

Representative Policy Board
of the
South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut
or

***Dial in by phone**
[+1 469-965-2517](tel:+14699652517), [240492021#](tel:+1240492021) United States, Northlake
Phone conference ID: 240 492 021#

AGENDA

Special Meeting of Monday, June 8, 2026 at 5:15 p.m.

1. Call to Order
 1. Safety Moment
2. Discussion re AWA Resolutions: S. Lakshminarayanan and R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information.*
3. Consider and act on resolutions concerning the initial capital financing and “credit line” – acting on behalf of the “Aquarion Regional Water District RPB”

<p>* Members of the public may attend the meeting but will be asked to leave during executive session and may return after. To view meeting documents please visit https://tinyurl.com/5b4v562e. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.</p>
--

SAFETY MOMENT

Pesticides and Food: Healthy, Sensible Food Practices

Because pesticides have many uses, we may be exposed to them in a variety of ways; through food, water, and air. You may reduce the amount of pesticides you consume by:

- Washing all fresh fruits and vegetables to remove bacteria and traces of chemicals
- Peeling fruits and vegetables to reduce dirt, bacteria, and pesticides
- Discarding outer leaves of leafy vegetables
- Trimming fat from meat and skin from poultry and fish
- Eating a variety of foods for a better mix of nutrients and to reduce likelihood of exposure to a single pesticide
- Buying organic and locally grown fruit and vegetables
- Growing your own produce
- Using non-toxic methods for controlling insects in the home and garden



Tap Into
Safety



Regional Water Authority

Service – Teamwork – Accountability – Respect – Safety

 Regional Water Authority

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966
<http://www.rwater.com>

To: Members of the Representative Policy Board (RPB)

Cc: Office of Consumer Affairs (RWA/AWA)
Six Member Authority Board

From: Sunny Lakshminarayanan, Interim CEO
Rochelle Kowalski, CFO

Date: June 4, 2026

Subject: Special Meeting – AWA related resolutions

The June 8, 2026, Special Meeting is to consider and act on two resolutions related to the Aquarion Water Authority (AWA).

Background:

Under Special Act 77-98, as amended (the Enabling Legislation), Section 4 provides that the members of the Regional Water Authority (RWA) RPB have the authority to act on behalf of the Aquarion RPB until such time as the Aquarion RPB is appointed.

Therefore, for pre-close matters requiring RPB approval under the Enabling Legislation, the RWA RPB acts on behalf of the Aquarion RPB. In the future, post formation of the AWA RPB, the AWA RPB will vote on such matters.

For these two proposed pre-closing resolutions, the RWA RPB is acting on behalf of the Aquarion RPB and this is clearly indicated in the wording of the resolutions.

Resolutions:

Initial Capital:

The first resolution (attached) is for the debt issuance associated with the initial capital funding. This resolution was on the agenda for the November 20, 2025, meeting. The resolution was approved by the Authority board and reviewed by the RPB Finance Committee. The resolution was, however, removed from the November 2025 meeting as we had just received the PURA decision denying the transaction, which was subsequently reversed.

It is important that this resolution be part of the initial AWA financing for both continuity of operations as well as the special provisions in AWA's General Bond Resolution regarding the initial bond issuance.

While the initial capital was not included in the acquisition and financing resolution approved by the RPB on September 5, 2025, estimated initial capital as well as estimated on-going capital requirements were in the debt structure and modeling that was presented in the Executive Session portion of the August 2024 public hearing sessions. The model submitted and reviewed as part of the PURA proceedings also included both the estimated initial and on-going capital requirements.

Credit-Line:

The second resolution (draft attached) is for the availability of a credit-line for the AWA. Availability of a credit line to meet days-cash-on hand criteria was noted by the rating agencies when AWA received indicative ratings in late 2024 and is being discussed again with the rating agencies. This credit-line will provide a source of liquidity to AWA, if needed. This availability is important in the early days of AWA. Aquarion, in their current business model, keeps only a small unrestricted cash balance at the Aquarion level. The unrestricted cash balance will be built up over time in the authority model.

Engineer's Report:

Like the RWA, AWA engaged GHD—a multidisciplinary engineering services firm—to provide critical independent third-party technical validation for its complex capital investments. GHD delivered unbiased due diligence, evaluating AWA's infrastructure models, water treatment upgrades, and asset management frameworks to optimize long-term expenditures. By serving as an objective intermediary between AWA leadership, environmental regulators, and financial stakeholders, the independent firm's evaluation mitigates operational risks and ensures large-scale projects comply with stringent public health and safety standards. Their evaluation is also attached for reference.



