

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut
or
**** Dial in by phone**
[+1 469-965-2517,852219774#](tel:+14699652517852219774) United States, Northlake
Phone conference ID: 852 219 774#

AGENDA

Regular Meeting of Thursday, February 27, 2025 at 12:30 p.m.

1. Call to Order
 - 1.1 Safety Moment
2. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
3. Meet as Audit-Risk Committee: C. LaMarr
 - 3.1 Approve Minutes – December 19, 2024 meeting
 - 3.2 FY 2025 Plan of Audit: D. Flint and G. Epstein
4. Consent Agenda
 - 4.1 Approve Minutes – January 23, 2025 meeting
 - 4.2 Capital Budget Authorization – March 2025
 - 4.3 Capital Budget Transfer Notifications (no action required) – March 2025
 - 4.4 Monthly Financial Report – January 2025
 - 4.5 Accounts Receivable Update – January 2025
 - 4.6 Report on Code of Ethics Compliance – November 30, 2024
5. Reports on RPB Committee meetings
6. Finance: R. Kowalski
 - 6.1 Type B3 Amendments
 - 6.2 Consider and act on Resolution to approve the 38th Series B Refunding Bonds
7. Business Updates: S. Lakshminarayanan
 - 7.1 RWAY/CIS Update: P. Singh
 - 7.2 Monthly Business Highlights: S. Lakshminarayanan
 - 7.3 *Blue Drop Update: 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.
8. Consider and act on Land Acquisition – Durham Road, Madison: S. Lakshminarayanan and J. Triana – *Upon 2/3 vote, convene in possible executive session pursuant to C.G.S. Section 1-200(6)(D), pertaining to purchase of real estate.*
9. Meet as Strategic Planning Committee: S. Sack
 - 9.1 Approve Minutes – November 21, 2024 meeting
 - 9.2 Review FY 2025 Six-month Strategic Action Plan Update & Global Metrics - 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 or financial information.
 - 9.3 Update on FY 2026 Strategic Planning Process
10. Act on matters arising from Committee meetings

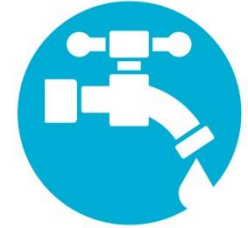
** Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit <https://tinyurl.com/3uywxm36>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

*RPB Member (Ms. Young) is excused at Item 7.3.

SAFETY MOMENT



Tap Into
Safety



Regional Water Authority

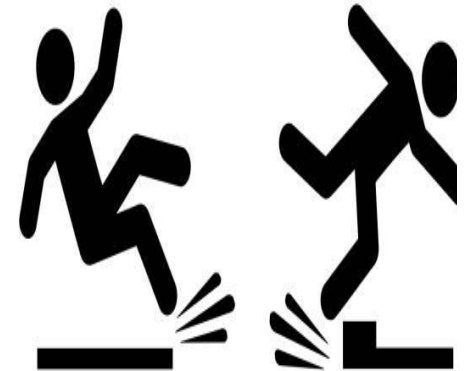
THE IMPACT OF WINTER FATIGUE ON WORK

Winter fatigue is a feeling of sluggishness that starts when the days get shorter and colder. This can be caused by lack of sunlight and reduced levels of Vitamin D.

According to the National Safety Council, more than 43% of workers are sleep-deprived and the lack of productivity from fatigued workers costs employers \$1,200 to \$3,100 per employee annually. When you combine winter fatigue and employees that work outside in cold temperatures, the opportunity for injuries increases.

Here are some tips to help your workforce:

- Increase opportunities to get light: open curtains, get outside, use light therapy boxes and lightbulbs.
- Add exercise: Workout soon after waking up and in the middle of the day.
- Get 7-9 hours of sleep each night.



**South Central Connecticut Regional Water Authority
Audit-Risk Committee**

Minutes of the December 19, 2024 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, December 19, 2024 at 90 Sargent Drive, New Haven, Connecticut, and via remote access. Chair LaMarr presided.

Present: **Committee Members Present**– Mss. LaMarr and Sack(R), and Messrs. Borowy and Ricozzi
Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan and Hill
RPB – Mr. Malloy
Staff – Mrs. Slubowski

C. AUDIT-RISK COMMITTEE

Chair LaMarr called the meeting to order at 12:31 p.m.

C.1. APPROVE MINUTES

On motion made by Mr. Ricozzi and seconded by Mr. Borowy, the Committee voted to approve the minutes of its meeting held on September 26, 2024, as presented.

Borowy	Aye
Curseaden	Absent
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

C.2. CYBER SECURITY UPDATE MEMORANDUM

Chair LaMarr stated that internal audit update listed on the work plan was moved to next year. Members received a confidential Cyber Security memorandum in the meeting package. The Committee discussed aspects of the memorandum.

Chair LaMarr stated that the Committee should consider adding Artificial Intelligence and the associated policies as a future topic. No further discussion ensued.

At 12:34 p.m., on motion made by Mr. Borowy and seconded by Mr. Ricozzi, the Committee voted to adjourn the meeting.

Borowy	Aye
Curseaden	Absent
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Catherine E. LaMarr, Chair

(R) = Attended remotely.



CliftonLarsonAllen LLP
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February 14, 2025

Regional Water Authority
South Central Connecticut Regional Water Authority
New Haven, CT 06511-5966

We are engaged to audit the financial statements of the business-type activities and fiduciary activities of the South Central Connecticut Regional Water Authority as of and for the year ended May 31, 2025. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Connecticut State Single Audit Act*

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Connecticut State Single Audit Act (State Single Audit). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.
- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Perform, as part of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.
- Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.

- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Act will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.
- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” and the “Compliance Supplement to the State Single Audit” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal or state awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance and the State Single Audit.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate circumstances that affect the form and content of the auditors’ report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA in relation to the financial statements as a whole and to report on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA to determine whether the SEFA complies with the requirements of the Uniform Guidance, the method of preparing the schedule has not changed from the prior period, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Use of financial statements

Our auditors' opinions, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document. You are responsible to provide us the opportunity to review such documents before issuance.

Other information included in annual reports

It is our understanding that our auditors' report will be included in your annual report and that your annual report will be issued after the audit. Management is responsible for the preparation of other information included in your annual report and for providing such information to us in a timely manner, and if possible, prior to the date of our auditors' report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If management refuses to correct a material misstatement of the other information, professional standards require us to communicate the matter to you. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risks of material misstatement as part of our audit planning:

- Management Override of Controls
- Revenue Recognition

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

February 14, 2025
South Central Connecticut Regional Water Authority
Page 6

We expect to begin our audit in April and issue our report on approximately September 15, 2025.

* * *

This communication is intended solely for the information and use of the Regional Water Authority and management of the South Central Connecticut Regional Water Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP



David Flint, CPA
Principal
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Draft



February 19, 2025

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated February 6, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and South Central Connecticut Regional Water Authority ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended May 31, 2024.

David Flint is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities and fiduciary activities, which collectively comprise the basic financial statements of South Central Connecticut Regional Water Authority, and the related notes to the financial statements as of and for the year ended May 31, 2024.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.
- GASB-required supplementary pension and OPEB information.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of data collection form
- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of schedule of expenditures of federal awards.

· Preparation of Adjusting Journal Entries

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

We will perform procedures on the financial information of the Watershed Fund (or request other auditors to perform procedures on the financial information of the Watershed Fund) to enable us to express our opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the Annual Report and that your annual report will be issued in November. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue Recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come

to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of

management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and

detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor(s) to the extent permitted by law or regulation; (2) communications between the component auditor(s), those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component(s) related to financial reporting matters; (4) access to component information, those charged with governance of the component(s), component management, and the component auditor(s) (including relevant audit

documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component(s).

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false

representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to State of Connecticut, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State of Connecticut. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fee is \$121,500.00 which includes a technology and client support fee of five percent (5%) of all professional fees billed. If you end up needing more than 1 single audit, the fee will be \$7,500 each. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Audit of financial statements	\$121,500.00
GASB 101 – RWA handles implementation	\$0.00
Federal single audit - included in above	\$0.00
Financial statement preparation - included in above	\$0.00

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services

described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of South Central Connecticut Regional Water Authority.

Draft

CLA
Flint, David

David Flint, CPA

SIGNED 2/20/2025, 11:19:02 AM EST

Client
South Central Connecticut Regional Water
Authority

Rochelle Kowalski

Rochelle Kowalski, Vice President & Chief
Financial Officer

SIGNED 2/21/2025, 5:38:35 PM EST

Draft

**South Central Connecticut Regional Water Authority
Minutes of the January 23, 2025 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 23, 2025, at 90 Sargent Drive, New Haven, and via remote access. Chair Borowy presided.

Present: **Authority Members Present** – Messrs. Borowy, Curseaden and Ricozzi, and Mss. LaMarr and Sack(R)
 Management – Mss. Kowalski, Calo(R), and Smith, and Messrs. Lakshminarayanan, Hill(R), Marcik, Savoy(R), and Singh
 RPB – Mr. Betkoski(R)
 Staff – Mrs. Slubowski

1. CALL TO ORDER AND SAFETY MOMENT

Chair Borowy called the meeting to order at 12:30 p.m. He reviewed the safety moment distributed to members.

2. PUBLIC COMMENT

Chair Borowy offered the opportunity for members of the public to comment. There were no members of the public present at the meeting.

3. PENSION & BENEFIT COMMITTEE

At 12:31 p.m., on motion made Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to recess the meeting to meet as the Pension & Benefit Committee.

Borowy	Aye
Curseaden	Absent
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 12:34 p.m., Mr. Curseaden entered the meeting.

At 1:23 p.m., the Authority reconvened.

4. ACT ON MATTERS ARISING FROM COMMITTEE MEETING

No actions were taken as a result of the Pension & Benefit Committee meeting.

5. CONSENT AGENDA

On motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to approve, adopt, or receive as appropriate the following items in the Consent Agenda:

- 5.1.** Minutes of the December 10, 2024, December 15, 2024, and December 17, 2024 emergency meetings, and the December 19, 2024 regular meeting.
- 5.2.** Approved the Capital Budget Authorization for February 2025.

