

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

**2018 SUPPLEMENTAL RESOLUTION
TO AMEND THE GENERAL BOND RESOLUTION**

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) adopted its Water System Revenue Bond Resolution, General Bond Resolution, on July 31, 1980 (as amended and supplemented by the 1986 Supplemental Resolution adopted March 10 1986, the 1996 Supplemental Resolution adopted June 20, 1996, the 2000 Supplemental Resolution adopted June 21, 2000, the 2001 Supplemental Resolution adopted November 21, 2001, the 2003 Supplemental Resolution adopted May 6, 2003, the 2008 Supplemental Resolution adopted January 16, 2008, the 2010 Series A Supplemental Resolution adopted February 17, 2010, the 2010 Supplemental Resolution adding Covenants adopted August 23, 2010, the 2010 Supplemental Resolution on Depreciation Expense adopted August 23, 2010, the 2012 Supplemental Resolution adopted November 20, 2012 and the 2013 Supplemental Resolution adopted December 19, 2013) (the “General Bond Resolution”); and

WHEREAS, Section 901-(2) of the General Bond Resolution provides that the Authority may at any time adopt a resolution supplementing the General Bond Resolution to add to the covenants and agreements thereafter to be observed by the Authority for the purpose of further securing the Bonds; and

WHEREAS, Section 902-(2) of the General Bond Resolution provides that the Authority may at any time adopt a resolution supplementing the General Bond Resolution to insert such provisions clarifying matters or questions arising under the General Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; and

WHEREAS, the Authority desires to amend the General Bond Resolution to add certain amounts generated from its Noncore Businesses to the Revenues securing the bonds issued under the General Bond Resolution

NOW THEREFORE BE IT RESOLVED by the South Central Connecticut Regional Water Authority that:

1. Section 102 of the General Bond Resolution is hereby amended to add the following definition:

“*Noncore Business*” means an activity conducted by the Authority either directly or through an affiliated business entity to be located on property other than class I or class II land owned by the authority that is related to water, environment, agriculture or an energy project consisting of either a class I renewable energy source, as defined in subdivision (20) of subsection (a) of section 16-1 of the general statutes, or a class III source, as defined in subdivision (38) of said section, but excluding wind sources located within the district. (*added by Supplemental Resolution adopted _____, 2018.*)

2. Section 102 of the General Bond Resolution is hereby amended to delete the definition of “Net Revenues” and replace such definition with the following:

“*Net Revenues*” means, for any Fiscal Year or other period of time, the Revenues during such period, including any amounts transferred from (i) conduction or investing in a Noncore Business or (ii) the Rate Stabilization Fund to the Revenue Fund, less Operating Expenses and PILOT payments for such period and Depreciation Expense at the beginning of such Fiscal Year and prorated to add any adjustments made during such Fiscal Year from the effective date of such adjustments. (*as amended by*

Supplemental Resolution adopted March 10, 1986, by Supplemental Resolution adopted August 23, 2010, and by Supplemental Resolution adopted _____, 2018.)

3. Section 102 of the General Bond Resolution is hereby amended to delete the definition of “Revenues” and replace such definition with the following:

“*Revenues*” means (a) all rates, fees, charges, rents, grants for the payment of current expenses, and other income and receipts received by the Authority from the ownership or operation of the Water System, (b) the proceeds received on insurance relating to the Water System which insures against loss of Revenues, (c) interest received on any moneys or securities held pursuant to the Resolution and paid into the Revenue Fund under the Resolution, (d) the monies and securities of any water company acquired by the Authority and deposited in the Revenue Fund to the extent such monies are applied to pay liabilities incurred by the water company prior to the date of acquisition; (e) Swap Receipts and Termination Receipts from Swap Agreements entered into in connection with Bonds; (f) the refundable credit paid to the Authority pursuant to Section 54AA of the Code and (g) an amount transferred from conducting or investing in a Noncore Business that the Authority shall determine and direct for deposit into the Revenue Fund. Revenues do not include (x) any amounts earned from conducting or investing in a Noncore Business which are not directed by the Authority for deposit in the Revenue Fund; or (y) the proceeds for any insurance pertaining to loss or damage to persons and the property of others or to loss or damage to the Water System, or the proceeds of condemnation or the sale or other disposition of any part of the Water System, except to the extent any such proceeds are applied by the Authority to pay Operating Expenses, or (z) any amount received or receivable from the United States or the State (or any agency of either thereof) or from any other source as or on account of a grant or contribution for or with respect to (i) the construction, acquisition, improvement, extension, renewal or other development of any part of the Water System or (ii) the financing of any of the foregoing except as permitted by (f) above. *(as amended by Supplemental Resolution adopted March 6, 2003, Supplemental Resolution adopted February 17, 2010 and Supplemental Resolution adopted _____, 2018.)*

4. Capitalized terms used herein and not otherwise defined shall have the definitions as set forth in the General Bond Resolution.

5. This Supplemental Resolution shall be effective upon (a) consent of the Credit Facility Provider, (b) the filing with the Trustee of a copy thereof certified by an Authorized Officer, (c) the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, and (d) a Counsel’s Opinion, all in accordance with Section 902 of the General Bond Resolution.