

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

WATER SYSTEM REVENUE BOND RESOLUTION
GENERAL BOND RESOLUTION

PROJECT LOAN OBLIGATION
SUPPLEMENTAL RESOLUTION

Authorizing the Issue of a

PROJECT LOAN OBLIGATION
FOR THE LAKE SALTONSTALL PROJECT
dated the Date of Delivery

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

PROJECT LOAN OBLIGATION

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SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of
Project Loan Obligation

RECITALS

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) is authorized pursuant to Connecticut Special Act No. 77-98, as amended (the “Act”), and the Water System Revenue Bond Resolution, General Bond Resolution, adopted July 31, 1980 as amended and supplemented (the “Resolution”), to issue bonds of the Authority from time to time; and

WHEREAS, the Resolution provides that such bonds shall be issued subject to the terms, conditions and limitations established by the Resolution and one or more supplemental resolutions authorizing each series of bonds; and

WHEREAS, under the Resolution bonds are defined to mean, inter alia, project loan obligations delivered to evidence the Authority’s obligation to repay the financing of a loan from the State of Connecticut (the “State”) under its Drinking Water State Revolving Fund Program (“DWSRF”) and;

WHEREAS, the Authority hereby determines that it is necessary and desirable that the Authority issue its Project Loan Obligation (the “Saltonstall PLO”) to finance (i) the costs of certain capital improvements to the water system of the Authority including specifically to the Lake Saltonstall intake and water pump station, (ii) funds for deposit to certain reserve funds held under the Resolution, if necessary and (iii) the costs of issuance related to the Saltonstall PLO; and

WHEREAS, the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) approved the issuance of the Saltonstall PLO on October 20, 2016 in the maximum principal amount of \$3,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY AS FOLLOWS:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 101. Authority for Supplemental Resolution.

This supplemental resolution (the “Supplemental Resolution”) to the Resolution in substantially the form presented at this meeting with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and

Controller shall deem advisable and as set forth in the Certificate of Determination (as hereinafter defined) is adopted in accordance with the provisions of Article II and Article IX of the Resolution and pursuant to the authority contained in the Act.

Section 102. Definitions.

A. All terms defined in Section 102 of the Resolution shall have the same meanings, respectively, in this Supplemental Resolution.

B. In addition, as used in this Supplemental Resolution, unless the context otherwise requires, the following term shall have the following meaning:

“Certificate of Determination” means a certificate of determination required by Section 701 hereof, signed by the Chairperson or Vice Chairperson and the President/Chief Executive Officer or the Executive Vice President and Chief Financial Officer or the Vice President of Finance and Controller setting forth the terms of the Saltonstall PLO and attached hereto as **Exhibit A** and made a part hereof.

C. Unless the context otherwise requires, in this Supplemental Resolution words of the masculine gender shall mean and include correlative words of the feminine and neuter genders; words importing the singular number shall mean and include the plural number and vice versa; words importing persons shall include firms, associations and corporations; and the terms, “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Supplemental Resolution.

ARTICLE II

AUTHORIZATION OF SALTONSTALL PLO

Section 201. Principal Amount, Designation and Series.

A series of bonds entitled to the benefit, protection and security of the Resolution is hereby authorized in the maximum amount not to exceed \$3,000,000. Such series of bonds shall be designated as, and shall be distinguished from, the Bonds of all other series by the title of Project Loan Obligation. The principal amount of the Saltonstall PLO shall be as set forth in the Certificate of Determination.

Section 202. Purpose.

The purposes for which the Saltonstall PLO are being issued are to finance (i) the costs of the rehabilitation of the existing intake and pump station at Lake Saltonstall Intake and Raw Water Pump Station, (ii) funds for deposit to the Capital Contingency Fund, the Debt Reserve Fund and the Operating Reserve Fund, as necessary and (iii) the costs of issuance related to the Saltonstall PLO. The amount of the Saltonstall PLO being issued for Other Corporate Purposes is as set forth in the Certificate of Determination.

