reputation of the affected area.

Future Needs: There may be properties along the sewer route which are not yet developed, but which may develop in the near future. Since the properties cannot be assessed for their future benefit, the town may choose to carry the burden until such time as the property is developed.

Directed Development: The provision of sanitary sewers to a portion of town may be used to encourage concentrated commercial development in an area suited for it, rather than scattered throughout the community. This preserves and protects other portions of town, while encouraging needed services and allowing the development of a commercial tax base.

Assistance to Disadvantaged: The town may choose to reduce or defer the benefit assessment against the property if the owner is elderly or in a low income bracket. The town may carry the debt until the property changes hands, or forgive some or all of the debt.

Maximum Assessments: The town may set an “equitable upper limit” on the assessment on any given property. This is particularly true when dealing with low or moderate income residential areas. Project costs beyond that limit are borne by the town as a whole.

Community Responsibility: As mentioned in the introduction, many town projects (schools, roads, senior centers, etc.) are funded through the town’s general tax base, because they are seen as a general improvement to the town, even though they don’t necessarily serve every person in the town. Some towns in the state view water pollution control as being in the same category.

Who’s Doing What?

The one consistent thing that we discovered doing this survey is that there is no consistency among communities of any one method or combination of methods being used to recover capital costs from wastewater projects. However, from the 80 responses we received, the following generalizations and observations can be made:

	Total towns which use this method	Towns which use only this method	Towns which use this method as part of a formula
Fixed Charge	18	8	10
Front Footage	38	9	29
Lot Size	13	1	12
Property Value	16	1	15
Flow or Unit	35	16	19
General Taxation	20	1	19
Other	14	1	13

Most Common Methodology: The factor which appears in the most responses is front footage, appearing in 38 of the 80 responses. Nine of the 38 use only front footage to determine benefit assessment.

Most Common Sole Methodology: The factor which most often appears as a sole methodology is based on flow or dwelling units. Sixteen of the 35 communities using this methodology use it without any other factors in the formula.

Most Common Paired Methodology: There's really no clear combination of two or more factors which is favored, judging by the result of the survey. Thirty-seven of the respondents use a single method for determining benefit assessments, 16 use two factors in their formula, 17 use three factors, and 8 use four or more factors. Two towns provided no data on how their system was formulated.

Least Common Methodology: Of all the factors which were contained in the survey, lot size is used the least often. Of the 13 communities which use lot size as a factor, only 1 bases the entire assessment on it, while the other twelve use lot size as a minor factor (less than 50%, and averaging about 24%) in their assessment formulas.

When are assessments determined?

Generally, the method of distributing costs to the affected property owners is determined during the planning phase of the project. It is developed as part of the cost analysis prior to the town authorizing the expenditure of funds and is generally presented to the townspeople at a public hearing. It is unusual (but not unheard of) for the assessments for individual properties to be available at this hearing. Because variations in the design and construction cost of the project can have an effect on the individual assessment, any discussion of assessments at public hearings is done on a general, rather than a property-specific basis.

How much is the typical assessment?

Based on the results of the survey, the average benefit assessment is about \$5200. This number varies substantially with the community. Communities where the sewers were built with federal funds in the late 1970s and early 1980s will have a very low cost due to the extensive grants which were given out during that era. This resulted in a very low local cost. Conversely, extension of sanitary sewers into suburban areas today without the benefit of state or federal grant assistance often results in benefit assessments averaging \$9,000 - \$12,000, unless a portion is placed on the general tax base.

Other significant factors include:

Density of development in the service area. The closer together the properties, the lower the cost per served property.

Topography. A service area composed of rolling or hilly terrain, or low-lying areas, will be more expensive to sewer due to the need for either deep excavation (for gravity lines) or more pumping stations.

Geology and Hydrography. Another factor which increases costs are unfavorable subsurface conditions such as high water tables or shallow depths to bedrock. These adverse soil conditions are, not coincidentally, the same reason that many areas need sewers in the first place.

Where does the money go?

