

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY  
WATER SYSTEM REVENUE BONDS**

**Resolution to Approve the Terms of Water System Revenue Bond Anticipation Notes for  
the Great Hill Tunnel and Pipeline Restoration Project**

**WHEREAS**, the South Central Connecticut Regional Water Authority (the “Authority”) proposes to issue its Water System Revenue Bonds which may be issued as Project Loan Obligations (the “Bonds”) and delivered to the State of Connecticut (the “State”) and its bond anticipation notes in anticipation of the proceeds of the Bonds (the “Notes”) in accordance with Special Act 77-98 of the General Assembly of the State of Connecticut, as amended (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) on July 31, 1980, as amended and supplemented (the “General Bond Resolution”); and

**WHEREAS**, on November 6, 2017, the Authority adopted and on December 6, 2017, the RPB approved the resolutions which established the general terms and provisions of the Authority’s Bonds in the aggregate principal amount not to exceed \$15,000,000 to finance, among other things, the cost of the construction, reconstruction and rehabilitation of the Great Hill Tunnel and Pipeline (the “Project”); and

**WHEREAS**, Section 9 of the Act provides that the Authority may delegate to one or more of its members, officers, agents or employees, such powers and duties as it may deem proper; and

**WHEREAS**, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Notes.

***NOW THEREFORE,***

**BE IT RESOLVED**, that the Authority hereby approves the Resolution authorizing the issuance of the Notes in one or more series substantially in the form attached hereto as Exhibit A, 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 which shall be as set forth in a Certificate of Determination for the appropriate series of Notes attached thereto.

**BE IT FURTHER RESOLVED**, that the Chairperson or Vice Chairperson and the President / Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller be authorized (i) to issue, sell and deliver the Notes in an amount for each not to exceed \$15,000,000, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of each series of Notes, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling.

**BE IT FURTHER RESOLVED**, that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Executive Vice President and Chief Financial Officer or Vice

President of Finance and Controller, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue, sell, secure and deliver the Notes, including but not limited to, an Official Statement if the Notes are publicly offered, a Contract of Purchase, a Tax Regulatory Agreement and a Continuing Disclosure Agreement and to take such actions or to designate other officials or employees of the Authority to take such actions and execute such documents in connection with the issuance, sale, security and delivery of the Notes as are determined necessary or advisable and in the best interests of the Authority and that the execution of such documents shall be conclusive evidence of such determination.

***BE IT FURTHER RESOLVED***, that the Chairperson, Vice Chairperson, President / Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller, or any one of them, are authorized to apply for and accept federal and state grants to finance the project and federal and state loans to finance the Project, and enter into any grant or loan agreement prescribed by a federal agency or by the State, and that the Chairperson, Vice Chairperson, President / Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans or to implement such grant or loan agreements. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, or temporary notes or obligations.

**EXHIBIT A**

**SUPPLEMENTAL RESOLUTION FOR NOTES**

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

RESOLUTION

Authorizing the Issuance of not to exceed

\$15,000,000 WATER SYSTEM REVENUE BOND ANTICIPATION NOTES

RECITALS:

WHEREAS, Special Act No. 77-98 of the Connecticut General Assembly, as amended (the "Act"), provides that the Authority may issue its temporary notes and may renew such notes from time to time; and

WHEREAS, the Act provides that such notes shall be paid from any monies of the Authority available therefor and not otherwise pledged or from the proceeds of the sale of bonds of the Authority in anticipation of which they were issued or renewal notes; and

WHEREAS, the Act provides that notes shall be issued in the same manner as bonds, and such notes and the resolution or resolutions authorizing such notes may contain any provision or provisions which the bonds or a bond resolution of the Authority may contain; and

WHEREAS, Section 607 C of the Water System Revenue Bond Resolution General Bond Resolution adopted July 31, 1980, as amended and supplemented (the "General Bond Resolution"), provides that the Authority may issue subordinated debt for any purpose of the Authority; and

WHEREAS, the General Bond Resolution provides that subordinated debt may be payable out of or secured by amounts available pursuant to Section 404 C5 (the Revenue Fund) and Section 410 B (the General Fund) of the General Bond Resolution, provided however that such pledge shall in all respects be subordinate to the provisions and the pledge of the General Bond Resolution; and