Section 203. Date, Maturity and Interest Rates.

The Saltonstall PLO shall be dated the Date of Delivery.

The Saltonstall PLO shall be issued as a term bond which shall mature in the aggregate principal amount as established by the Certificate of Determination. The Saltonstall PLO shall bear interest at a rate of 2% per year on the unpaid principal balance calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 204. Interest Payment Dates.

The Saltonstall PLO shall bear interest from their dated date, payable monthly as set forth in the Certificate of Determination.

Section 205. Reserved.

Section 206. Method of Payments.

The principal of, premium, if any, and interest on the Saltonstall PLO shall be payable by check, draft or wire transfer payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 55 Elm Street, Hartford, CT 06106, Attn: DWSRF Financial Administrator, or to such other place as the State shall designate in writing to the Authority. Such payments to the Treasurer are in lieu of payments to the Trustee required by Section 404 C1 and Section 404 C2 of the Resolution for the principal and interest payments due on the Saltonstall PLO.

Section 207. Redemption.

A. The Saltonstall PLO shall be subject to optional redemption as set forth in the Certificate of Determination.

B. The Saltonstall PLO shall be subject to mandatory sinking fund redemption at 100% of the principal amount thereof plus accrued interest to the date of redemption, from sinking fund payments in the amounts as established by the Certificate of Determination.

C. The Saltonstall PLO are subject to mandatory redemption in whole at 100% of the principal amount thereof plus accrued interest to the date of redemption if all or substantially all of the Water System is taken by the State or any municipality in the State with general governmental powers and duties as more particularly described in Section 507 of the Resolution.

Section 208. Delivery of Saltonstall PLO.

The Saltonstall PLO shall be delivered to the State to evidence the Authority's obligation to repay the financing of a loan from the State's DWSRF.

ARTICLE III

DISPOSITION OF PROCEEDS OF SALTONSTALL PLO

Section 301. Construction Fund.

Upon delivery of the Saltonstall PLO and receipt of payment therefor, the Authority shall pay from the net proceeds thereof, after the payment of certain Costs of Issuance, to the Trustee for deposit in the Construction Fund the amount established by the Certificate of Determination.

Section 302. Other Funds.

The Trustee or the Authority shall deposit such other proceeds in such other funds as set forth in the Certificate of Determination.

ARTICLE IV

FORM AND EXECUTION OF SALTONSTALL PLO

Section 401. Form of Saltonstall PLO and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the Saltonstall PLO and the Trustee's certificate of authentication shall be, respectively, in substantially the form as set forth in **Exhibit B** to this Supplemental Resolution, with such insertions or omissions, endorsements and variations as may be required or permitted by the Resolution.

Section 402. Execution of Saltonstall PLO.

The Chairperson or other Authorized Officer is hereby authorized and directed to execute the Saltonstall PLO and the Secretary or other Authorized Officer is hereby authorized to sign and attest the Authority's seal on the Saltonstall PLO, each by their manual or facsimile signatures.

Section 403. Continued Exemption from Federal Income Taxation.

The Authority hereby agrees and covenants that it shall at all times perform all acts and things necessary or appropriate under any valid provision of law or in order to ensure that interest or amounts treated as interest, as applicable, paid on the Saltonstall PLO shall not be includable in the gross income of the owners thereof for Federal income tax purposes under the Code. Further, Authorized Officers are hereby authorized to execute all instruments and documents necessary to take such action.

Section 404. No Recourse on Saltonstall PLO.

No recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest or amounts treated as interest, as applicable, on the Saltonstall PLO or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person

executing the Saltonstall PLO and neither any member or officer of the Authority nor any person executing the Saltonstall PLO shall be liable personally on the Saltonstall PLO by reason of the issuance thereof.