Ultimately, the money collected under a benefit assessment program is dedicated to pay off the loans or bonds which financed the project. But what happens after the bonds are paid off? By statute (Sec. 7-267) all funds collected in such a manner are required to stay within the sewer account. They may, however, be used as seed money to begin new projects or as a reserve against needed capital improvements on the existing system. In this regard, the funds may be used for planning and design as well as construction. While some within the existing system may argue that the excess monies belong to them, it must be recognized that the initial planning which put the system in place was probably paid for by the town in general. Further, judicious expansion of the sewer system can result in some economy of scale via reduced user charges, as well as a general improvement in the quality of life, and favorable improvements in the tax base.

APPENDIX 1

Survey Form

February 28, 1995

Dear Municipal Official:

In 1993, the Bureau of Water Management conducted a survey of sewer use charges in response to inquiries from a number of municipalities about the costs and methodologies of the user charge systems statewide. Nearly all of the municipalities contacted responded, and the results were published in early 1994. We're hoping to have the same type of response to this survey of sewer benefit assessments and connection charges, which you've also asked for.

A benefit assessment is the charge a municipality or wastewater district places against a property to recover the cost of capital expenditures for the acquisition, construction or upgrading of wastewater collection, conveyance, or treatment facilities. The statutory reference for such assessments is contained in CSG 7-249. A connection charge, referenced in CSG 7-255, is levied at the time of connection with the sewer, and is generally in addition to the benefit assessment. Its use is also restricted by CSG 7-267 to the sewerage system, but is less well defined than either the benefit assessment or the sewer user charges.

Benefit assessments are generally composed of one or more components, such as

Fixed Charge: Each property, regardless of size, value, or volume of flow, is assessed the same value.

Front Footage: Properties are charged based on the property frontage along the sewer line. Towns using this system will generally place a limit on the maximum frontage for which a single property can be charged, and will establish special rules for corner lots.

Lot Size: Properties are charged based on either the total acreage, buildable acreage, or acreage within a certain distance of the sewer line.

Property Value: Each property is charged based on the assessed value of the property.

Flow Proportion: Each property is charged based on their estimated or actual proportional use of the sewer system. Either a flow estimate is made prior to the initiation of construction, or based on actual use and billed as an added percentage to the operation and maintenance (user charge) bill.

Over the years, we have received a number of requests from both municipal officials and regional authorities regarding the methodology in use statewide. This survey is being conducted to establish a database for use by all towns in the state on what the established practices are for recovering the costs of building wastewater treatment plants and sewer systems in Connecticut.

Please take a few moments to answer the questions and return the completed survey form in the enclosed envelope. We'd appreciate it if all responses could be returned to us by April 30, 1995. Our target publication date for the DEP report is July 31, 1995. All municipalities will receive a copy of the report once it is completed. Thanks for your help in this matter. If you have any questions, please feel free to contact me at 424-3751.

Sincerely,

Dennis J. Greci
Supervising Sanitary Engineer

Please complete this survey form and return it to DEP in the enclosed envelope. All participants will receive a copy of the survey summary once the data has been compiled.

1. Which method or methods of benefit assessment does your municipality use? Place percentages in each of the spaces if more than one factor is used to calculate the assessment. If the method of recovering treatment plant capital costs is different from that used to recover sewer system capital costs, show each in a separate column below, otherwise complete only one column.

	Sewer System	Treatment Facility
Fixed Charge	_____ %	_____ %
Front Footage	_____ %	_____ %
Lot size	_____ %	_____ %
Property Value	_____ %	_____ %
Flow Proportion	_____ %	_____ %
General Taxation	_____ %	_____ %
Other: _____	_____ %	_____ %

2. For your most recent completed project, what was the average benefit assessment for the typical residential user? \$ _____, or \$ _____ per year for _____ years. (Year of project _____)
3. In addition to the benefit assessment, does your municipality impose a connection charge on the property at the time of connection?

_____ No

_____ Yes ... How much \$ _____

What is the money used for? _____

Survey Form Completed by: _____ Phone Number _____

Please attach a copy of your benefit assessment policy or practice, if available. If you have any questions regarding this form, please contact Dennis Greci at 424-3751. Mail the completed form in the enclosed envelope to :

Dennis Greci, Supervising Sanitary Engineer
 DEP Bureau of Water Management
 79 Elm Street
 Hartford, CT 06106-5127

Thank you for your assistance.