RESOLVED, that the Senior Vice President, Chief Financial Officer & Head of Corporate Development is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$4,700,000 for the month of February 2025 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2025 for all Capital Improvement Projects to be exceeded. In the absence of the Senior Vice President, Chief Financial Officer & Head of Corporate Development, the Controller is authorized to sign in her place.

5.3. Monthly Financial Report – December 2024.

5.4. Accounts Receivable update for the period ended December 2024.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

6. REPORTS ON RPB COMMITTEE MEETINGS

Authority members reported on recent Representative Policy Board committee meetings.

7. UPDATES

7.1. RWAY/CIS UPDATE

Mr. Singh, the RWA’s Chief Information Digital Officer & Vice President of Customer Care, provided an RWAY/Customer Information System Update. He reported that the RWA engaged an independent Quality Auditor’s to conduct an assessment to ensure the organization is ready for the go live date in early spring. Mr. Singh highlighted several positive areas identified in the overall assessment that reflect the organization’s commitment to excellence. Key timelines have been established to address immediate priorities and enhance overall readiness. The auditor also provided actionable recommendations to help streamline efforts moving forward and ensure the successful implementation of the project.

7.2. MONTHLY BUSINESS HIGHLIGHTS

Mr. Lakshminaryanan:

- Reported that the regional supply strategy is progressing. Commercial business is proceeding in a positive direction and meeting targets.
- Provided an update on the bond ratings recently received for RWA and earlier for Blue Drop. Meetings took place with S&P and Moody’s resulting in affirmed RWA’s ratings. He highlighted a comment in a rating report that stated after most sizable capital needs are addressed, combined with continued growth of liquidity, an upgrade could be considered. He also shared positive feedback regarding preliminary ratings for Blue Drop.

South Central Connecticut Regional Water Authority
January 23, 2025

- Highlighted the RWA’s recent Strategic Planning update and employee engagement. He stated that 130/140 employees attended. The star performer was announced and was from Prem’s group and the kickoff of *60 with Sunny* was well received. The program is voluntary and held twice a week with employees to discuss blue sky matters.
- Reported that DSX has begun rolling out mini training modules.
- Highlighted a meeting with the mayor of New Haven to discuss phase two of the lead pipe inventory refinement to identify unknowns.
- Provided updates on key partnerships including the ClimateHaven Initiative and the Northeast Mid-Atlantic partnership for forest.

7.2.a. DEER HUNT UPDATE

At 1:45 p.m., Ms. Smith, the RWA’s Natural Resources Analyst, entered the meeting. She provided an update on the 2024 Deer Hunt, which included:

- Historical review
- Deer density and reduction
- 2024 season overview and technology
- Permits and harvest totals over time
- Future considerations and survey reporting

At 2:08 p.m., Ms. Smith and Mr. Betkoski withdrew from the meeting.

[BREAK 2:08 P.M. TO 2:18 P.M.]

7.3. BLUE DROP UPDATE AND DISCUSSION TO CONSIDER RESOLUTION

At 2:18 p.m., on motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to go into executive session to discuss matters pursuant to C.G.S. 1-200(6)(E) for matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information. Present in executive session were Authority members, Messrs. Lakshminarayanan, Hill, and Singh, and Mss. Kowalski, Calo and Slubowski.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:13 p.m., the Authority reconvened. No votes were taken in, or as a result of executive session.

8. LAKE WHITNEY DAM UPDATE

At 3:13 p.m., Mr. Marcik, the RWA’s Capital Program Lead, and Mr. Savoy, the RWA’s Sr. Project Engineer, entered the meeting. On motion made by Mr. Curseaden and seconded by Mr. Ricozzi, the Authority voted to go into executive session to discuss matters pursuant to C.G.S. 1-200(6)(E) for matters covered by Section 1-210(b)(19)(i)(ii), pertaining to security risk. Present in executive session were

South Central Connecticut Regional Water Authority
January 23, 2025

Authority members, Messrs. Lakshminarayanan, Hill, Marcik, Savoy, and Singh, and Mss. Kowalski, Calo and Slubowski.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:34 p.m., Mr. Benni, the RWA’s Director of Engineering, entered the meeting.

At 4:00 p.m., the Authority reconvened and Messrs. Benni, Marcik, and Savoy withdrew from the meeting. No votes were taken in, or as a result of executive session.

7.2. CONTINUED

At 4:02 p.m., Mr. Borowy stated it would be appropriate to add an executive session to discuss the RWA’s union contract. On motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Authority voted unanimously to convene in executive session pursuant to C.G.S. 1-200(6)(E) for matters covered by Section 1-210(b)(9), pertaining records, reports and statements of strategy and negotiations with respect to collective bargaining. Present in executive session were Authority members, Messrs. Lakshminarayanan, Hill, and Singh, and Mss. Kowalski, Calo and Slubowski.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 4:06 p.m., the Authority came out of executive session. No votes were taken in, or as a result of executive session. On motion made by Ms. LaMarr and seconded by Mr. Curseaden the Authority voted to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

(R) = Attended remotely.

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

MEMORANDUM

TO: David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM: Rochelle Kowalski
Senior Vice President, Chief Financial Officer & Head of Corporate Development

Rochelle

DATE: February 21, 2025

SUBJECT: Capital budget authorization request for March 2025

Attached for your meeting on February 27, 2025, is a copy of the resolution authorizing expenditures against the capital improvement budget for March 2025. The amount of the requested authorization, for funds held by the trustee, is \$5,700,000.

This would result in projected expenditures through March 2025 of \$43,504,574 or 72.3% of the total 2025 fiscal year capital budget, including State and Redevelopment.

Attachment

RESOLVED

That the Senior Vice President, Chief Financial Officer & Head of Corporate Development is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$5,700,000 for the month of March 2025 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2025 for all Capital Improvement Projects to be exceeded. In the absence of the Senior Vice President, Chief Financial Officer & Head of Corporate Development, the Controller is authorized to sign in her place.

Draft

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

TO: David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM: *Rochelle* Rochelle Kowalski

COPY TO: Sunny Lakshminarayanan

DATE: February 20, 2025

SUBJECT: Capital Budget Transfers

The status of all capital projects is reviewed monthly. To obtain efficiencies in our capital program, any anticipated unspent funds are reallocated to support reprioritized projects or existing projects.

The attached summary reflects three amendments. These amendments redistribute funds from one project to another, totaling \$584,000.

Draft

Source of Funds	Available Funds	Reason	Reallocation to Projects
Lake Gaillard Pavilion	\$ 32,000	Project on hold	Safety Equipment
Lake Gaillard Pavilion	\$ 72,000	Project on hold	Sodium Hydroxide Contamination (Day Tank)
Lake Gaillard Pavilion	\$ 30,000	Project on hold	LIMS Upgrades
York Hill Tank	\$ 400,000	Time required to receive approval for bidding and contract award from CT DPH,	Route 80 Throttling Valve Relocation
Merriden BiDirectional Interconnection	\$ 50,000	Project scope being redefined and moved to a future budget year	Route 80 Throttling Valve Relocation

Draft

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/29/2025	Type	Log	Mo/Yr
Requesting Division:	Corporate Services	B1	25-28	Jan/25
Requested By:	Amanda Schenkle			

Transfer From:	
Account Number:	001-000-107112-116131
Project Description:	Lake Gaillard Pavilion
A) Original Budget	\$ 200,000
B) Total Previous Transfers (In or Out)	\$ 200,000
C) This Transfer	\$ 32,000
D) Revised Budget (A+/-B-C)	\$ 368,000
E) Estimated Project Costs	\$ 125,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 243,000
Explanation why funds are available: Project work has been put on hold.	

Transfer To:	
Account Number:	001-000-107198-100444
Project Description:	Safety Equipment
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 32,000
E) Proposed Revised Budget (C+D)	\$ 32,000
Explanation why funds are needed: This amendment funds the purchase of four gas monitors and associated calibration equipment. These monitors are used for confined space entry. The previous monitors and calibration equipment have been discontinued by the manufacturer, forcing RWA to obtain new monitors and calibration equipment. Total cost of the purchase is estimated at \$32,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>E. Cole</i>	1-29-25
2) Donor Vice President/Director	<i>Victor Benni</i>	1/29/2025
3) Vice President - Finance & CFO	<i>Rochelle Kowalski</i>	2/21/2025
4) Chief Executive Officer		
5) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/29/2025	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	25-29	Jan/25
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107112-116131
Project Description:	Lake Gaillard Pavilion
A) Original Budget	\$ 200,000
B) Total Previous Transfers (In or Out)	\$ 168,000
C) This Transfer	\$ 72,000
D) Revised Budget (A+/-B-C)	\$ 296,000
E) Estimated Project Costs	\$ 125,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 171,000
Explanation why funds are available: Project work has been put on hold.	

Transfer To:	
Account Number:	001-000-107142-911034
Project Description:	Chemical Tank
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 72,000
E) Proposed Revised Budget (C+D)	\$ 72,000
Explanation why funds are needed: This amendment funds the installation of a chemical tank at the Lake Whitney Water Treatment Plant. As a result of damage to the existing tank, a new tank was required until the delivery and installation of the permanent tank as part of the Lake Whitney Chemical Feed System Improvements project. After installation of the permanent tank, this tank will be utilized as a back up tank. Total cost of this owrk is estimated at \$72,000.	


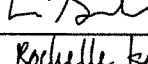
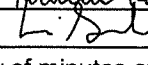

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Victor Bennis</i>	2/21/2025
2) Donor Vice President/Director	<i>Victor Bennis</i>	2/21/2025
3) Vice President - Finance & CFO	<i>Rochelle Kowalski</i>	2/21/2025
4) Chief Executive Officer		
5) Authority Members	Copy of minutes attached if required	


CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/19/2025	Type	Log	Mo/Yr
Requesting Division:	Customer Care/Information Technology	B1	25-30	Feb/25
Requested By:	Edward Carboni			

Transfer From:	
Account Number:	001-000-107112-116131
Project Description:	Lake Gaillard Pavilion
A) Original Budget	\$ 200,000
B) Total Previous Transfers (In or Out)	\$ 96,000
C) This Transfer	\$ 30,000
D) Revised Budget (A+/-B-C)	\$ 266,000
E) Estimated Project Costs	\$ 125,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 141,000
Explanation why funds are available: Project work has been put on hold.	

