

**SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY**

Description of Organization and Bylaws

DESCRIPTION OF ORGANIZATION

Section 1 Description.

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

Section 2 Functions.

The Authority was created for the primary purpose of providing and assuring the provision of an adequate supply of pure water at a reasonable cost within the South Central Connecticut Regional Water District (the "District") and, to the degree consistent with the foregoing, of advancing the conservation and compatible recreational use of land held by the Authority. The Authority has also been empowered to assure the safe disposal of waste water at a reasonable cost within the District and, to the degree consistent with the foregoing, to advance water conservation. The Authority has also been empowered to conduct or invest in noncore businesses, as defined in Section 2 of the Act, 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 (5) percent 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. The Authority is to carry out its powers, purposes, and duties for the benefit of the people residing in the South Central Connecticut Regional Water District and the

State of Connecticut, and to improve their health, safety and welfare, and by doing so the Authority performs an essential governmental function in the exercise of its powers. The Authority has the power to conduct or invest in noncore businesses, either directly or through an affiliated business entity.

Section 3 Official Address.

All communications should be addressed to the South Central Connecticut Regional Water Authority, 90 Sargent Drive, New Haven, Connecticut, 06511. General information on the Authority may be found at the Authority's website: www.rwater.com.

Section 4 Public Information.

The public may, upon written request, inspect the bylaws, regulations, and public records of the Authority at its office 90 Sargent Drive, New Haven, Connecticut 06511.

BYLAWS

**ARTICLE I
Meetings**

Section 1.1 Regular Meetings.

Regular meetings of the Authority shall be held at least monthly at the principal office of the Authority. The Secretary shall file the schedule of regular meetings for each year not later than January thirty-first of each year in the office of the clerk of the Authority, the Chief Executive Officer of the Authority shall file the schedule of regular meetings for each year not later than January thirty-first of each year with the clerk of each municipality in the District and no such meeting shall be held sooner than thirty days after such schedule has been filed.

Section 1.2 Special Meetings; Notice.

Special meetings of the Authority may be called upon due notice at such time as the Chairperson or, in his/her absence, the Vice-Chairperson shall determine. Special meetings shall

be called upon the written request of two or more members of the Authority to the Chairperson or the Vice-Chairperson in his/her absence, which written request may be by e-mail (or other electronic means). Notice of the time and place of each special meeting shall be filed in the office of the clerk of the Authority and with the clerk of each municipality in the District at least twenty-four hours prior to the time of such meeting. The notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meetings. Such written notice shall be delivered to the usual place of abode of each member of the Authority by any reasonable means, including by e-mail or other electronic means, giving weight to the preference selected by each member under Section 1.3 hereof, so that such notice is received prior to the special meeting. If for any reason the Chairperson or Vice-Chairperson fails to order the call of a special meeting, the Secretary may call such meeting.

Section 1.3 Members to Receive Notice of Regular Meetings.

Written notice of regular meetings of the Authority shall be delivered in person, by first class mail, by e-mail, or other electronic means to each member by the Secretary upon order of the Chairperson or Vice-Chairperson at least five days before such meeting. Each member shall register his/her preferred delivery method to the Secretary. If for any reason the Chairperson or Vice-Chairperson fails to order the call of a regular meeting, the Secretary may call such meeting. Such notice shall state the time, place, and purpose of the meeting.

Section 1.4 Emergency Special Meetings.

In the event of an urgent matter requiring action in less than twenty-four hours, the Chairperson or Vice-Chairperson may call an emergency special meeting upon such notice, given in such manner as the Chairperson or Vice-Chairperson, as the case may be, may

determine. At such emergency special meeting only such urgent matter may be considered, and a copy of the minutes of the meeting, setting forth the nature of the emergency and the proceedings which occurred at the meeting, shall be filed in the office of the Authority and with the clerk of each municipality in the District not later than seventy-two hours following the holding of the meeting.

Section 1.5 Waiver of Notice.

Before or at any meeting of the Authority, any member may, in writing, waive the requirement of the delivery of written notice of such meeting, and such waiver shall be deemed equivalent to the delivery of such written notice. Such waiver may be given by telegram, e-mail or other electronic means. Attendance by a member at any meeting shall also be a waiver of the requirement of the delivery of written notice, except where the member attends a meeting for the express purpose of objecting to the conduct of business on the ground that the meeting was not lawfully called or is not lawfully convened. If all the members are present at any meeting of the Authority, no notice shall be required, and any business may be transacted at such meeting.