APPENDIX 2

Raw Data From Survey

Town	Households Served	Fixed Charge	Front Footage	Lot Size	Property Value	Flow or Unit	General Taxation	Other	Last Assessment	Cost per year	Number of payments	Project completed	Connection charge
Belton	8,400		25%	25%	25%	25%			\$10,000	\$1,000	10	1988	\$0
Brimsbury	5,400			100%					\$6,500	\$650	10	1994	\$0
Bromers	263					100%			\$3,100	\$111	28	1984	\$50
South Windsor	6,000												
Southington	7,500		100%						\$8,000			1994	\$0
Springue	550	100%								\$162	20	1992	\$50
Stafford	1,850				50%	50%			\$4,000	\$440	10	1992	\$200
Stamford	36,000					31%	69%		\$3,180	\$318	10	1993	\$1,500
Sterling	120					100%			\$1,076			1985	\$0
Stonington	3,000	20%	10%	10%	10%		50%		\$6,000	\$600	15	1991	\$0
Stratford	17,500	100%							\$9,127	\$913	10	1994	\$0
Suffield	2,230					100%			\$5,000				\$0
Thomaston	1,600		25%	25%	25%	25%			\$5,048		10	1989	\$30
Thompson	1,000		39%			31%		30%	\$1,370			1973	\$0
Tolland	50												
Torrington	10,516					100%			\$2,500				\$0
Trombull	4,250		100%						\$9,000	\$275	18	1994	\$500
Uxermon	13,000												
Vallingford	11,000				100%				\$2,800	\$280	10	1983	\$0
Waterbury	48,000					100%							\$525
Waterford	3,000	100%							\$2,154			1993	\$0
Watertown FD	1,900												
Vest Hartford (MDC)	18,500		48%				26%	26%	\$8,270	\$772	15	1995	\$0
Vest Haven	17,000	1%	2%				97%						\$15
Vestport	2,500					100%			\$14,000	\$800	19	1995	\$15
Vethersfield (MDC)	7,000		48%				26%	26%	\$8,270	\$772	15	1995	\$0
Vilton	300												
Vindham	4,434					100%			\$400		1		\$30
Vindsor (MDC)	2,000		48%				26%	26%	\$8,270	\$772	15	1995	\$0
Vindsor Locks	4,940		100%						\$1,900	\$190	10	1988	\$3,000
Vinstded	2,500												
Volcott	2,000	25%	75%						\$3,850	\$193	20	1990	\$0
Woodbridge	350		100%										\$75
Woodstock	50												
	433,220												
		18	38	13	16	35	20	14	5165	515			
		1135%	2081%	394%	542%	2537%	698%	409%	\$5,000	\$315			
		63%	55%	30%	34%	72%	35%	29%	\$3,036	\$256			
		8	9	1	1	16	1	1	\$4,183	\$357			