Transfer To:	
Account Number:	001-000-107181-100414
Project Description:	LIMS Upgrade
A) Original Budget	\$ 50,000
B) Previous Transfers (In or Out)	\$ 85,000
C) Revised Budget (A+/-B)	\$ 135,000
D) Amount to be Transferred	\$ 30,000
E) Proposed Revised Budget (C+D)	\$ 165,000
Explanation why funds are needed: This amendment will fund the implementation of the mobile component to the LIMS software system. This will allow RWA's sample collectors to upload the required sample information directly into the LIMS system at the time of collection, eliminating the need to write down this information and then enter it manually upon return to 90 Sargent Drive. This process improvement will greatly increase efficiency in the sample collection process. This project is an acceleration of work originally scheduled for Fiscal Year 2026.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		2/20/25
2) Donor Vice President/Director		2/21/2025
3) Vice President - Finance & CFO		2/21/2025
4) Chief Executive Officer		
5) Authority Members	Copy of minutes attached if required	


 Members-only attachment
CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	02/13/2025	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	25-31	Feb/25
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107142-066017
Project Description:	York Hill Tank Painting & Stairs
A) Original Budget	\$ 1,000,000
B) Total Previous Transfers (In or Out)	\$ 400,000
C) This Transfer	\$ 400,000
D) Revised Budget (A+/-B-C)	\$ 200,000
E) Estimated Project Costs	\$ 200,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: As a result of the time the seasonal requirements of the work (work needs to be done during low demand periods), and the extended length of time it took to receive approval to both bid the project and award the contract from CTDPH, work will now be scheduled for fall of 2025.	

Transfer To:	
Account Number:	001-000-107125-000050
Project Description:	Route 80 Throttling Valve Relocation
A) Original Budget	\$ 250,475
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ 250,475
D) Amount to be Transferred	\$ 400,000
E) Proposed Revised Budget (C+D)	\$ 650,475
Explanation why funds are needed: This amendment will fund the initiation of work to relocate the throttling valve chamber from its present location in Route 80 to a parcel of land alongside the roadway. This initial work includes the installation of the necessary piping from the main located in Route 80 to the future location of the valve chamber. This work is being accelerated in order to avoid conflict with a planned City of New Haven and Connecticut Department of Transportation project that will take place the summer in the same location. The construction of the valve chamber will be completed in the future as a DWSRF-funded project. Total cost of the pipe installation is estimated at \$700,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Approved at CMC</i>	02/13/2025
2) Donor Vice President/Director	<i>Approved at CMC</i>	02/13/2025
3) Vice President - Finance & CFO	<i>Approved at CMC</i>	02/13/2025
4) Chief Executive Officer	<i>Approved at CMC</i>	02/13/2025
5) Authority Members	Copy of minutes attached if required	

 Members-only attachment
CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	02/13/2025	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	25-32	Feb/25
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107143-030027
Project Description:	Meriden BiDirectional Interconnection
A) Original Budget	\$ 50,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 50,000
D) Revised Budget (A+/-B-C)	\$ -
E) Estimated Project Costs	\$ -
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: Project work has been deferred to a future budget year while project scope is defined.	

Transfer To:	
Account Number:	001-000-107125-000050
Project Description:	Route 80 Throttling Valve Relocation
A) Original Budget	\$ 250,475
B) Previous Transfers (In or Out)	\$ 400,000
C) Revised Budget (A+/-B)	\$ 650,475
D) Amount to be Transferred	\$ 50,000
E) Proposed Revised Budget (C+D)	\$ 700,475
Explanation why funds are needed: This amendment will fund the initiation of work to relocate the throttling valve chamber from its present location in Route 80 to a parcel of land alongside the roadway. This initial work includes the installation of the necessary piping from the main located in Route 80 to the future location of the valve chamber. This work is being accelerated in order to avoid conflict with a planned City of New Haven and Connecticut Department of Transportation project that will take place the summer in the same location. The construction of the valve chamber will be completed in the future as a DWSRF-funded project. Total cost of the pipe installation is estimated at \$700,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Approved at CMC</i>	02/13/2025
2) Donor Vice President/Director	<i>Approved at CMC</i>	02/13/2025
3) Vice President - Finance & CFO	<i>Approved at CMC</i>	02/13/2025
4) Chief Executive Officer	<i>Approved at CMC</i>	02/13/2025
5) Authority Members	Copy of minutes attached if required	

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
Jan 31, 2025 (FY 2025)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY25 revenue for water, including wholesale and fire service, is under budget by \$407k (approx. 0.5%).
 Metered water revenue is under budget by \$768k (approx. 0.9%)

Total net other revenue is \$1,515k over budget due to other water and proprietary revenue being higher than budget.

Operating Expenses

Operating and Maintenance Expenses are currently under budget due to the following:

	Jan-25
Payroll is under budget primarily due to head count under runs and O&M/non-O&M mix.	\$ (414,000)
Employee Benefits are under budget primarily due OPEB reimbursement being higher than budgeted and O&M/non-O&M mix.	(167,000)
Transportation is under budget primarily due to diesel fuel expense, vehicle insurance, and O&M/non-O&M mix.	(116,000)
Pump Power is over budget primarily due to CT statutory charges not anticipated in budget.	397,000
Chemicals Expense is under budget primarily due to timing.	(174,000)
Road Repairs are under budget primarily due to timing.	(62,000)
Collection Expense is under budget due to lower year-to-date attorney fees and bank fees.	(148,000)
Business Improvement is under budget primarily due timing and lower than anticipated costs.	(197,000)
Insurance Premiums are under budget due primarily to timing and O&M/non-O&M mix.	(62,000)
Public/Customer Information is under budget primarily due lower than anticipated costs.	(56,000)
Outside Services is under budget across multiple areas.	(288,000)
Training and continued education is under budget primarily due to timing and lower than anticipated costs.	(155,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing.	(399,000)
Maintenance & Repairs are under budget across multiple areas.	(268,000)
All Other	<u>(88,000)</u>
<u>Interest Income</u>	(2,197,000)

Interest Income is above budget primarily due to higher investment earnings.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.19 with no shortfall.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING JAN 31, 2025**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 79,089	\$ 81,651	\$ 80,883	\$ (768)
Fire service	9,103	9,011	9,212	201
Wholesale	685	589	748	160
Other revenue - water	3,172	2,815	3,726	912
Other revenue - proprietary	7,819	8,296	11,319	3,023
Total operating revenues	<u>99,868</u>	<u>102,361</u>	<u>105,888</u>	<u>3,527</u>
Operating expenses				
Operating and maintenance expense	43,968	48,191	45,993	(2,197)
Expense associated with other revenue - water	1,512	1,397	2,104	707
Expense associated with other revenue - proprietary	2,636	3,387	5,100	1,712
Provision for uncollectible accounts	()	333	229	(104)
Depreciation	16,200	17,333	17,337	3
Payment in lieu of taxes	5,998	6,236	6,012	(224)
Amortization Pension Outflows/Inflows	901	145	145	0
Amortization OPEB Outflows/Inflows	(603)	(380)	(380)	0
Total operating expenses	<u>70,611</u>	<u>76,642</u>	<u>76,540</u>	<u>(103)</u>
Operating income	<u>29,256</u>	<u>25,718</u>	<u>29,348</u>	<u>3,631</u>
Nonoperating income and (expense)				
Interest income	7,388	5,370	7,077	1,707
(Loss) Gain on disposal of assets	(297)	(416)	537	953
Realized and unrealized (losses) gains on investments			-	-
Interest expense	(14,717)	(14,196)	(14,267)	(71)
Amortization of bond discount, premium, issuance cost and deferred losses	1,909	1,894	1,974	81
Amortization of Goodwill			-	-
Intergovernmental revenue	441		1,500	1,500
Contributions to related entities	(2,095)		-	-
Total nonoperating income and (expense) before capital contributions	<u>(7,371)</u>	<u>(7,348)</u>	<u>(3,178)</u>	<u>4,170</u>
Income (expense) before contributions	21,886	\$ 18,370	26,170	\$ 7,801
Capital contributions				
Change in net assets	22,472		1,930	28,100
Total net assets - beginning of fiscal year	283,121		322,165	
Total net assets - end of reporting month	<u>305,593</u>		\$ 350,265	

	Budget	Projected	(Under)Over
FY 2025 MAINTENANCE TEST (Budget vs. Projected)	@114%	@114%	@114%
Revenue Collected:			
Water sales	130,838	130,451	(387)
Interest Income	4,028	4,928	900
BABs Subsidy	644	644	-
Other Net	9,093	10,478	1,400
Common Non-Core	(390)	(340)	50
Total	<u>144,213</u>	<u>146,160</u>	<u>1,963</u>
Less:			
Operating and maintenance expenses	(71,610)	(71,610)	-
Depreciation	(9,000)	(9,729)	(729)
PILOT (A)	(9,295)	(8,931)	364
Net Avail for Debt Service (B)	\$ 54,308	\$ 55,890	\$ 1,583
Debt Service Payments (C)	\$ 47,638	46,772	\$ (866)
Debt Service @ 114% (D)	\$ 54,307	53,320	\$ (987)
Difference (B-D)	\$ 0	\$ 2,570	
RSF, Growth and/or General Fund (D)	-		
Coverage	<u>114%</u>	<u>119%</u>	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
JAN 31, 2025**