ARTICLE V

MISCELLANEOUS

Section 501. Delegation of Authority to Chairperson or Vice Chairperson and President and Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller

The Chairperson or Vice Chairperson and President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller is hereby delegated the authority to (i) determine with respect to the Saltonstall PLO the amount, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, and other details of the Saltonstall PLO, (ii) determine whether the Saltonstall PLO shall be sold by competitive or negotiated sale and if such sale is negotiated, the purchaser of the Saltonstall PLO, and (iii) accept and incorporate into the Supplemental Resolution any terms or provisions which they deem necessary or appropriate, all in accordance with the Act, the Resolution and any other provision of law applicable thereto. The Chairperson or Vice Chairperson and President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller shall prepare a Certificate of Determination prior to the date of delivery of the Saltonstall PLO to be attached hereto as **Exhibit A** and incorporated in this Supplemental Resolution setting forth such details and particulars of the Saltonstall PLO as determined in accordance with this delegation. Should the details and particulars of the Saltonstall PLO conflict with such details and particulars set forth in this Supplemental Resolution, the Certificate of Determination shall control.

Section 502. Effective Date.

This Supplemental Resolution shall take effect immediately.

EXHIBIT A

CERTIFICATE OF DETERMINATION

EXHIBIT B

FORM OF PROJECT LOAN OBLIGATION

U.S. \$ _____, 20_____

**UNITED STATES OF AMERICA
STATE OF CONNECTICUT
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**

Project Loan Obligation

The South Central Connecticut Regional Water Authority, New Haven, Connecticut (the "Municipality"), for value received, hereby unconditionally promises to pay to the STATE OF CONNECTICUT (the "State") pursuant to the terms and conditions of a _____ and Project Loan and Subsidy Agreement dated __, 20_____ between the Municipality and the State, (the "Agreement"), the principal sum of:

(\$ _____)

together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of this Project Loan Obligation and the interest thereon shall be payable in the amount of _____, with final payment due and owing on _____. Such installments shall be comprised of principal and interest as shown on the Schedule of Payments attached hereto, subject to the Municipality's rights to prepay this Project Loan Obligation in whole or in part without premium or penalty as set forth in the Agreement. If the Municipality should exercise such right of prepayment, the schedule of remaining principal and interest payments, if any, shall be adjusted accordingly by the State.

Interest on the aggregate unpaid principal amount of this Project Loan Obligation shall be payable at the rate of two percent (2%) per annum. Interest on this Project Loan Obligation shall be computed on the basis of a year of three hundred sixty (360) days and twelve 30-day months.

The Municipality agrees to make all payments in lawful money of the United States, to pay interest at the rate specified above and to pay all costs including reasonable attorneys' fees incurred by the State in the collection of this Project Loan Obligation. Both the principal of and interest on this Project Loan Obligation shall be payable in lawful money of the United States of America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer, 55 Elm Street, Hartford, Connecticut 06106, Attn: Clean Water Fund Financial Administrator or to such other place as the State shall designate in writing to the Municipality.

This Project Loan Obligation has been executed and delivered subject to the terms and conditions of the Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Project Loan Obligation is within every debt and other limit prescribed by law or by the Municipality. **This Project Loan Obligation is a special obligation of the Municipality issued pursuant to and secured by its Water System Revenue Bond Resolution, General Bond Resolution adopted on July 31, 1980 as amended and supplemented to date including as supplemented by its _____ Supplemental Resolution (collectively, the “General Bond Resolution”) and payable solely from the revenues derived from the Water System as that term is defined in the General Bond Resolution, and the full faith and credit of the Municipality is pledged to the payment of the principal of and interest on this Project Loan Obligation as the same may become due.**

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the _____, Connecticut, has caused the seal of the _____ to be affixed hereto and this Project Loan Obligation to be signed in their names by the manual signature of the _____ of _____ and the _____ of the Authority as of the _____ day of _____, 200__.

**SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY**

By: _____

Its

By: _____

Its

(SEAL)

CERTIFICATION OF BANK

This is to certify that the within Project Loan Obligation is one of the particular issues described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving the legality of this issue has been rendered by _____ Attorney-at-Law, of _____, Connecticut.

By: _____

(Bank Officer)

SCHEDULE OF PAYMENTS