APPENDIX 3

Relevant State Statutes

Relevant State statutes

Sec. 7-249. Assessment of benefits. At any time after a municipality, by its water pollution control authority, has acquired or constructed, a sewerage system or portion thereof, the water pollution control authority may levy benefit assessments upon the lands and buildings in the municipality which, in its judgment, are especially benefited thereby, whether they abut on such sewerage system or not, and upon the owners of such land and buildings, according to such rule as the water pollution control authority adopts, subject to the right of appeal as hereinafter provided. Benefits to buildings or structures constructed or expanded after the initial assessment may be assessed as if the new or expanded buildings or structures had existed at the time of the initial assessment. Such benefits and benefits to anticipated development of land zoned for other than business, commercial or industrial purposes or land classified as farm land, forest land or open space land on the last completed grand list of the municipality in which such land is located, pursuant to the provisions of sections 12-107a to 12-107e, inclusive, shall not be assessed until such construction or expansion or development is approved or occurs. In case of a property so zoned or classified which exceeds by more than one hundred per cent the size of the smallest lot permitted in the lowest density residential zone allowed under zoning regulations or, in the case of a town having no zoning regulations, a lot size of one acre in area and one hundred fifty feet in frontage, assessment of such excess land shall be deferred until such time as such excess land shall be built upon or a building permit issued therefor or until approval of a subdivision plan of such excess property by the planning commission having jurisdiction, whichever event occurs first at which time assessment may be made as provided herein. No lien securing payment shall be filed until the property is assessed. The sum of initial and subsequent assessments shall not exceed the special benefit accruing to the property. Such assessment may include a proportionate share of the cost of any part of the sewerage system, including the cost of preliminary studies and surveys, detailed working plans and specifications, acquiring necessary land or property or any interest therein, damage awards, construction costs, interest charges during construction, legal and other fees, or any other expense incidental to the completion of the work. The water pollution control authority may divide the total territory to be benefited by a sewerage system into districts and may levy assessments against the property benefited in each district separately. In assessing benefits against property in any district the water pollution control authority may add to the cost of the part of the sewerage system located in the district a proportionate share of the cost of any part of the sewerage system located outside the district but deemed by the water pollution control authority to be necessary or desirable for the operation of the part of the system within the district. In assessing benefits and apportioning the amount to be raised thereby among the properties benefited, the water pollution control authority may give consideration to the area, frontage, grand list valuation and to present or permitted use or classification of benefited properties and to any other relevant factors. The water pollution control authority may make reasonable allowances in the case of properties having a frontage on more than one street and whenever for any reason the particular situation of any property requires an allowance. Revenue from the assessment of benefits shall be used solely for the acquisition or construction of the sewerage system providing such benefits or for the payment of principal of and interest on bonds or notes issued to finance such acquisition or construction. No assessment shall be made against any property in excess of the special benefit to accrue to such property. The water pollution control authority shall place a caveat on the land records in each instance where assessment of benefits to anticipated development of land zoned for other than business, commercial or industrial purposes or land classified as farm land, forest land or open space land has been deferred.

Sec. 7-249a. Assessment of benefits upon industrial users of federally-financed sewage systems. Notwithstanding the provisions of section 7-249, any municipal water pollution control authority which constructs any sewerage system or portion thereof, with federal financial assistance under the provisions of the federal Water Pollution Control Act Amendments of 1972, P.L. 92-500, as from time to time amended, may, in lieu of or in addition to, levying benefit assessments in accordance with the provisions of said section 7-249, assess industrial users of the portion of the sewerage system constructed with federal financial assistance for the cost of construction of such portion to the extent such cost is attributable to the treatment of such industrial users' wastes. In determining such assessments, the municipal water pollution control authority may establish such classifications as may be approved by the administrator of the United States Environmental Protection Agency and the commissioner of environmental protection.

Sec. 7-250. Public hearing. Appeal. No assessment shall be made until after a public hearing before the water pollution control authority at which the owner of the property to be assessed shall have an opportunity to be heard concerning the proposed assessment. Notice of the time, place and purpose of such hearing shall be published at least ten days before the date thereof in a newspaper having a general circulation in the municipality, and a copy of such notice shall be mailed to the owner of any property to be affected thereby at such owner's address as shown in the last-completed grand list of the municipality or at any later address of which the water pollution control authority may have knowledge. A copy of the proposed assessment shall be on file in the office of the clerk of the municipality and available for inspection by the public for at least ten days before the date of such hearing. When the water pollution control authority has determined the amount of the assessment to be levied, it shall file a copy thereof in the office of the clerk of the municipality. Not later than five days after such filing, it shall cause a copy of such assessment to be published in a newspaper having a general circulation in the municipality, and it shall mail a copy of such assessment to the owner of any property to be affected thereby at such owner's address as shown in the last-completed grand list of the municipality or at any later address of which the water pollution control authority may have knowledge. Such publication and mailing shall state the date on which such assessment was filed and that any appeals from such assessment must be taken within twenty-one days after such filing. Any person aggrieved by any assessment may appeal to the superior court for the judicial district wherein the property is located and shall bring any such appeal to a return day of said court not less than twelve nor more than thirty days after service thereof and such appeal shall be privileged in respect to its assignment for trial. Said court may appoint a state referee to appraise the benefits to such property and to make a report of his doings to the court. The judgment of said court, either confirming or altering such assessment, shall be final. No such appeal shall stay proceedings for the collection of the particular assessment upon which the appeal is predicated but the appellant shall be reimbursed for any overpayments made if, as a result of such appeal, his assessment is reduced.