Pg 3

PERIOD ENDING JAN 31, 2025

	FY 2024 Actual	FY 2025 Budget	FY 2025 Actual	(Under) Over
1 Payroll	\$ 16,938	\$ 18,328	\$ 17,914	\$ (414)
2 Employee Benefits	5,328	5,853	5,686	(167)
Pension Contributions	2,572	1,686	1,686	0
3 Administrative Building	683	714	704	(10)
4 General & Administrative	1,017	1,139	1,134	(5)
5 Transportation	565	691	574	(116)
6 Tools & Stores	237	265	267	2
7 Utilities & Fuel	1,226	1,360	1,329	(31)
8 Material From Inventory	164	227	221	(6)
9 Pump Power Purchased	2,027	2,425	2,821	397
10 Chemicals	2,581	2,417	2,243	(174)
11 Road Repairs	90	200	138	(62)
14 Postage	184	459	463	4
15 Printing & Forms	30	48	24	(25)
17 Collection Expense	632	818	670	(148)
18 Business Improvement	188	350	153	(197)
19 Public/Customer Information	152	199	143	(56)
20 Outside Services	2,721	3,198	2,910	(288)
21 Insurance Premiums	1,265	1,368	1,306	(62)
22 Worker's Compensation, pre-Churchill	24	31	26	(5)
23 Damages	41	47	28	(19)
24 Training & Cont. Education	249	449	294	(155)
25 Authority Fees	87	117	94	(23)
26 Consumer Counsel	23	40	44	4
27 RPB Fees	61	128	166	38
28 Organizational Dues	98	87	68	(19)
29 Donations	26	29	34	4
34 Central Lab/Water Quality	224	268	224	(44)
40 Environmental Affairs	56	98	145	47
44 Info. Technology Licensing & Maintenance Fees	2,138	2,434	2,035	(399)
45 Maintenance and Repairs	2,187	2,561	2,293	(268)
46 Regulatory Asset Amortization	156	156	156	(0)
	<u>\$ 43,968</u>	<u>\$ 48,191</u>	<u>\$ 45,993</u>	<u>\$ (2,197)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")

(\$000 omitted)

Total Accounts Receivable Aging (in days)

	Jan 2025	Dec 2024	Nov 2024	Oct 2024	Sept 2024	Aug 2024	July 2024	June 2024 (Note 1)	May 2024	April 2024	March 2024	Feb 2024	Jan 2024
Under 30	\$ 6,376	\$ 5,783	\$ 7,750	\$ 6,623	\$ 7,906	\$ 6,780	\$ 6,741	\$ 8,290	\$ 5,677	\$ 5,625	\$ 6,085	\$ 6,386	\$ 6,231
31-60	1,425	1,562	1,703	1,894	1,758	1,274	1,461	1,775	1,212	1,279	1,336	1,316	1,411
61-90	735	675	808	624	617	840	547	715	665	640	628	740	665
91-180	1,078	1,156	1,058	1,028	1,022	902	1,038	1,128	1,071	1,017	1,248	1,357	1,349
181-360	964	968	910	1,033	1,096	1,208	1,153	1,170	1,072	1,143	1,173	1,109	1,217
More than 1 year	3,306	3,432	3,504	3,423	3,477	3,758	3,476	3,530	3,557	4,089	4,207	4,273	4,385
Sub Total	13,884	13,576	15,733	14,625	15,876	14,762	14,416	16,608	13,254	13,793	14,677	15,181	15,258
Interest due	1,510	1,454	1,524	1,524	1,558	1,574	1,598	1,609	1,611	1,673	1,694	1,680	1,704
Total Gross A/R plus interest	\$ 15,394	\$ 15,030	\$ 17,257	\$ 16,149	\$ 17,434	\$ 16,336	\$ 16,014	\$ 18,217	\$ 14,865	\$ 15,466	\$ 16,371	\$ 16,861	\$ 16,962

Aged Accounts Receivable Focus of Collection Efforts

Greater than 60 days:	Jan 2025	Dec 2024	Nov 2024	Oct 2024	Sept 2024	Aug 2024	July 2024	June 2024 (Note 1)	May 2024	April 2024	March 2024	Feb 2024	Jan 2024
A/R	\$ 7,408	\$ 7,492	\$ 7,625	\$ 7,439	\$ 7,577	\$ 8,095	\$ 7,613	\$ 7,952	\$ 7,771	\$ 8,356	\$ 8,736	\$ 8,940	\$ 9,211
Less: Multi-Tenants	(1,619)	(1,563)	(1,478)	(1,417)	(1,469)	(1,482)	(1,423)	(1,633)	(1,673)	(1,725)	(1,767)	(1,852)	(2,044)
Receiverships***	(1,891)	(1,952)	(2,002)	(2,040)	(1,824)	(2,120)	(2,175)	(2,198)	(2,174)	(2,144)	(2,157)	(2,121)	(2,308)
Liens	(1,937)	(1,842)	(1,865)	(1,911)	(1,929)	(2,058)	(1,789)	(1,696)	(1,644)	(1,731)	(1,664)	(1,734)	(1,741)
Total	\$ 1,961	\$ 2,135	\$ 2,280	\$ 2,071	\$ 2,355	\$ 2,435	\$ 2,226	\$ 2,425	\$ 2,280	\$ 2,756	\$ 3,148	\$ 3,233	\$ 3,118
	26%	28%	30%	28%	31%	30%	29%	30%	29%	33%	36%	36%	34%

Collection Efforts

	Jan 2025	Dec 2024	Nov 2024	Oct 2024	Sept 2024	Aug 2024	July 2024	June 2024 (Note 1)	May 2024	April 2024	March 2024	Feb 2024	Jan 2024
Shuts *	\$ 37	\$ 31	\$ 33	\$ 55	\$ 51	\$ 63	\$ 49	\$ 57	\$ 68	\$ 71	\$ 96	\$ 120	\$ 136
Red Tags **	6	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	82	27	46	95	53	114	81	55	44	54	18	45	63
Top 100 Collection Calls	108	-	-	-	-	-	-	-	25	37	76	6	485
Other ⁽¹⁾	958	948	842	1,017	988	829	978	810	917	1,175	966	956	541
Total	\$ 1,191	\$ 1,006	\$ 921	\$ 1,167	\$ 1,092	\$ 1,006	\$ 1,108	\$ 922	\$ 1,054	\$ 1,337	\$ 1,156	\$ 1,127	\$ 1,225

* Number of shuts

** Number of Red tags

Members-only attachment

Members-only attachment

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

DATE: February 4, 2025
TO: Sunder Lakshminarayanan
FROM: Elizabeth Calo
CC: David Borowy
Robert E. Harvey, Jr.
SUBJECT: Code of Ethics Compliance

As required by the 2009 Regional Water Authority Code of Ethics (Code) and acting as the Ethics Official, I am providing this memorandum to certify that we did not receive any employee reports of a violation of the Code for the 12-month reporting period ending November 30, 2024, with no exceptions.

The documentation completed by board members and employees will be kept on file in the Office of the Authority at 90 Sargent Drive for a period of one year. If you have any questions, please let me know.

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
*January 2025	<i>Finance Committee</i> Monday, Jan. 13 at 5:00 p.m.	Catherine
	<i>Land Use Committee</i> Wednesday, Jan. 8 at 5:30 p.m.	Mario
	<i>Consumer Affairs Committee</i> Monday, Jan. 27 at 5:30 p.m.	Kevin
	<i>Executive Committee</i> Wednesday, Jan. 15 at 5:00 p.m.	N/A
*February 2025	<i>Finance Committee</i> Monday, Feb. 10 at 5:00 p.m.	Mario
	<i>Land Use Committee</i> Wednesday, Feb. 12 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee</i> Monday, Feb. 24 at 5:30 p.m.	Catherine
*March 2025	<i>Finance Committee</i> Monday, Mar. 10 at 5:00 p.m.	Kevin
	<i>Land Use Committee</i> Wednesday, Mar. 12 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Mar. 17 at 5:30 p.m.	Mario

***FYI – All meetings are hybrid.**

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

TO: David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM:  Rochelle Kowalski

DATE: February 20, 2025

SUBJECT: Capital Budget Transfer – Type B3 Amendments

As prescribed in the Capital Budget Manual, Exhibit 12, Capital Budget Amendment Procedure, Part 1, Type B Amendment, Item 3, Authority approval is required for a transfer of funds from an existing capital account to either another capital account or a newly created capital account if the value is greater than \$500,000.


CIS: As a result of shifts in the project schedule and the expected go-live date of April 2, it is anticipated that final payment to the vendor will not occur until early in FY 2026. Amendment No. 25-33 will transfer \$522,272 from the CIS project account to the project reserve budget account to be held for utilization by the CIS project in FY 2026.

In reviewing the project's prior expenditures and amendments, it was realized that the fiscal 2025 project budget needed to be corrected. To correct the budget, we are requesting an additional \$1,616,449 be moved into the project reserve. Amendment No. 25-34 will transfer this amount into the project reserve.

The following resolutions will be necessary to carry out the foregoing:

Resolved: that the Authority approves the transfer of \$522,272 from the CIS capital budget account to the project reserve capital account to be held for utilization in FY 2026.

Resolved: that the Authority approves the transfer of \$1,616,449 from the CIS capital budget account to the project reserve capital account.

 Members-only attachment
CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	02/13/2025	Type	Log	Mo/Yr
Requesting Division:	Customer Care/Technology	B3	25-33	Feb/25
Requested By:	Ramesh Kandipilli			

Transfer From:	
Account Number:	001-000-107181-100426
Project Description:	CIS
A) Original Budget	\$ 4,986,693
B) Total Previous Transfers (In or Out)	\$ 2,936,264
C) This Transfer	\$ (522,272)
D) Revised Budget (A+/-B-C)	\$ 7,400,685
E) Estimated Project Costs	\$ 5,784,236
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 1,616,449
Explanation why funds are available: Expenditures for this fiscal year will complete under budget.	