Original Sent Via Email

May 28, 2026

Aquarion Capital Improvement Program (CIP) Review and Risk Assessment

On behalf of GHD, we appreciate the opportunity to provide the South Central Connecticut Regional Water Authority (SCCRWA) an updated adequacy and suitability review of the Aquarion Water Company (Aquarion) Capital Improvement Program (CIP).

As documented in GHD's 2024 Technical Due Diligence Report, GHD performed a desktop review of Aquarion's capital plan, general system condition, and associated risks. GHD also developed a long-term adjusted capital plan forecast based on a qualitative risk analysis, industry benchmarking, and targeted follow-up inquiries (see 2024 Technical Due Diligence Report attached).

In May of 2026, GHD performed an updated review and modeling effort based on additional information provided by Aquarion including:

- Responses to a structured set of follow-up technical and financial questions;
- Updated CIP schedules and project timing assumptions; and
- Revised capital modeling reflecting current planning inputs.

Summary of Key Findings

1. No Material Change in Overall Due Diligence Assessment

Based on our updated review, GHD confirms that the fundamental conclusions of the 2024 due diligence assessment remain unchanged. The overall risk profile associated with Aquarion's infrastructure, capital program, and long-term investment needs is consistent with the findings previously presented.

The principal drivers of capital investment (asset condition, regulatory compliance requirements and system reliability), remain valid and continue to support the magnitude of investment identified in the 2024 analysis.

2. Updated Capital Investment Profile/Schedule

The most significant update since the 2024 report is the re-phasing of the capital program, driven by Aquarion's refinement of project schedule including:

- A substantial portion of capital expenditures (approximately \$100 million) has been deferred, with the largest reductions occurring in the 2028–2029 timeframe;
 - Near-term annual capital spending has been reduced materially compared to the 2024 modeled projections; and
 - Certain projects have been shifted to later years, extending the implementation timeline for portions of the CIP.
-

3. Implications of Updated CIP Timing

GHD's evaluation indicates that the most changes in the Aquarion CIP reflect a timing adjustment rather than a reduction in underlying capital need. Specifically:

- The primary infrastructure investment requirements identified in 2024 remain necessary;
- Investment deferrals impact short-term cash flow and rate pressures, not long-term obligations; and
- The revised plan continues to address key regulatory and system reliability drivers identified in the original due diligence effort.

4. GHD Assessment and Opinion of Aquarion Updated CIP

Based on our review of the updated CIP and financial modeling, GHD generally concurs with the scheduling adjustments made by Aquarion. In our opinion:

- The updated plan represents a reasonable and prudent re-phasing of capital investments;
- The program continues to protect public health and is expected to maintain regulatory compliance, including ongoing commitments related to water quality and infrastructure renewal;
- The revised timing reduces near-term water rate pressures while maintaining alignment with long-term system needs; and
- The plan appears consistent with industry-accepted practices for capital planning, asset management, and financial sustainability in the water utility sector.

In summary, GHD reaffirms that the 2024 Technical Due Diligence findings remain valid, with no material change to the overall risk profile or required level of long-term capital investment. The primary change is the deferral and re-sequencing of capital expenditures, which reduces near-term spending while preserving the integrity of the overall program. GHD considers this approach to be appropriate, balanced, and consistent with sound utility management practices.

Sincerely,

GHD



Due Diligence Engineering Summary

31st October 2024

1. Purpose

GHD Inc. (GHD) was engaged to perform a technical due diligence, as described below, associated with the sale of the Aquarion Company and its subsidiaries (the Seller).

Aquarion is a regulated water utility providing services to over 750,000 people across Connecticut, Massachusetts and New Hampshire. It serves as a water supply company in 72 cities and towns, and is one of the seven largest water utilities in the U.S.

The subsidiaries considered for the purpose of the acquisition include:

- Aquarion Water Company of Connecticut (“Aquarion CT” or “AWC-CT”)
- The Torrington Water Company (“Torrington” or “TWC”)
- Aquarion Water Company of Massachusetts (“Aquarion MA” or “AWC-MA”)
- Aquarion Water Company of New Hampshire (“Aquarion NH” or “AWC-NH”)
- Abenaki Water Company (“Abenaki” or “ABWC”)

GHD’s engagement include due diligence review services and to assess the technical adequacy of Aquarion’s Capital Improvement Plan. Our due diligence included reviewing existing reports and files provided to GHD by the Seller.

The purpose of this Due Diligence Report Engineering Summary (“Summary”) is to complete pre-acquisition due diligence and inform of potential material issues, challenges, and risks that have been identified to-date (including potential impacts and mitigants as possible) based on the technical reports and documentation provided to GHD that may materially impact the acquisition of Aquarion. GHD had a focus on assessing the capital expenditure plans, operational assets including instrumentation and controls, and ESG supporting functions.