WHEREAS, the Authority and the Representative Policy Board have approved the issuance of an amount not to exceed \$15,000,000 of its general obligation bonds, (the "Bonds") which may be issued as project loan obligations delivered to the State of Connecticut (the "State") to finance the cost of the construction, reconstruction and rehabilitation of the Great Hill Tunnel and Pipeline and to pay the costs of issuance (the "Project"); and

WHEREAS, the Authority has determined that it is in its best interest to temporarily finance the Project through the issuance of temporary notes; the principal of and interest on which is to be paid with the proceeds of the sale of the Bonds or renewal notes;

NOW, THEREFORE, BE IT RESOLVED by the South Central Connecticut Regional Water Authority as follows:

## ARTICLE I

### Section 1.01. Short Title.

This resolution may be hereafter cited and is sometimes herein referred to as the “Note Resolution.”

### Section 1.02. Definitions.

Unless a different meaning applies from the context, capitalized terms used in this Note Resolution shall have the same meaning as used in the General Bond Resolution.

“Certificate of Determination” means a certificate or certificates of determination signed by the Chairperson or Vice Chairperson and President / Chief Executive Officer or Executive Vice President and Chief Financial Officer or the Vice President of Finance and Controller of the Authority required by Section 5.03 hereof, setting forth the terms of the Notes, and attached hereto and made a part hereof.

“Notes” mean the notes of the Authority authorized to be issued herein in anticipation of the Bonds.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF THE NOTES

#### Section 2.01. Authority for this Note Resolution.

This Note Resolution is adopted pursuant to the Act and in accordance with the General Bond Resolution.

#### Section 2.02. Note Resolution to Constitute a Contract.

In consideration of the purchase and acceptance of the Notes by those who shall hold (the "Holders") the same from time to time, the Note Resolution shall constitute a contract between the Authority and the Holders from time to time of the Notes, and the pledge made in this Note Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Notes, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Notes over any other notes or Subordinated Debt except as expressly provided in or permitted by the General Bond Resolution.

#### Section 2.03. General Terms and Provisions of the Notes.

The Notes which shall constitute Subordinated Debt to be issued pursuant to the Act and in accordance with Section 607 C of the General Bond Resolution is hereby authorized in the

aggregate principal amount not to exceed Fifteen Million dollars (\$15,000,000) in anticipation of the receipt of the proceeds of the sale of the Bonds.

The Notes shall be dated and mature as set forth in the Certificate of Determination for such series of Notes. The Notes shall bear interest at such rate, and be payable at, contain such terms, conditions, redemption provisions and particulars, or be in accordance with such terms as shall be determined by the Chairperson or Vice Chairperson and President / Chief Executive Officer or Executive Vice President and Chief Financial Officer or the Vice President of Finance and Controller of the Authority (the "Officials"), all in accordance with the Act, the General Bond Resolution and this Note Resolution. The Notes may be issued in one or more series as shall be fixed by the Officials and shall be executed in the name and on behalf of the Authority by either the manual or facsimile signatures of the Officials and bear the seal of the Authority or its facsimile.

### ARTICLE III

#### DISPOSITION OF PROCEEDS OF NOTES

##### Section 3.01. Note Account (the "Account").

The Note proceeds shall be deposited into a separate account held by the Authority outside of the Funds established under the General Bond Resolution which is the sole instrument by which the Authority will receive the Note proceeds.

The Note proceeds shall be held by the Authority in the Account and expended or reimbursed to the Authority for the Project and the costs associated with issuing the Notes.

##### Section 3.02. Other Corporate Purposes.

No proceeds of the Notes shall be used for Other Corporate Purposes.

##### Section 3.03. Investment.

All moneys held in the Account may be invested by the Authority in Investment Securities permitted by the General Bond Resolution. All investment proceeds shall remain in the Account and be spent for the Project. After the Bonds are issued, any money remaining in the Account shall be transferred to the Construction Fund of the General Bond Resolution.

ARTICLE IV  
SECURITY FOR THE NOTES

Section 4.01. Pledge.