Transfer To:	
Account Number:	Not Applicable
Project Description:	Project Reserve
A) Original Budget	\$ 3,469,000
B) Previous Transfers (In or Out)	\$ (2,875,796)
C) Revised Budget (A+/-B)	\$ 593,204
D) Amount to be Transferred	\$ 522,272
E) Proposed Revised Budget (C+D)	\$ 1,115,476
Explanation why funds are needed: This amendment will transfer \$522,272 to the project reserve to be held for the CIS project. Based on the anticipated go-live date for the project, it is expected that final payment for the project will not occur until early in FY 26. prior year expenditures.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Approved at CMC</i>	02/13/2025
2) Donor Vice President/Director	<i>Approved at CMC</i>	02/13/2025
3) Vice President - Finance & CFO	<i>Approved at CMC</i>	02/13/2025
4) Chief Executive Officer	<i>Approved at CMC</i>	02/13/2025
5) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	02/13/2025	Type	Log	Mo/Yr
Requesting Division:	Customer Care/Technology	B3	25-34	Feb/25
Requested By:	Ramesh Kandipilli			

Transfer From:	
Account Number:	001-000-107181-100426
Project Description:	CIS
A) Original Budget	\$ 4,986,693
B) Total Previous Transfers (In or Out)	\$ 2,413,992
C) This Transfer	\$ (1,616,449)
D) Revised Budget (A+/-B-C)	\$ 5,784,236
E) Estimated Project Costs	\$ 5,784,236
F) Remaining Funds Available for Transfer, if any (D-E)	\$ (0)
Explanation why funds are available: Expenditures for this fiscal year will complete under budget.	

Transfer To:	
Account Number:	Not Applicable
Project Description:	Project Reserve
A) Original Budget	\$ 3,469,000
B) Previous Transfers (In or Out)	\$ (2,353,524)
C) Revised Budget (A+/-B)	\$ 1,115,476
D) Amount to be Transferred	\$ 1,616,449
E) Proposed Revised Budget (C+D)	\$ 2,731,925
Explanation why funds are needed: This is to correct a budget error.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Approved at CMC</i>	02/13/2025
2) Donor Vice President/Director	<i>Approved at CMC</i>	02/13/2025
3) Vice President - Finance & CFO	<i>Approved at CMC</i>	02/13/2025
4) Chief Executive Officer	<i>Approved at CMC</i>	02/13/2025
5) Authority Members	Copy of minutes attached if required	

RESOLUTION

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY WATER SYSTEM REVENUE REFUNDING BONDS, THIRTY-EIGHTH SERIES B

WHEREAS, Section 22 of Special Act 77-98, as amended, of the Connecticut General Assembly (the “Act”) provides, in pertinent part, that bonds shall be authorized by a resolution of the South Central Connecticut Regional Water Authority (the “Authority”) which shall provide for the terms and conditions of the bonds, and may provide for any matter which in any way affects the security or protection on the bonds; 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 may issue bonds to refund a series of outstanding bonds (the “Refunding Bonds”) without the approval of the RPB; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Water System Revenue Refunding Bonds, Thirty-eighth Series B in one or more series (the “Thirty-eighth Series B Bonds”).

NOW THEREFORE BE IT RESOLVED, that the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development be authorized (i) to issue, sell and deliver the Thirty-eighth Series B Bonds in one or more series in an amount not to exceed \$3,000,000 and (ii) to determine the amount, date, date of maturity, interest rate, form, whether the Thirty-eighth Series B Bonds are taxable or tax exempt and other details of the Thirty-eighth Series B Bonds, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling; and

BE IT FURTHER RESOLVED, that the Authority hereby approves the Thirty-eighth Series B Supplemental Resolution authorizing the issuance of the Thirty-eighth Series B Bonds 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 the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall deem advisable and which shall be as set forth in Certificate of Determinations attached thereto; and

BE IT FURTHER RESOLVED, that for the purpose of providing for the public offering and sale of the Thirty-eighth Series B Bonds and further setting forth information relating to the Thirty-eighth Series B Bonds, one or more official statements, substantially in the form of the official statement attached hereto as Exhibit B (the “Official Statement”) is hereby approved, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall deem advisable or shall be necessary to provide information concerning the Thirty-eighth Series B Bonds; and such officers, in the name of the Authority, are hereby authorized to deem the Official Statement final when appropriate and are

further authorized and directed to execute such Official Statement and any amendment or supplement thereto on and after the sale of any series of the Thirty-eighth Series B Bonds; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development or any one of them, are hereby authorized to appoint an underwriter or underwriters and a financial advisor and to purchase a municipal bond insurance policy to guarantee the payment of principal and interest on the Thirty-eighth Series B Bonds, if the Authority's financial advisor or the underwriter for the Thirty-eighth Series B Bonds deems it advisable, and execute and deliver such documents as may be necessary or desirable to issue, sell and deliver the Thirty-eighth Series B Bonds, including but not limited to, the Purchase Contracts, the Tax Regulatory Agreements and the Continuing Disclosure Agreements 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 and delivery of the Thirty-eighth Series B Bonds in one or more series 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.

Draft

EXHIBIT A

THIRTY-EIGHTH SERIES B SUPPLEMENTAL RESOLUTION

Draft

EXHIBIT B

OFFICIAL STATEMENT

Draft

Draft

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 14, 2025

REFUNDING ISSUE - BOOK-ENTRY-ONLY

Ratings (See "RATINGS" herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Authority with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Thirty-eighth Series Refunding Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Thirty-eighth Series Refunding Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Thirty-eighth Series Refunding Bonds. (See "TAX MATTERS" herein.)

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

\$71,500,000*

**Water System Revenue Refunding Bonds
Thirty-eighth Series**

Dated: Date of Delivery

Due: As shown on inside cover

The South Central Connecticut Regional Water Authority (the "Authority") \$71,500,000* Water System Revenue Refunding Bonds, Thirty-eighth Series (the "Thirty-eighth Series Refunding Bonds") are general obligations of the Authority issued pursuant to Special Act No. 77-98 of the State of Connecticut, as amended (the "Act") and the Water System Revenue Bond Resolution General Bond Resolution, adopted July 31, 1980, as amended and supplemented by all supplemental resolutions including the Thirty-eighth Series Supplemental Resolution, (collectively, the "General Bond Resolution"). The Thirty-eighth Series Refunding Bonds are secured by a pledge of the Revenues of the Authority pursuant to the General Bond Resolution, which pledge is described herein, and all moneys and securities in all funds established by the General Bond Resolution. **The Authority has no taxing power. The Thirty-eighth Series Refunding Bonds are not a debt of the State of Connecticut, or any municipality thereof, and neither the State nor any municipality is liable thereon.**

The Thirty-eighth Series Refunding Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository. Purchases of beneficial ownership interests in the Thirty-eighth Series Refunding Bonds will be made in book-entry-only form without certificates. Interest on the Thirty-eighth Series Refunding Bonds will be payable on August 1, 2025 and semiannually on each August 1 and February 1 thereafter to maturity at the interest rates shown on the inside front cover. Individual purchases of Thirty-eighth Series Refunding Bonds will be in the principal amount of \$5,000 or any integral multiple thereof. Principal and redemption price, if any, of and interest on the Thirty-eighth Series Refunding Bonds will be paid directly to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, the Trustee, and Paying Agent. See "DESCRIPTION OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS" - "Book-Entry-Only System" herein. The Thirty-eighth Series Refunding Bonds are subject to optional redemption, mandatory and special mandatory redemption prior to their stated maturities as set forth herein.

The Thirty-eighth Series Refunding Bonds are being issued to finance (i) the current refunding (by purchasing tendered Bonds pursuant to an Invitation to Tender) of certain maturities of the Authority's outstanding Bonds, (ii) funds for deposit to certain reserve funds held under the General Bond Resolution, if necessary, and (iii) the costs of issuance of the Thirty-eighth Series Refunding Bonds. See "AUTHORIZATION AND PURPOSE" and "PLAN OF FINANCE-TENDER OFFER PLAN" herein.

The Thirty-eighth Series Refunding Bonds are legal investments in Connecticut under the Act for all public officers and bodies of the State and all municipalities, all insurance companies and associations, and all banks, trust companies, savings banks and savings and loan associations. Under the Act, the Thirty-eighth Series Refunding Bonds are not eligible investments in Connecticut for funds of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees or other individual fiduciaries.

The Thirty-eighth Series Refunding Bonds are offered when, as and if issued and received by the Underwriter, subject to approval of legality by Pullman & Comley, LLC, Bond Counsel, Hartford, Connecticut. Certain matters will be passed upon for the Underwriter by Nash Perez, LLC. It is expected that the Thirty-eighth Series Refunding Bonds, in definitive form, will be available for delivery at DTC, or its custodial agent, in New York, New York on or about March 13, 2025.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

D.A. Davidson

_____, 2025

*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or the solicitation of an offer to buy, or shall there be any sale of the within described bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of such jurisdiction.

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
\$71,500,000* WATER SYSTEM REVENUE REFUNDING BONDS,
THIRTY-EIGHTH SERIES**

Maturity Schedule*

<u>Due</u> <u>(August 1)*</u>	<u>Amount (\$)*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__
				83722A__

*Preliminary, subject to change

**A registered trademark of the American Bankers Association. CUSIP (Committee on Uniform Security Identification Procedure) data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Bureau Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The Authority and the Underwriter do not make any representation with respect to such numbers. The CUSIP numbers are subject to change after the issuance of the Thirty-eighth Series Refunding Bonds.

[Remainder of page intentionally left blank]

The purpose of this Official Statement is to provide certain financial information and supplementary economic and demographic data relevant to the South Central Connecticut Regional Water Authority (the “Authority”) in connection with the sale of its \$71,500,000* Water System Revenue Refunding Bonds, Thirty-eighth Series (the “Thirty-eighth Series Refunding Bonds”) dated March 13, 2025 (the “Date of Delivery”).

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Thirty-eighth Series Refunding Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the foregoing.

The information set forth herein has been obtained from the Authority and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof.

Set forth in APPENDIX B, “Audited Financial Statements of the Authority for Fiscal Years Ended May 31, 2024 and May 31, 2023,” hereto is a copy of the report of CliffordLarsonAllen LLP, the independent auditor for the Authority with respect to the financial statements of the Authority. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditor has not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period. The auditor has not been engaged to verify the financial information set out in APPENDIX B and is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of such financial information.