2. Scope and Limitations

2.1 Scope of work

The scope of GHD’s work under the agreement included:

- Performing a review of the existing technical files and capital expenditure projections.
- After reviewing the technical files and capital expenditure projections, identifying limitations within the files and noting areas where further due diligence may be required.
- To the extent that limitations or risks are identified, GHD interacted with the Merger and Acquisition Advisor and client to submit (where possible) a list of questions and further requests for information to clarify aspects of the existing technical work and capital projections.
- Prepare a Technical Due Diligence Report on the reasonableness of the Aquarion Consolidated CapEx Detail Plan, and documentation made available via Aquarion’s virtual data room.
- Prepare an Adjusted Capital Plan, based on the provided CapEx Detail Plan, that adjusts capital expenditure based on the risks and assumptions reviewed in the Technical Due Diligence Report.

2.2 Disclaimers, Assumptions & Limitations

This report has been prepared by GHD for the Client and may only be used and relied upon by the Client for the purpose agreed between GHD and the Client as set out in Section 1.

GHD otherwise disclaims responsibility to any person other than the Client arising in connection with this Summary. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The opinions, conclusions and any recommendations in this Summary are based on conditions encountered and information reviewed at the date of preparation of the Summary. GHD has no responsibility or obligation to update this Summary to account for events or changes occurring subsequent to the date that the Summary was issued. GHD disclaims liability arising from any assumptions being incorrect.

GHD permits the Client to release a copy of these findings to a third party for use by the third party for the purpose of evaluation of the financing and refinancing of the acquisition subject to the third party executing the attached Reliance Agreement and delivering it to GHD. Through the execution of the Reliance Agreement, the third party acknowledges and agrees with the terms stated in the Reliance Agreement.

2.3 Consulting Engineer

GHD is one of the world's leading professional services companies operating in the global markets of water, energy and resources, environment, property and buildings, and transportation. We provide engineering, environmental, and construction services to private and public sector clients. Established in 1928 and privately owned by our employees, GHD operates across five continents — North and South America, Asia, Australia, and Europe. We employ more than 11,000 people in more than 200 offices to deliver projects with high standards of safety, quality, and ethics across the entire asset value chain. GHD has completed numerous condition assessments, water system audits, consulting engineering reports, capital improvement plans, and has experience in providing rate consultation, utility management, and general consulting services. GHD is experienced in the construction, operation and maintenance of water systems and is qualified to continue to function at this capacity for the purposes of this report.

3. Technical Due Diligence

The methodology, approach and associated risk analysis are summarized below.

GHD has assumed the following in relation to the review material received, unless otherwise specifically stated, and the findings are therefore subject to these assumptions and to the other stated limitations.

- The information provided was true and accurate in all respects and contained no material errors or omissions.
- All documents and records examined by GHD were genuine, complete and up to date and there are no defaults or contraventions under any permit or license conditions, agreement or instrument other than those set out in the material reviewed by GHD.
- All employees of the Client who are aware of any information which has not otherwise been specifically made known to GHD and which could affect the correctness of the opinions expressed in this Memo, have communicated that information to GHD.

Nothing has come to the attention of GHD that has led it to believe that such assumptions are not correct or that it would be unreasonable to rely on the assumptions in the circumstances. However, if any of our assumptions are not accurate or the advice GHD has relied on is incorrect, the opinions GHD has expressed will need to be re-examined and may need to be changed.

4. Conclusions and Opinions

This Summary sets forth the findings of GHD as to the the reasonableness of the Aquarion Consolidated CapEx Detail Plan, and a general assessment on whether the assets of Aquarion have been maintained and are being maintained in good repair and sound operating condition based on a site visit conducted of October 3, 2024, and documentation made available via Aquarion's virtual data room. It also provides general observations and opinions regarding the staffing, operations and maintenance ("O&M"), capital improvement planning, supply

capacity, and regulatory compliance of Aquarion's water systems. Inherent in our conclusions is the assumption that there will be a continuation of policies and practices consistent with industry standards relative to infrastructure renewal and fiscal management.

This Summary prepared by GHD, is intended for inclusion in the Official Statement. Based on the available data, GHD noted that Aquarion appears to be a stable, well-organized utility with strong fiscal and management policies and practices. The organization's vision, business model, and personnel point towards future success. The workforce appears to be engaged and motivated toward continuous improvement.



GHD reviewed Aquarion's capital plans and documentation for each state that Aquarion operates in (Connecticut, Massachusetts, and New Hampshire). The following observations and conclusions are summaries of Aquarion's overall operations.