Section 1.6 Mailing of Notice to Designated Persons.

Written notice of regular and special meetings of the Authority may also be delivered in person, by first class mail, by e-mail or other electronic means (giving preference to the method of delivery selected) by the Authority to the Chairperson and Secretary of the Representative Policy Board established pursuant to Section 4 of the Act and by first-class mail delivered prior to the date of such meeting, where practicable, to such persons as the Authority shall designate from time to time as hereinafter provided in Section 1.7, except that the Authority may give such notice as it deems practicable of special meetings called less than seven days prior to the date set for such meeting.

Section 1.7 Persons to Receive Notice.

Any person who desires to receive personal notice of regular and special meetings of the Authority shall file a request with the Authority in writing stating such person's name and mailing address. The Authority shall maintain the names of such persons on a list to receive notice of meetings for a period of one year, after which date, the name shall be deleted from such list unless or until such request is renewed in writing in the same manner, which renewal request shall be filed within thirty days after January first of each year.

Section 1.8 Filing of Agenda of Regular Meetings.

The agenda of each regular meeting shall be filed in the office of the Authority at least twenty-four hours in advance of the meeting. Any subsequent business which was not included in the filed agenda may be considered upon the affirmative vote of two-thirds of the members present and voting.

Section 1.9 Quorum, Teleconference.

At all meetings of the Authority, three members shall constitute a quorum for the transaction of business, and acts passed by the votes of three members present at a meeting at which a quorum is present shall be the acts of the Authority, except where a larger number is required by law or these bylaws. All meetings of the Authority may be conducted by teleconference (or other similar electronic means). A member participating by means of teleconference (or other similar electronic means) shall be considered present. If a meeting is conducted by teleconference, provisions must be made for attendance by the public at the location noticed for said meeting and all members of the Authority and other attendees including members of the public must be able to simultaneously hear each other during the meeting. If, at any meeting, there is less than a quorum present, a single member may vote to adjourn the

meeting to some later time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted, provided a quorum is present and notice of the adjourned meeting has been provided to members in accordance with Section 1.3, in the case of an adjourned regular meeting, or Section 1.2, in the case of an adjourned special meeting. Notice of the adjourned meeting shall be posted if required by statute.

Section 1.10 Voting.

The votes of each member at any meeting shall be recorded in writing and made available for public inspection within forty-eight hours of such vote and shall be recorded in the minutes of the meeting, which minutes shall be available for public inspection within seven days of said meeting.

Section 1.11 Executive Session.

In accordance with Section 1-225 of the General Statutes, the Authority may hold an executive session, as defined and for the reasons set forth in subsection (6) of Section 1-200 of the General Statutes, upon an affirmative vote of two-thirds of the members present and voting, taken at a regular or special meeting of the Authority and stating the reasons for such executive session.

Section 1.12 Special Meeting; Emergency Special Meeting; Timing

In determining the time within which or by when a notice, agenda, record of votes or minutes of a special meeting or an emergency special meeting are required to be filed under this section, Saturdays, Sundays, legal holidays and any day on which the office of the Authority or the clerk of each municipality in the District, as the case may be, is closed, shall be excluded.

ARTICLE II Officers

Section 2.1 Designation and Election.

The principal officers of the Authority shall be the Chairperson and the Vice-Chairperson, who shall be members of the Authority, and the Secretary and the Treasurer, who may be members of the Authority. The Chairperson shall be elected by majority vote of the Authority and, unless sooner removed by the Authority, shall serve a term of two years and until his/her successor is elected and shall qualify. All other officers shall be elected by majority vote of the Authority and, unless sooner removed by the Authority, shall serve a term of one year and until their successors are elected and shall qualify.

Section 2.2 Removal.

An officer may be removed by a majority of the votes of the Authority, either with or without cause, and a successor elected at any regular meeting of the Authority or at any special meeting called for such purpose.

Section 2.3 Chairperson.

The Chairperson shall preside at all meetings of the Authority and shall appoint members to such special committees as the Authority may from time to time establish.

Section 2.4 Vice-Chairperson.

The Vice-Chairperson shall perform the duties and exercise the powers of the Chairperson in the absence or disability of the Chairperson. The Vice-Chairperson shall also perform such other duties and have such other powers as may be prescribed by the Authority.