Neither Bond Counsel, the Underwriter nor the Municipal Advisor are passing upon or assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in the opinion of Bond Counsel), and they make no representation that they independently have verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Authority up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Authority assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future forms of financial aid which may be available to the Authority; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Authority; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Authority; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

INTRODUCTION 1

DESCRIPTION OF THE THIRTY-EIGHTH SERIES

 REFUNDING BONDS 2

 Description of the Thirty-eighth Series Refunding Bonds 2

 Optional Redemption 3

 Mandatory Redemption 3

 Special Mandatory Redemption 3

 Redemption Procedures 3

 Book-Entry-Only System 4

SECURITY AND SOURCES OF PAYMENT FOR THE THIRTY-EIGHTH SERIES REFUNDING BONDS 6

 Debt Reserve Fund 6

 Operating Reserve Fund and Capital Contingency Fund 7

 Rate Covenants 7

 Flow of Funds 7

 Additional Bonds 8

 Refunding Bonds 10

 Water Revenues 10

COMPARISON OF TYPICAL QUARTERLY WATER BILLS^(a) 11

AUTHORIZATION AND PURPOSE 12

PLAN OF FINANCE-TENDER OFFER PLAN 13

SOURCES AND USES OF FUNDS 15

ANNUAL DEBT SERVICE REQUIREMENTS 16

DESCRIPTION OF THE AUTHORITY 17

 General 17

 Powers of the Authority 19

 Powers of the Representative Policy Board 20

WATER SYSTEM SERVICE AREA 21

 Service Area 21

EMPLOYMENT OF RESIDENTS IN SERVICE AREA* 22

POPULATION IN SERVICE AREA 23

UNEMPLOYMENT IN SERVICE AREA 23

NUMBER OF NEW HOUSING UNITS IN SERVICE AREA* 24

 Customers 24

TEN LARGEST CUSTOMERS IN SERVICE AREA 24

WATER REVENUES, CONSUMPTION AND CUSTOMERS BY CLASS 25

 Other Activities 25

WATER SYSTEM 25

 Supply and Facilities 25

 Monitoring Facilities 27

 Climate Risk 27

 Maintenance 28

 Water Loss Control 28

WATER CONSUMPTION DATA 29

 Conservation and Sale of Land 29

 HazWaste Central 30

 Risk Management 30

 Cyber Security 30

GLOBAL HEALTH EMERGENCY RISK 32

CAPITAL IMPROVEMENT PROGRAM 33

5-YEAR PLAN OF CAPITAL IMPROVEMENTS 34

ENGINEERING AND ENVIRONMENTAL MATTERS .. 35

 Engineering Evaluation 35

 Environmental Regulation 35

 Safe Drinking Water Act 35

 Clean Water Act 36

 Connecticut Inland Wetlands and Watercourses Act and Water Diversion Policy Act 36

OPERATIONS, REVENUES AND EXPENSES 37

 Summary: Revenues, Expenses and Changes in Net Position 37

 Summary of Fiscal Year 2023, Fiscal Year 2024 and Projected Fiscal Year 2025 Authority Operations 37

 Reduced Federal Funding 38

DEBT SERVICE COVERAGE FOR LAST FIVE YEARS 39

 Pension Plans 39

 Other Post-Employment Benefits 40

 Planning and Budgets, Financial Controls, Accounting and Billing Procedures 40

STATUTORY REMEDIES 41

LITIGATION 42

TAX MATTERS 42

 Federal Income Taxes 42

 Original Issue Discount 42

 Original Issue Premium 43

 Other Federal Tax Matters 43

 State Taxes 43

 Changes in Federal and State Tax Law 43

 General 44

THIRTY-EIGHTH SERIES REFUNDING BONDS AS LEGAL INVESTMENTS 44

AGREEMENT OF THE STATE OF CONNECTICUT 44

INDEPENDENT AUDITORS 45

RATINGS 45

UNDERWRITING 45

CONTINUING DISCLOSURE 46

DEALER MANAGER 46

MUNICIPAL ADVISOR 46

CERTAIN LEGAL MATTERS 47

DOCUMENTS ACCOMPANYING DELIVERY OF THIRTY-EIGHTH SERIES REFUNDING BONDS 47

 Absence of Litigation 47

 Opinions of Bond Counsel 47

 Authority’s Certificate 47

OTHER MATTERS 47

APPENDIX A - Consulting Engineer’s Report

APPENDIX B - Audited Financial Statements of the Authority for Fiscal Years Ended May 31, 2024 and May 31, 2023

APPENDIX C - Summary of Certain Provisions of the General Bond Resolution

APPENDIX C-1 – Definitions of Certain Terms Defined in the General Bond Resolution

APPENDIX D - Form of Opinion of Bond Counsel for the Thirty-eighth Series Refunding Bonds

APPENDIX E - Form of Continuing Disclosure Agreement for the Thirty-eighth Series Refunding Bonds

Map of South Central Connecticut Regional Water District (See inside back cover)

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OFFICIAL STATEMENT

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

\$71,500,000*

**Water System Revenue Refunding Bonds
Thirty-eighth Series**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by the South Central Connecticut Regional Water Authority (the “Authority”) of its \$71,500,000* Water System Revenue Refunding Bonds Thirty-eighth Series Refunding (the “Thirty-eighth Series Bonds”) dated as of the date of delivery of the Thirty-eighth Series Refunding Bonds. The Thirty-eighth Series Refunding Bonds are authorized to be issued pursuant to Special Act No. 77-98, as amended (the “Act”), of the State of Connecticut (the “State”) and the Water System Revenue Bond Resolution General Bond Resolution, adopted July 31, 1980, as amended and as supplemented by supplemental resolutions including the Thirty-eighth Series Supplemental Resolution, adopted on May 23, 2024, (collectively, the “General Bond Resolution”). See APPENDIX C hereto for “Summary of Certain Provisions of the General Bond Resolution”.

All references herein to the Act, the General Bond Resolution and the Thirty-eighth Series Refunding Bonds are qualified in their entirety by reference to the Act and the definitive documents. Capitalized terms used in this Official Statement but not defined herein have the meaning set forth in the General Bond Resolution and in APPENDIX C-1 - “Definitions of Certain Terms Defined in the General Bond Resolution” herein.

The General Bond Resolution constitutes a contract between the Authority and the holders of all bonds issued thereunder. Pursuant to the General Bond Resolution, all bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein, and all such bonds, including the Thirty-eighth Series Refunding Bonds, are herein called the “Bonds”.

The Authority currently owns and operates an extensive water supply and distribution system (the “Water System”), which serves customers in 15 municipalities within the South Central Connecticut Regional Water District (the “District”).

The Thirty-eighth Series Refunding Bonds are being issued to finance (i) the current refunding (by purchasing tendered bonds pursuant to an Invitation to Tender) of certain maturities of the Authority’s outstanding Bonds, (ii) funds for deposit to certain reserve funds held under the General Bond Resolution, if necessary, and (iii) the costs of issuance of the Thirty-eighth Series Refunding Bonds. See “AUTHORIZATION AND PURPOSE” and “PLAN OF FINANCE-TENDER OFFER PLAN” herein.

The Authority was created under the Act in 1977 for the purpose of assuring the provision of an adequate supply of pure water at a reasonable cost within the District and, to the degree consistent with the foregoing, of advancing the conservation and compatible recreational use of land held by the Authority. In 2002, the Connecticut General Assembly granted the Authority permission to provide wastewater services. To date, the Authority provides no such services. In 2017, the Connecticut General Assembly granted the Authority, to the degree consistent with the foregoing purposes, the power to conduct or invest in noncore businesses which are defined as activities 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 or a class III energy source but excluding wind sources (the “Noncore Businesses”). In 2024, the definition of “Noncore” was expanded to include “sustainable manufacturing support.” Also, in 2024, the Connecticut General Assembly’s Special Session expanded the definition of Noncore Business to include the acquisition of the Aquarion Water Company or one or more of its subsidiaries (the “Aquarion Acquisition”) and created a new authority (the “Aquarion Water Authority” or “AWA”) to own the Aquarion Water Company (“Aquarion”). The Authority’s initiatives in Noncore Businesses less returns from such businesses shall not exceed five percent of the Authority’s net utility plant devoted to its water and wastewater businesses unless approved by the representative policy board of the District with the exception of the Aquarion Acquisition.

*Preliminary, subject to change

In 2021, the Authority established RWA Commercial Enterprises, LLC as a wholly owned subsidiary of the Authority and established RWA Well Services, LLC as a wholly owned subsidiary of RWA Commercial Enterprises, LLC. In June 2021, an asset purchase agreement of a Connecticut-based company that specializes in providing well services (e.g., water heating, plumbing, water pumps and water treatment) to both residential and commercial customers was approved. July 1, 2021 was the effective date of the asset purchase and associated agreements. In April 2022, an asset purchase agreement of a Connecticut-based company that is engaged in water operations, treatment, and related services was approved with a May 1, 2022 effective date. In May 2022, the Authority established RWA Environmental & Lab Services, LLC and RWA Commercial Services, LLC. In addition, in June 2023 an application was approved for an asset purchase of a Connecticut-based plumbing company and this transaction closed effective October 1, 2023. Post transaction, these businesses operate under RWA Well Services, LLC. Both of these entities are wholly owned subsidiaries of RWA Commercial Enterprises, LLC. There are currently no operations under either of these two entities. Noncore Businesses are not part of the Water System and accordingly the operating expenses associated with Noncore Businesses are not paid with Revenues generated from the Water System. In addition, revenues generated from the Noncore Businesses are not included in Revenues under the General Bond Resolution unless the Authority directs such revenues to be included.

In February 2024, Eversource Energy (“Eversource”) announced that it intended to sell its subsidiary, Aquarion Water Company. The Authority, pursuant to the Act and acting as the AWA submitted a bid for the AWA to acquire Aquarion Water Company which was accepted by Eversource and a Purchase and Sale Agreement signed on January 27, 2025. However, the transaction requires approval by State regulatory authorities. At this time, no assurance can be given that the transaction will be approved.