Notwithstanding what has been stated, presumed, or assumed elsewhere, GHD has developed the following opinions and conclusions:

1. Aquarion performs well when comparing key metrics to peer utilities (e.g., staffing levels, customer service, affordability, reliability). Aquarion is often on par or exceeds AWWA benchmark averages.
2. Overall, the 2024-2035 Consolidated CapEx Detail Plan appears robust and in line with typical industry investment for water utilities. Opportunities for optimization and deferral could reduce the variability of projected capital expenditures from year to year. Opportunities may also be available to enhance investment in Massachusetts and New Hampshire systems.
3. Staffing has been efficiently applied to the O&M functions, and staff are supported by robust IT systems (e.g., SCADA) to provide satisfactory performance. Aquarion uses a proactive internship and training program to replace key O&M staff lost to retirements. Continual maintenance of the IT systems will provide the conditions for efficient and effective staffing performance.
4. Visual observations of the Hemlocks SWTP and Easton SWTP showed compliant facilities that were well operated and maintained. O&M staff were knowledgeable, cross-trained, safety conscious and engaged in their responsibilities. Review of available improvement plans, water supply planning reports and inspection summaries indicate the other Aquarion facilities are similarly maintained.
5. Asset-based assessments are used in identifying and prioritizing replacement and rehabilitation needs at Aquarion's facilities. Asset management is a proven approach to determining capital needs for large and complex utilities.
6. Emergency planning and preparedness measures are comprehensive and appear to follow generally accepted industry practice and risk management approaches. Based on available reporting information, Aquarion's systems are generally redundant, and able to respond to emergencies or critical asset failures. Aquarion has been able to maintain service to customers during natural disasters (e.g., hurricanes) and long-term challenges (e.g., droughts).
7. Aquarion has maintained a focus on improving water supply redundancy and resilience. This has been achieved through large capital projects, installing interconnections between water systems, and implementing water conservation planning. Investment is being made to update water supply assessments, and to address areas where water supply limitations are identified.
8. Based on a site visit and review of available documents, the funding and performance of O&M activities appears to be satisfactory.
9. Provided that Aquarion continues to implement its capital investment plan, Aquarion appears to have sufficient capacity and ability to satisfy the forecasted range of both near- and long-term demand of its current and prospective future customers.
10. Aquarion has maintained a good track record of compliance with water quality regulations, as shown through annual water quality reports issued to customers. Aquarion has completed projects to correct water quality issues as they arise, including secondary water quality standards. Compliance would be expected to continue provided that Aquarion (and new owner) implements asset renewal and maintenance in a timely manner and continues to operate facilities in a satisfactory manner.
11. Proactive evaluation and planning have been used to address new regulations associated with PFAS and the Lead and Copper Rule Revisions and Lead and Copper Rule Improvements. This has enabled efficient budget planning to meet compliance schedules. While the potential to encounter additional lead service lines

represents an inherent risk, the planning approach employed by Aquarion provides time to adjust capital investment to account for any additional lead service line replacements.

12. Raw and finished water sampling, testing methods and reporting appear satisfactory. Plant instrumentation at most facilities are connected to SCADA systems to facilitate operation. All facility alarms are continuously monitored by a central location to permit rapid response should an issue occur.
13. Dam inspection intervals meet or exceed CTDEEP requirements based on available inspection reports. Capital planning for dams has been increased to address critical dams. Aquarion is aware of the recommendations from inspection reports and are addressing concerns, although there may be a need to identify opportunities for increasing investment.
14. The Consolidated CapEx Detail Plan shows a consistent and robust level of resources dedicated to testing and periodic replacements of meters, as well as providing meters for new accounts. Testing frequency appears to meet regulatory requirements. As larger meters are replaced, there may be opportunities to invest in advanced meter technology to improve flow capture and reduced maintenance.
15. Aquarion maintains a robust source water protection program that included over 4,700 inspections in 2023. In addition to land use monitoring, stream monitoring, forestry and security practices, and erosion control, Aquarion identifies opportunities for land purchases where source water protection can be enhanced. Additionally, many of the sources of water appear to be upland reservoirs or wells, which in general provide for better water quality than lowland river sources.
16. While the Butternut Hollow SWTP presents an opportunity to renew facilities and improve water supply redundancy and resilience, there is an opportunity and time to complete a holistic review of the needed improvements to optimize costs while maximizing benefits to ratepayers.