Section 2.5 Secretary.

The Secretary shall issue notice of meetings, keep and distribute minutes, attest all necessary copies of resolutions and other actions of the Authority and perform all other duties required by law or prescribed by the Authority.

Section 2.6 Treasurer.

The Treasurer shall have custody of any funds of the Authority, keep full and accurate account of all receipts and disbursements, and shall render an account of such transactions and the financial condition of the Authority whenever called upon to do so. In the absence or disability of the Treasurer, the Chairperson or Vice Chairperson may disburse funds.

Section 2.7 Bonds and Notes.

Bonds, notes and other evidences of indebtedness shall be executed on behalf of the Authority by the Chairperson or Vice-Chairperson and by the Treasurer or Secretary or another member of the Authority.

**ARTICLE III
Committees**

The Authority may establish committees. The Chairperson of the Authority shall appoint the members of the committees for one year terms and designate the committee Chairperson who shall call and preside at committee meetings. A majority of the members appointed to any committee shall constitute a quorum and a majority of the quorum may take actions and render reports to the Authority on behalf of the committee. Committee meetings, notice thereof and filings related thereto, must meet the requirements for Authority meetings in Article I.

ARTICLE IV
Financial

Section 4.1 Competitive Bids.

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 website, 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 (i) contracts for professional services, (ii) when the supplies, materials, equipment or work can only be furnished by a single party, (iii) 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 (iv) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal governmental 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 4.2 Compensation.

Members of the Authority shall receive such compensation for their services as shall be fixed by the Representative Policy Board and shall be reimbursed for necessary expenses incurred in the performance of their duties.

Section 4.3 Fidelity Bonds.

All officers and employees of the Authority having custody or control of funds of the Authority shall furnish fidelity bonds, the amount and sufficiency of which shall be approved by the Authority. The premiums on such bonds shall be paid by the Authority.

Section 4.4 Authority Transactions with Members and Employees.

(a) If any member or employee 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 Authority, a subsidiary corporation or an affiliated business entity, such member or employee shall immediately so inform the Authority, the subsidiary corporation or an 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 subsidiary corporation or an affiliated business entity, as to its members and employees, and 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 Authority or 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 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/her representative, is in attendance.

Section 4.5 Limitations of Liability and Indemnification.

a. 1. **Definitions.** As used in Sections 4.4 and 4.5(a), "Authority" means the South Central Connecticut Regional Water Authority; "Authority Member" means a member of the Authority; "District" means the South Central Connecticut Regional Water District; "Policy Board" means the Representative Policy Board of the District; "Policy Board Member" means a member of the Policy Board; "subsidiary corporation" means a corporation which owns or operates all or part of a water supply or wastewater system within the District and all of the voting stock of which is owned by the Authority; "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 businesses; and "CBCA" means the Connecticut Business Corporation Act, Chapter 601 of the Connecticut General Statutes, as the same may be amended from time to time.

2. **Limitation of Liability.** The personal liability of an Authority Member, Policy Board Member, or officer or employee of the Authority, the District or subsidiary corporation for monetary damages for breach of duty as an Authority Member, Policy Board Member, or officer or employee of the Authority, the District or subsidiary corporation shall be limited to an amount equal to the amount of compensation received by such person for serving

the Authority, the District, the Policy Board or subsidiary corporation during the calendar year in which the violation occurred (and if the person received no such compensation from the Authority, the District, the Policy Board or subsidiary corporation during the calendar year of the violation, such person shall have no liability to the Authority, the District, the Policy Board and/or subsidiary corporation for breach of duty) if such breach did not:

- (a) involve a knowing and culpable violation of law by such person;
- (b) enable such person or an "associate", as defined in Section 33-840 of the CBCA, to receive an improper personal economic gain;
- (c) show a lack of good faith and a conscious disregard for the duty of such person to the Authority, the District, the Policy Board and/or subsidiary corporation, as the case may be, under circumstances in which such person was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Authority, the District, the Policy Board and/or subsidiary corporation; or
- (d) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such person's duty to the Authority, the District Policy Board and/or the subsidiary corporation.

Any repeal or modification of this Section 4.5(a) shall not adversely affect any right or protection of an Authority Member, Policy Board Member or officer or employee of the Authority, the District or subsidiary corporation existing at the time of such repeal or modification.