Sec. 7-251. New and supplementary assessments. If any assessment is not valid or enforceable for any reason, a new assessment may be made. If any assessment is made which is not sufficient to cover the entire cost of the work to be paid for by such assessment, a supplementary assessment may be made by the water pollution control authority against those properties previously assessed to the end that a sum sufficient to pay the cost of such work may be obtained, provided no such supplementary assessment, together with the original assessment, shall exceed the value of the special benefit to accrue to the property against which the benefit is assessed.

Sec. 7-252. Due date of assessment. Assessments shall be due and payable at such time as is fixed by the water pollution control authority, provided no assessment shall become due until the work or particular portion thereof for which such assessment was levied has been completed, except that when the work or particular portion thereof for which such assessment was levied is being performed by the water pollution control authority pursuant to an order of the department of environmental protection, the entire assessment may be made due and payable, provided the portion of the total work bonded by the water pollution control authority, which directly benefits the particular property has been completed. The water pollution control authority shall give notice of the date when assessments are due and payable by publication at least twice within a period of fifteen days in a newspaper having a general circulation in the municipality and shall mail a copy of such notice to the owners of the property assessed at their last known addresses. Such notice shall list the streets and describe the area within which are located any properties against which such assessments are due. No assessment shall be due and payable earlier than thirty days after the first publication of such notice.

Sec. 7-253. Installment payment of assessment. The water pollution control authority may provide for the payment of any assessment in substantially equal annual installments, not exceeding thirty, and may provide for interest charges applicable to such deferred payments. The last installment of any assessment shall be due not later than one year prior to the date of the last maturity of any bonds or notes issued by the municipality to finance the acquisition or construction of the sewerage system or portion thereof in respect to which the assessment was levied, except that if such bonds or notes are a general obligation of the municipality, the municipality may levy an assessment the last installment of which may be due up to ten years after the date of the last maturity of such bonds or notes provided the total amount of such assessment does not exceed the amount of the principal of such bonds or notes which have been paid prior to the levying of such assessment. Any such interest charges may not exceed the maximum rate of interest the municipality is obligated to pay on such bonds or notes. Any person may pay any installment for which he is liable at any time prior to the due

date thereof and no interest on any such installment shall be charged beyond the date of such payment. The water pollution control authority shall cause the town clerk of the town in which the property so assessed, in such equal installments, is located, to record on the land records a certificate, signed by the tax collector or treasurer of the municipality, of such facts in form substantially as follows:

CERTIFICATE OF NOTICE OF INSTALLMENT

PAYMENT OF ASSESSMENT OF BENEFITS

The undersigned Tax Collector (or Treasurer) of the Town of (district of) in the County of State of Connecticut, hereby certifies from the date hereof an installment payment plan is in effect, for payment of an assessment of benefits for the installation of a sewerage system, in favor of the Town of (district of) upon real property situated in

.... (town or municipality), Connecticut, which real property is more fully described in the
.... (town) Land Records in:

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The notice of such assessment of sewerage benefits herein certified is to (owner of property), the principal of which is \$.... due to said Town of (district of), together with legal interest, fees and charges thereon, assessed on (date) in the name of (owner of property) and the same became due on (date) and may be paid in annual installment payments of \$.... each plus or including interest and continuing to

(indicate which)

(date of last installment)

This certificate is filed pursuant to section 7-253 of the general statutes as amended, (or (indicate special act or charter))

The property assessed is:

Lot

Street

Item No.

Tax Collector (or Treasurer)

Received 19..

At M .

Recorded in Land Records.

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Town Clerk

Such certificate shall operate as notice of the existence of a plan for payment of such assessment by installments and the town clerk shall cancel or remove the same within seven calendar days after the last installment due has been satisfied, or the total assessment together with all interest, fees and charges has been paid in full.