Project name		Pre-acquisition Due Diligence					
Document title		Due Diligence Report Engineering Summary					
Project number		12649247					
File name		12649247-Due Diligence Report Engineering Summary.docx					
Status Code	Revision	Authors	Reviewer		Approved for issue		
			Name	Signature	Name	Signature	Date
S4	4.0	C Martin G Athanasiou A Paliwal	S Waldvogel		H Rana		11/01/24

GHD Inc.

Contact: Stephen Waldvogel, Senior Technical Director | GHD Buffalo
 285 Delaware Avenue, Suite 500
 Buffalo, NY 14202, United States
 T 716-856-2142 | E info-northamerica@ghd.com | ghd.com

© GHD 2024

This document is and shall remain the property of GHD. The document may only be used for the purpose for which it was commissioned and in accordance with the Terms of Engagement for the commission. Unauthorised use of this document in any form whatsoever is prohibited.

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

**Resolution Approving the Issuance of Bonds to Finance
Capital Improvement Projects and to Correct Language of a Prior Resolution**

WHEREAS, the Aquarion Water Authority, (the “AWA”) proposes to issue its bonds, notes or other obligations (the “Bonds”) in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the “Act”); and

WHEREAS, the Act authorizes the AWA to issue its Bonds from time to time but subject to the approval of the Representative Policy Board of the Aquarion Regional Water District (the “AWD RPB”); and

WHEREAS, Section 4 of the Act provides that the representative policy board of the South Central Connecticut Regional Water District (the “RWA RPB”) shall have the authority to act on behalf of the AWD RPB until such time as the members of the AWD RPB are appointed.

NOW THEREFORE, THE REPRESENTATIVE POLICY BOARD OF THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT ACTING ON BEHALF OF THE AWD RPB APPROVES THE FOLLOWING:

RESOLVED THAT:

1. The Bonds shall not exceed \$350,000,000.
2. The Bonds may be issued as obligations in one or more series on parity or subordinate to bonds issued by the AWA pursuant to a resolution to be adopted by the AWA for each series of Bonds, which resolution may provide that the Bonds are combined in one or more series with other bonds of the AWA to be issued for a different purpose. Each of such resolutions shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, whether bonds are taxable or tax exempt, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the AWA shall determine in accordance with the limits established by this resolution.
3. The purposes of the Bonds shall be to finance or refinance the cost of (i) capital improvements of the water system of the Aquarion Water Company (the “Company”) prior to the acquisition of the Company by the AWA in accordance with that certain Purchase and Sale Agreement by and among the seller, the AWA and the RWA, dated as of January 27, 2025; (ii) capital improvements of the water system of AWA made after the acquisition of the Company by the AWA; (iii) funds for deposit to reserve funds, as necessary in accordance with the AWA general bond resolution and as permitted by the Internal Revenue Code of 1986, as amended and (iv) costs of issuance of the Bonds (collectively, the “Project”).
4. The Bonds may be sold by a competitive bid or by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement.

BE IT FURTHER RESOLVED THAT the resolution adopted on September 5, 2024 by the RWA RPB acting on behalf of the AWD RPB be amended to replace the first sentence of item 2 in its entirety as set forth below.

“ 2. The issuance of the Bonds in an aggregate principal amount that shall not exceed the amount as set forth in the Application with information provided on August 22, 2024 and August 27, 2024 during executive sessions of the public hearings held by the RWA RPB acting on behalf of the AWD RPB is hereby approved.”

**AQUARION WATER AUTHORITY
RESOLUTION APPROVING THE PROPOSED ISSUANCE OF BONDS**

WHEREAS, the Aquarion Water Authority, (the “AWA”) proposes to issue its bonds, notes or other obligations (the “Bonds”) in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the “Act”); and

WHEREAS, the Act authorizes the AWA to issue its Bonds from time to time but subject to the approval of the Representative Policy Board of the Aquarion Regional Water District (the “AWD RPB”); and

WHEREAS, the Act provides that the representative policy board of the South Central Connecticut Regional Water District (the “RWA RPB”) shall have the authority to act on behalf of the AWD RPB until such time as the members of the AWD RPB are appointed.

NOW THEREFORE, THE REPRESENTATIVE POLICY BOARD OF THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT ACTING ON BEHALF OF THE AWD RPB APPROVES THE FOLLOWING:

RESOLVED THAT:

1. The Bonds shall not exceed Forty Million Dollars (\$40,000,000) in aggregate principal amount.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions, whether taxable or tax-exempt, and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of certain capital improvements to the water system of the Authority as set forth in the Authority’s capital improvement plan (the “Projects”), to fund operating expenses and to provide funds for deposit to the Debt Service Fund, or other funds of the Authority as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended, if applicable, and to pay costs of issuance.
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement to a bank or the State of Connecticut.