Nothing contained in this Section 4.5(a) shall be construed to deny to an Authority Member, Policy Board Member or officers or employees of the Authority, the District or subsidiary corporation the benefit of Section 52-557n of the Connecticut General Statutes as in effect at the time of the violation.

3. **Indemnification.** The Authority shall indemnify each Authority Member, Policy Board Member or officer or employee of the Authority, the District, or subsidiary corporation for all "liability," as defined in Section 33-770 of the CBCA, to any person for any action taken, or any failure to take any action, as an Authority Member, Policy Board Member or officer or employee of the Authority, the District, or subsidiary corporation , except liability that

(a) involved a knowing and culpable violation of law by such person,

(b) enabled such person or an "associate," as defined in Section 33-840 of the CBCA, to receive an improper personal gain,

(c) showed a lack of good faith and a conscious disregard for the duty of such person to the Authority, the District, the Policy Board, or subsidiary corporation under circumstances in which such person was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Authority, the District, the Policy Board or subsidiary corporation, or

(d) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of such person's duty to the Authority, the District, the Policy Board, or subsidiary corporation.

The Authority shall advance to each Authority Member, Policy Board Member, or officer or employee of the Authority, the District, or subsidiary corporation funds to pay reasonable "expenses", as defined in Section 33-770 of the CBCA, incurred by each such person

who is a party to a "proceeding," as defined in Section 33-770 of the CBCA, because he or she is or was a member, officer or employee in each case to the fullest extent permitted by law.

4. **Intent of Provision.** The intent of this Section 4.5(a) is to limit the liability of an Authority Member, Policy Board Member and officers or employees of the Authority, the District, or any subsidiary corporation, and to require indemnification of an Authority Member, Policy Board Member and officers or employees of the Authority, the District, or any subsidiary corporation to the fullest extent that liability of directors could be limited and to the fullest extent that indemnification could be made for directors of a Connecticut stock corporation under the CBCA, and for Authority Members, Policy Board Members and officers and employees of the Authority, the District, or any subsidiary corporation to have the same and the fullest rights of indemnification and advance of expenses as directors of a Connecticut corporation could have under the CBCA and in the manner provided for directors of stock corporations under the CBCA. This Section 4.5(a) is set forth in the bylaws of the Authority to have the same force and effect as it would have if set forth in the Certificate of Incorporation of the Authority if the Authority had a Certificate of Incorporation.

b. The Authority may indemnify, protect and save harmless its agents to the extent required by any contract between the Authority and such agents; provided that, no indemnity shall be provided under this Section 4.5 b. for wanton, willful, grossly negligent or fraudulent acts or for acts which are not performed pursuant to such agents' contractual obligations to the Authority.

ARTICLE V
Nondiscrimination

Section 5.1 Guarantee of Equal Employment Practices by the Authority.

Members and officers of the Authority shall recruit, appoint, assign, train, evaluate and promote Authority personnel on the basis of merit and qualifications, without regard for race, color, religious creed, sex, sexual orientation, age, national origin, ancestry or physical disability, unless it is shown by such members or officers that such disability prevents performance of the work involved.

Section 5.2 Activities of the Authority to be Performed without Discrimination.

All services of the Authority shall be performed without discrimination based upon race, color, religious creed, sex, sexual orientation, age, national origin, ancestry or physical disability. No Authority facility shall be used in the furtherance of any discriminatory practice, nor shall the Authority become a party to any agreement, arrangement or plan which has the effect of sanctioning discriminatory practices.

ARTICLE VI
Seal

The seal of the Authority shall be circular in form with the words "South Central Connecticut Regional Water Authority" around the rim and the year of organization -- "1977" -- in the center. The Secretary shall be the keeper of the seal, and the Secretary or any other officer of the Authority may, but need not, affix such seal to any documents approved by the Authority. The presence or absence of such seal on any document, including any bond, note or other evidence of indebtedness, shall not affect its validity.

ARTICLE VII
Fiscal Year

The fiscal year of the Authority shall be such period as shall be designated by resolution of the Authority.

ARTICLE VIII
Amendment

These bylaws may be amended by a majority vote of the membership of the Authority at any regular meeting of the Authority or at any special meeting called for that purpose, provided that written notice of the proposed amendment be given to the members at least five days prior to such meeting.