Sec. 7-253a. Adjustments in sewer assessment payments for elderly or disabled property owners. Any municipality may, by ordinance, permit any property owner who is eligible for tax relief for (1) elderly taxpayers under the provisions of section 12-129b, section 12-170aa, or a plan of tax relief for elderly taxpayers provided by such municipality in accordance with subdivision (1) of subsection (a) of section 12-129n or (2) any property owner under age sixty-five who is eligible under the provisions of a plan for tax relief provided by such municipality in accordance with subdivision (2) of subsection (a) of section 12-129n to apply to the water pollution control authority in such municipality for approval of a plan of payment of such property owner's sewer assessment in a manner other than as provided under section 7-253. Such ordinance may allow optional methods of payment of any sewer assessment by an eligible property owner, subject

to approval of the authority, including an option to pay only the annual interest charge, as provided in said section 7-253, on any deferred payments or outstanding balance of principal, provided in any such optional method of payment, the outstanding balance of principal deferred under such optional method of payment shall become due upon any transfer of title to the property subject to such assessment or upon the death of such property owner. Any such optional method of payment shall be subject to annual review by the authority.

Sec. 7-254. Delinquent assessments. Lien. (a) Any assessment of benefits or any installment thereof, not paid within thirty days after the due date, shall be delinquent and shall be subject to interest from such due date at the interest rate and in the manner provided by the general statutes for delinquent property taxes. Each addition of interest shall be collectible as a part of such assessment.

(b) Whenever any installment of an assessment becomes delinquent, the interest on such delinquent installment shall be as provided in subsection (a) or five dollars, whichever is greater. Any unpaid assessment and any interest due thereon shall constitute a lien upon the real estate against which the assessment was levied from the date of such levy. Each such lien may be continued, recorded and released in the manner provided by the general statutes for continuing, recording and releasing property tax liens. Each such lien shall take precedence over all other liens and encumbrances except taxes and may be foreclosed in the same manner as property tax liens. The tax collector of the municipality may collect such assessments in accordance with any mandatory provision of the general statutes for the collection of property taxes and the municipality may recover any such assessment in a civil action against any person liable therefor.

Section 7-255. Charges. Hearing. Appeal. Payment by municipalities of charges upon specified classification of property or users. Optional payment plans. (a) The water pollution control authority may establish and revise fair and reasonable charges for connection with and for the use of a sewerage system. The owner of property against which any such connection or use charge is levied shall be liable for the payment thereof. Municipally-owned and other tax-exempt property which uses the sewerage system shall be subject to such charges under the same conditions as are the owners of other property, but nothing herein shall be deemed to authorize the levying of any property tax by any municipality against any property exempt by the general statutes from property taxation. No charge for connection with or for the use of a sewerage system shall be established or revised until after a public hearing before the water pollution control authority at which the owner of property against which the charges are to be levied shall have an opportunity to be heard concerning the proposed charges. Notice of the time, place and purpose of such hearing shall be published at least ten days before the date thereof in a newspaper having a general circulation in the municipality. A copy of the proposed charges shall be on file in the office of the clerk of the municipality and available for inspection by the public for at least ten days before the date of such hearing. When the water pollution control authority has established or revised such charges, it shall file a copy thereof in the office of the clerk of the municipality and, not later than five days after such filing, shall cause the same to be published in a newspaper having a general circulation in the municipality. Such publication shall state the date on which such charges were filed and the time and manner of paying such charges and shall state that any appeals from such charges must be taken within twenty-one days after such filing. In establishing or revising such charges the water pollution control authority may classify the property connected or to be connected with the sewer system and the users of such system, including categories of industrial users, and may give consideration to any factors relating to the kind, quality or extent of use of any such property or classification of property or users including, but not limited to, (1) the volume of water discharged to the sewerage system, (2) the type or size of building connected with the sewerage system, (3) the number of plumbing fixtures connected with the sewerage system, (4) the number of persons customarily using the property served by the sewerage system, (5) in the case of commercial or industrial property, the average number of employees and guests using the property and (6) the quality and character of the material discharged into the sewerage system. The water pollution control authority may establish minimum charges for connection with and for the use of a sewerage system. Any person aggrieved by any charge for connection with or for the use of a sewerage system may appeal to the superior court for the judicial district wherein the municipality is located and shall bring any such appeal to a return day of said court not less than twelve or more than thirty days after service thereof. The judgement of the court shall be final.