Under the Act, the District comprises the territories of the towns and cities of Ansonia, Bethany, Beacon Falls, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Killingworth, Madison, Milford, New Haven, North Branford, North Haven, Orange, Prospect, Seymour, West Haven and Woodbridge, Connecticut. The Act established the South Central Connecticut Regional Water Authority with a five-person board to function as a board of directors, which, as of January 1, 2025, will be expanded to seven members, except in the case of the acquisition of the Aquarion Water Company by the AWA, in which case the Authority board will be expanded to eleven members. The Authority board oversees the adoption of annual operating and capital budgets and provides strategic direction.

The Act further provides for the establishment of a representative policy board (the “Representative Policy Board” or “RPB”), composed of one member from each of the municipalities comprising the District and one member appointed by the Governor. The RPB is empowered, among other things, to appoint the five or seven members (after January 1, 2025) of the Authority board or if the board is comprised of eleven members, six of the members with the remaining five members to be appointed by the Aquarion Regional Water District representative policy board. The same members of the Authority’s board will serve as members of the AWA board. In addition, the RPB must ratify the chief executive officer appointed by the Authority and approve (i) the acquisition of any existing water system or wastewater system, (ii) the repair, improvement, construction, reconstruction, enlargement or extension of any of the Authority’s properties or systems costing more than \$3,500,000, (iii) the acquisition of or subsequent investment in any noncore business costing more than \$1,500,000; (iv) water rates and charges established by the Authority and (v) the issuance of new money bonds.

DESCRIPTION OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS

Description of the Thirty-eighth Series Refunding Bonds

The Thirty-eighth Series Refunding Bonds will be dated the Date of Delivery and will mature on August 1 in the years and in the amounts and will bear interest payable semiannually on each February 1 and August 1 commencing August 1, 2025 at the rates per annum, all as set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Payments of each installment of principal and interest on the Thirty-eighth Series Refunding Bonds shall be made to the owner of the Thirty-eighth Series Refunding Bond who shall appear on the registration books of the Authority maintained by the Trustee on the close of business on the fifteenth day of January and July (or the preceding business day if such fifteenth day is not a business day) in each year.

The Thirty-eighth Series Refunding Bonds are issuable as registered bonds in the denomination of \$5,000 or any integral multiple thereof.

Optional Redemption of the Thirty-eighth Series Refunding Bonds

The Thirty-eighth Series Refunding Bonds with maturities on or after August 1, 2036* are subject to redemption at the option of the Authority in denominations of \$5,000 or any integral multiple thereof, either in whole or in part, on any date on or after August 1, 2035*, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

[Mandatory Redemption]

Special Mandatory Redemption

All Bonds are subject to mandatory redemption in whole at 100% of the principal amount thereof plus accrued interest to date of redemption (or, in the case of capital appreciation bonds, their accreted value on 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. For purposes of this provision, “substantially all of the Water System” includes any part of the Water System the taking of which would cause a reduction in the Authority’s current water supply by twenty percent (20%) or more or would prevent water service to twenty percent (20%) or more of the customers of the Water System at the time of such taking, unless in the opinion of the Consulting Engineer (a) the remaining portion of the Water System is sufficient to serve the remaining customers of the Water System and (b) after adjustments for any rates adopted by the Authority and any adjustment in costs as a result of such taking, the Authority will be able to comply with the debt service coverage requirements of the General Bond Resolution.

Redemption Procedures

In the event of a partial redemption of the Thirty-eighth Series Refunding Bonds, the Authority may direct the maturity or maturities and amounts to be redeemed. If less than all Thirty-eighth Series Refunding Bonds of a particular maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected in such order of maturity and CUSIP (Committee on Uniform Security Identification Procedure) number as the Authority may determine and by lot within a CUSIP number as provided in the General Bond Resolution.

When the Trustee receives notice of the Authority’s election to redeem Thirty-eighth Series Refunding Bonds or when redemption is required pursuant to the General Bond Resolution, the Trustee is required to give notice of such redemption, which must specify the maturities and CUSIP numbers of the Thirty-eighth Series Refunding Bonds to be redeemed, the redemption date and the place or places where amounts due upon redemption will be payable.

Such notice is to state that on such date Thirty-eighth Series Refunding Bonds to be redeemed shall become due and payable and thereafter interest thereon shall cease to accrue and be payable. Such notice will be given by publication once a week for at least two successive weeks in authorized newspapers of general circulation in New Haven, Connecticut and New York, New York, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date.

A copy of such notice also will be mailed not less than twenty-five (25) days before the redemption date to the registered owners of any Thirty-eighth Series Refunding Bonds to be redeemed. So long as Cede & Co., as nominee of DTC (as hereinafter defined) is the registered owner of the Thirty-eighth Series Refunding Bonds, all notices of redemption with respect to the Thirty-eighth Series Refunding Bonds will be sent only to DTC. Notice need not be published if all the Thirty-eighth Series Refunding Bonds or portions of Thirty-eighth Series Refunding Bonds to be redeemed are registered Thirty-eighth Series Refunding Bonds and a notice in the form required for published notice is mailed, postage prepaid, to the registered owners of such Thirty-eighth Series Refunding Bonds at their last addresses appearing on the registry books of the Trustee.

*Preliminary, subject to change

Book-Entry-Only System

Unless otherwise noted, the description that follows of the procedures and record-keeping with respect to beneficial ownership interests in the Thirty-eighth Series Refunding Bonds, payment of interest and other payments on the Thirty-eighth Series Refunding Bonds to DTC Participants or Beneficial Owners of the Thirty-eighth Series Refunding Bonds, confirmation and transfer of beneficial ownership interests in the Thirty-eighth Series Refunding Bonds and other bond-related transactions between DTC, the DTC Participants and Beneficial Owners of the Thirty-eighth Series Refunding Bonds is based solely on information provided on the DTC's website and presumed to be reliable. Accordingly, the Authority does not and cannot make any representations concerning these matters.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Thirty-eighth Series Refunding Bonds. The Thirty-eighth Series Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity in each series of the Thirty-eighth Series Refunding Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Thirty-eighth Series Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Thirty-eighth Series Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each of the Thirty-eighth Series Refunding Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Thirty-eighth Series Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Thirty-eighth Series Refunding Bonds, except in the event that use of the book-entry system for the Thirty-eighth Series Refunding Bonds is discontinued.

To facilitate subsequent transfers, all of the Thirty-eighth Series Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Thirty-eighth Series Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not

affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Thirty-eighth Series Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Thirty-eighth Series Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Thirty-eighth Series Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Thirty-eighth Series Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents of the Thirty-eighth Series Refunding Bonds. For example, Beneficial Owners of the Thirty-eighth Series Refunding Bonds may wish to ascertain that the nominee holding the Thirty-eighth Series Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Thirty-eighth Series Refunding Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Thirty-eighth Series Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Thirty-eighth Series Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Thirty-eighth Series Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Thirty-eighth Series Refunding Bonds at any time by giving reasonable notice to the Authority or Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH

RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE THIRTY-EIGHTH SERIES REFUNDING BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS.

FOR SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS, ALL REFERENCES HEREIN TO THE OWNER OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN ANY BENEFICIAL OWNER OR BENEFICIAL OWNERS OF THE THIRTY-EIGHTH SERIES REFUNDING BONDS NOR ANY PARTICIPANT OF DTC, UNLESS SPECIFIC EXCEPTION HAS BEEN EXPRESSED HEREIN.

SECURITY AND SOURCES OF PAYMENT FOR THE THIRTY-EIGHTH SERIES REFUNDING BONDS

The Thirty-eighth Series Refunding Bonds are general obligations of the Authority payable from and secured by a pledge of all Revenues and all moneys and securities in all Funds established by the General Bond Resolution. Revenues include income derived from the payment of rates and charges for water service, the subsidy paid to the Authority from the United States Treasury pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") for the payment of Build America Bonds ("BABs") and from investment of moneys in the Funds established under the General Bond Resolution, other than the Construction Fund. Revenues do not include government grants and contributions for capital improvements or revenues generated from any noncore business unless specifically designated and directed by the Authority. The Authority shall deposit all Revenues to the credit of the Revenue Fund and shall apply such Revenues, first, and free and clear of any lien or pledge of the General Bond Resolution, to the payment of Operating Expenses. Operating expenses do not include PILOT, as defined and described below. The Authority has no taxing power. **The Thirty-eighth Series Refunding Bonds are not a debt of the State or any municipality thereof, and neither the State nor any municipality is liable thereon, nor shall the Thirty-eighth Series Refunding Bonds be payable out of any funds other than those of the Authority, as provided under the General Bond Resolution and the Act.**

The Act requires that the Authority make certain payments to the municipalities in which it owns property in lieu of real and personal property taxes ("Payments-in-Lieu-of-Taxes" or "PILOT") but provides that the payment of debt service shall have priority over any claim for PILOT. Accordingly, requirements for PILOT are excluded from the definition of "Operating Expenses".

Debt Reserve Fund

The Bonds, including the Thirty-eighth Series Refunding Bonds, additionally are secured by a pledge of moneys and securities held in the Debt Reserve Fund held by the Trustee which must be funded at an amount equal to, but not greater than, the least of (i) the maximum annual principal and interest requirements in the current or any succeeding fiscal year on the Bonds; (ii) 10% of the stated principal amount (or issue price, as provided in the Code) of the Bonds and (iii) 125% of the average annual principal and interest requirements of the Bonds (the "Debt Reserve Fund Requirement"). On January 31, 2025, the Debt Reserve Fund contained moneys and investments valued at the aggregate amount of approximately \$24,786,131 and an unconditional and irrevocable Municipal Bond Debt Service Reserve Fund Policy (the "Policy") issued by Financial Guaranty Insurance Company ("FGIC") in the amount of \$29,385,000 which secures all the Bonds and will terminate August 1, 2033 (and which is subject to that certain Reinsurance Agreement by and between FGIC and MBIA Insurance Corporation ("MBIA") dated August 27, 2008 and that certain Assignment and Assumption agreement by and between MBIA and National Public Finance Guarantee Corporation ("NPF")).