There is hereby pledged for the payment of the principal of and interest on the Notes in accordance with their terms (i) the proceeds of the Bonds, (ii) any future issue of renewal notes issued to refund the applicable series of Notes, (iii) the funds in the Account; and (iv) all Revenues as hereinafter provided. This pledge shall be subject to the provisions of the Act, the General Bond Resolution and this Note Resolution permitting the application of the proceeds of the Bonds or renewal notes and the Revenues, moneys and securities held pursuant to the General Bond Resolution. The Notes shall be Subordinated Debt, payable from available Revenues (to the extent not paid from Bond proceeds or renewal notes) as provided in Sections 404 C 5 and 410 B of the General Bond Resolution and are subordinate in all respects to the pledge of the Authority in the General Bond Resolution, all future bonds issued pursuant to the General Bond Resolution and any pledge of the Authority to pay Subordinated Debt in the future issued pursuant to Section 607 B of the General Bond Resolution. This pledge shall be valid and binding from the time it is made and the proceeds, Revenues, moneys and securities hereby pledged and hereafter received shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

As provided in Sections 610 D and 619 A 2 of the General Bond Resolution payments of principal and interest on the Notes are hereby scheduled to be made from sources other than Revenues, specifically the proceeds of the Bonds or renewal notes to be issued in the future by the Authority.

The Notes shall be general obligations of the Authority and the full faith and credit of the Authority are hereby pledged to the payment of the principal of and interest on the Notes. The Notes shall not be a debt of the State or of any municipality in the State, and neither the State nor any municipality in the State shall be liable therefor, nor shall the Notes be payable out of any funds other than those of the Authority as provided hereunder and under the Act.

Section 4.02. Rate Covenant.

The Authority covenants and agrees that it will at all times maintain rates, fees, rentals or other charges sufficient to pay, and that any contracts entered into by the Authority for the sale and distribution of water shall contain rates, fees, rentals or other charges sufficient to pay, together with other available moneys (which shall include the proceeds of bonds to refinance the Notes), the cost of operation and maintenance of the Authority's properties and the principal of and interest on the Notes issued pursuant to this Note Resolution and the Authority's bonds, notes and any other obligation issued pursuant to resolutions of the Authority, as the same severally become due and payable, and to maintain any reserves or other funds required by any such resolutions, if any.

Section 4.03. 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 Notes shall not be includable in the gross income of the owners thereof for Federal income tax purposes under the Internal Revenue Code of 1986, as amended. Further, the Officers, or any one of them, are hereby authorized to execute all instruments and documents necessary to take such action.

ARTICLE V

MISCELLANEOUS

Section 5.01. No Recourse on Notes.

No recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or on the Note Resolution against any member or officer of the Authority or any person executing the Notes and neither any member or officer of the Authority nor any person executing the Notes shall be liable personally on the Notes by reason of the issuance thereof.

Section 5.02. Agreement of the State.

The Note Holders shall have the benefit of the State's pledge and agreement contained in Section 24 of the Act as in effect on the date hereof: "The state of Connecticut does pledge to and agree with the holders of the bonds or notes of the authority that the state will not limit or alter the rights vested in the authority to acquire, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges referred to in sections 1 to 33, inclusive, of Special Act 77-98, and to fulfill the terms of any agreements made with the bondholders or noteholders until the bonds or notes together with interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders or noteholders are fully met and discharged."

Section 5.03. Delegation of Authority to Chairperson or Vice Chairperson and President / Chief Executive Officer or Executive Vice President and Chief Financial Officer or the 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 the Vice President of Finance and Controller of the Authority is hereby delegated the authority to (i) determine with respect to the Notes the amount, series, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, and other details of the Notes, (ii) determine whether the Notes shall be sold by competitive or negotiated sale or by direct placement and if such sale is negotiated or sold by direct placement, the purchaser of the Notes, and (iii) accept and incorporate into this Note Resolution any terms or provisions required by the State or the purchaser of the Notes



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 the Vice President of Finance and Controller shall prepare a Certificate of Determination prior to the date of delivery of each series of the Notes to be attached hereto and incorporated in this Note Resolution setting forth such details and particulars of the Notes and provisions, if any, as determined in accordance with this delegation.

Section 5.04. Effective Date.

This Note Resolution shall take effect immediately upon its adoption.

## Certificate of Determination