(b) Any municipality may, by ordinance, provide for the payment to the water pollution control authority by such municipality of the whole or a portion of such charges for specified classifications of property or users, provided such

classifications are established by the water pollution control authority in accordance with the provisions of subsection (a) of this section and meet the requirements of the federal Water Pollution Control Act Amendments of 1972, P.L. 92-500, as from time to time amended.

(c) Any municipality may, by ordinance, provide for optional methods of payment of sewer use charges to the water pollution control authority by (1) elderly taxpayers who are eligible for tax relief under the provisions of Section 12-129b, section 12-170aa or a plan of tax relief for elderly taxpayers provided by such municipality in accordance with section 12-129n or (2) any taxpayer under the age of sixty-five who is eligible for tax relief under the provisions of a plan for tax relief provided by such municipality in accordance with subdivision (2) of section 12-129n.

Section 7-258. Delinquent charge for connection or use. Lien. Any charge for connection with or for the use of a sewerage system, not paid within thirty days of the due date, shall thereupon be delinquent and shall bear interest from the due date at the rate and in the manner provided by the general statutes for delinquent property taxes. Each addition of interest shall be collectible as a part of such connection or use charge. Any such unpaid connection or use charge shall constitute a lien upon the real estate against which such charge was levied from the date it became delinquent. Each such lien may be continued, recorded and released in the manner provided by the general statutes for continuing, recording and releasing property tax liens. Each such lien shall take precedence over all other liens and encumbrances except taxes and may be foreclosed in the same manner as a lien for property taxes. The municipality may by ordinance designate the tax collector or any other person as collector of sewerage system connection and use charges and such collector of sewerage system connection and use charges may collect such charges in accordance with the provisions of the general statutes for collection of property taxes. The municipality may recover any such charges in a civil action against any person liable therefor. For the purpose of establishing or revising such connection or use charges and for the purpose of collecting such charges any municipality may enter into agreements with any water company or municipal water department furnishing water in such municipality for the purchase from such water company or municipal water department of information or services and such agreement may designate such water company or municipal water department as a billing or collecting agent of the collector of sewerage system connection and use charges in the municipality. Any water company or municipal water department may enter into and fulfill any such agreements and may utilize for the collection of such charges any of the methods utilized by it for the collection of its water charges.

Section 7-267. Use of funds. All benefit assessments and charges for connection with or use of the sewerage system, whether pledged for payment of bonds or notes or otherwise, shall be kept separate from any other funds of the municipality and shall be used for the sewerage system, including the payment of debt incurred for the sewerage system and interest thereon, and for no other purpose.

ACKNOWLEDGEMENTS

This guidance manual has been prepared by the Municipal Facilities Section, Bureau of Water Management, Connecticut Department of Environmental Protection and approved for publication.

We'd like to thank all the municipal officials and employees who took the time to respond to this survey

CAVEATS

Just a reminder for those using the data from this survey. The information contained herein is what was provided to me by the towns. I've only checked back with towns when the information required clarification to fit the format of the survey. There may be cases where one person completing the survey didn't interpret the question in the same way as his or her counterpart in another town. In addition, please bear in mind that our publishing of this data should not be interpreted as an approval or endorsement of the methods or charges in any town. As always, please use the data with discretion.

FOR FURTHER INFORMATION:

If you have questions concerning the information contained in this manual, or wish to obtain additional copies, please contact:

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Water Management Bureau
Connecticut Department of Environmental Protection
79 Elm Street
Hartford 06106-5127
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OTHER RELATED DEP PUBLICATIONS:

For additional information on current sewer charges in the State of Connecticut, you may obtain a copy of the **1993 Sewer User Charge Survey** from the address above. This survey contains operational costs and comparisons for 75 wastewater treatment facilities in Connecticut.

For additional guidance regarding the establishment and operation of a sewer user charge system, you may obtain a copy of the **Sewer User Charge Guidance Manual for Municipal Officials** (March 1995) from the address above. This manual contains information regarding the reasons for establishing such a system, the types of systems available, the relevant regulatory references, and a model user charge ordinance.

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