Together, the moneys and the policy deposited in the Debt Reserve Fund will at least equal the Debt Reserve Fund Requirement upon issuance of the Thirty-eighth Series Refunding Bonds.

Operating Reserve Fund and Capital Contingency Fund

The General Bond Resolution also established the Operating Reserve Fund and the Capital Contingency Fund, each of which is held by the Authority and maintained in amounts, respectively, equal to at least one-sixth of budgeted Operating Expenses and one percent of outstanding Bonds. Moneys in the Operating Reserve Fund and Capital Contingency Fund may be transferred to the Debt Service Fund if money in the Debt Service Fund is insufficient to pay debt service due or to become due in the next seven days on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE THIRTY-EIGHTH SERIES REFUNDING BONDS - “Flow of Funds” below and “Summary of Certain Provisions of General Bond Resolution” in APPENDIX C.

Rate Covenants

The Authority has covenanted in the General Bond Resolution that the rates and charges established for the Water System shall be at levels sufficient in each fiscal year during which any Bonds are outstanding to produce the greatest of:

(1) an amount so that Revenues shall at least equal all Operating Expenses and PILOT, all payments to the Debt Service Fund for debt service on the Bonds, all amounts necessary to maintain all reserve requirements under the General Bond Resolution (unless paid from Bond proceeds), debt service payments on other indebtedness and any related reserve requirements (except payments scheduled to be made from sources other than Revenues), and any other obligations pertaining to the Water System (except to the extent paid from the General Fund or from the proceeds of Bonds, insurance, condemnation, sales of property or other debt);

(2) an amount so that Net Revenues (which is equal to Revenues, including amounts transferred from the Rate Stabilization Fund, minus Operating Expenses, PILOT and Depreciation Expense) shall equal at least 114% of the principal, sinking fund and interest requirements coming due during such year on all outstanding Bonds less the amounts, if any, transferred from the Construction Fund to the Bond Interest Account during such fiscal year to pay interest becoming due in such fiscal year; and

(3) an amount so that Net Revenues plus PILOT shall equal at least 125% of the principal, sinking fund and interest requirements coming due during such year on all outstanding Bonds, less the amounts, if any, transferred from the Construction Fund to the Bond Interest Account during such fiscal year to pay interest becoming due in such fiscal year.

Flow of Funds

All Revenues received by the Authority are to be deposited promptly to the credit of the Revenue Fund, which is held by the Authority. After application of moneys in the Revenue Fund to payment of Operating Expenses, monthly transfers to the extent required are made in the following order:

Debt Service Fund. An amount equal to at least one-fifth of the aggregate amount of interest and Swap Payments on all outstanding Bonds coming due during the next six months is deposited in the Bond Interest Account of the Debt Service Fund, which is held by the Trustee. In addition, an amount equal to one-tenth of the aggregate amount of principal coming due on all outstanding Bonds during the next 12 months, including any required sinking fund payments, is deposited in the Bond Principal Account of the Debt Service Fund. No such deposits need be made if the Bond Interest Account and the Bond Principal Account already contain, respectively, interest and Swap Payments coming due in the next six months and principal and sinking fund payments coming due in the next 12 months. The monthly transfers must include any amounts previously due such accounts but not previously deposited. Currently, the Authority is not a party to any Swap Agreement.

Debt Reserve Fund. Any amount necessary to maintain the Debt Reserve Fund Requirement is to be transferred to the Trustee for deposit in the Debt Reserve Fund including any amounts necessary to make the Repayment Obligations.

Reimbursement of Bond Insurer and Bank. Any amounts due (on a parity among themselves) to (1) a bond insurer in reimbursement of amounts due under a policy and related interest amounts due under a bond insurer reimbursement agreement and (2) a Bank for payment of default interest due under a Liquidity Facility. Currently, no Liquidity Facility is outstanding in connection with the Bonds.

Subordinated Debt. Revenues shall be applied to debt service payments on Subordinated Debt issued for payment of Operating Expenses and limited at the time of issuance to 25% of the amount budgeted for Operating Expenses in the then current fiscal year.

Debt Service Fund. At the option of the Authority, Revenues shall be applied to make additional deposits to the Debt Service Fund in order to provide sufficient funds to pay all interest, principal and sinking fund payments due on all outstanding Bonds during the remainder of the fiscal year and thereafter to a separate fund for the payment, in the following order of (i) principal, redemption price, sinking fund payments and interest payments on Subordinated Debt due or to become due in such fiscal year and (ii) amounts due to a Bond Insurer or a Bank.

PILOT Fund. An amount equal to at least one-twelfth of the amounts payable to municipalities in lieu of real and personal property taxes during the next 12 months must be deposited in the PILOT Fund held by the Authority, provided that no such deposit shall be necessary if the amount in the PILOT Fund equals or exceeds the PILOT Fund Requirement.

Construction Fund, Operating Reserve Fund, Capital Contingency Fund and Insurance Reserve Fund. At the option of the Authority, the Authority may contribute funds to the Construction Fund or, to the extent necessary to meet the respective requirements of the Operating Reserve Fund, the Capital Contingency Fund and the Insurance Reserve Fund.

Debt Service Fund for Bond Purchase or Redemption. The Authority may transfer remaining amounts at the end of each month to the Debt Service Fund for purchase or redemption of Bonds, but only if the respective requirements of the Operating Reserve Fund, Capital Contingency Fund and the Insurance Reserve Fund Requirements are met.

Following the end of each fiscal year and after making the monthly transfers described above, the Authority shall, to the extent moneys remain in the Revenue Fund at the end of each fiscal year, transfer, in the following order, such moneys to meet any deficiency in the Capital Contingency Fund and the Operating Reserve Fund for the next fiscal year and then to the Rate Stabilization Fund Variable Rate Sub-account the amount, if any, by which the amount of interest on variable rate bonds assumed for rate making purposes exceeded the interest and related costs actually paid on such bonds (the Authority currently has no variable rate bonds outstanding) and to the Rate Stabilization Fund Surplus Sub-account the amount, if any, determined and directed by the Authority, of the excess of the debt service coverage tests for the prior fiscal year. Any remaining balance shall be transferred to the General Fund. Moneys in the General Fund may, at the option of the Authority, be used and applied for any of the purposes related to the Water System for which the foregoing funds and accounts were established and for any other lawful purpose of the Authority.

The Authority shall transfer moneys in the Rate Stabilization Fund to the Revenue Fund to the extent required to make up deficiencies in any of the Funds established above. If all such Funds are maintained at or above their respective requirements, the Authority may at any time transfer any moneys in the Rate Stabilization Fund to the Revenue Fund, but only if each of the other funds are funded at or above their respective requirements.

Additional Bonds

Pursuant to the General Bond Resolution, additional bonds may be issued by the Authority having equal rank with all other Bonds of the Authority, including the Thirty-eighth Series Refunding Bonds offered hereby, for the purpose of meeting the capital costs of any Water System Project including the cost of acquiring an existing water system, to refund Bonds, to fund any of the Funds established by the General Bond Resolution, except the Revenue Fund and the General Fund, and to provide funds for Other Corporate Purposes, provided, however, that the aggregate amount of bonds issued for Other Corporate Purposes shall not exceed the greater of

\$10,000,000 or 10% of the aggregate amount of the Authority's Outstanding Bonds. Except for bonds issued to refund Bonds and Completion Bonds (as defined below), and except as described below, no additional bonds may be issued unless:

(a) Revenues during any historical period of 12 consecutive months out of the most recent 18 months, adjusted to reflect the effect of any rate increase adopted prior to the issue of the additional Bonds and adjusted to give effect to any transfers from the Rate Stabilization Fund to the Revenue Fund, are not less than 100% of all expenses and obligations of the Authority that the Authority estimates will be paid from Revenues during the 12 month period after issuance of the additional bonds, including: (1) Operating Expenses, (2) PILOT, (3) required payments, including those necessary to maintain reserve requirements under the Resolution for all Bonds including the additional bonds, (4) the excess of interest costs on variable rate bonds assumed for rate making purposes over actual interest and related costs expected to be paid, (5) required payments, including those necessary to maintain reserve requirements under any authorizing resolution for all Subordinated Debt, (6) Depreciation Expense, and (7) payments from Revenues for all other obligations of the Authority;

(b) Net Revenues as so adjusted, plus an amount specified by the Authority on deposit in the Rate Stabilization Fund Surplus Sub-account, which amount shall be no greater than 20% of maximum aggregate amount of Principal Installments and interest of the current fiscal year on Outstanding Bonds including the additional bonds, are not less than 114% of the maximum aggregate debt service for the current or any future fiscal year on Bonds including the additional bonds; and

(c) Net Revenues as so adjusted, plus an amount specified by the Authority on deposit in the Rate Stabilization Fund Surplus Sub-account, which amount shall be no greater than 20% of maximum aggregate amount of Principal Installments and interest of the current fiscal year on Outstanding Bonds including the additional bonds, plus PILOT are not less than 125% of the maximum debt service for the current or any future fiscal year on Bonds including the additional bonds.

A certificate of a Consulting Engineer must also be filed with the Trustee stating that the Consulting Engineer has reviewed the assumptions used by the Authority to compute such estimates and that the assumptions and computations based thereon are reasonable. The Authority must also file a certificate with the Trustee which demonstrates that the Authority's Revenues during the historical 12 month period were not less than 100% of all expenses and obligations of the Authority that were to be paid from Revenues.

Completion bonds are Bonds issued to pay the costs of completing any Water System Project for which Bonds have been previously issued (the "Completion Bonds"), but may be issued only to the extent such Completion Bonds exceed the amount of Bonds which was previously estimated to be needed to complete a particular project, as set forth in a certificate of an authorized officer of the Authority, delivered in connection with the most recent issue of Bonds issued to finance such project. The Authority has issued no such Completion Bonds.

In case an existing water system within the Service Area is to be acquired from the proceeds of the additional bonds, the certificate of the Authority shall include the financial information relevant to the water system that the Authority proposes to acquire, provided that the computation of maximum debt service in any future fiscal year must include principal and interest on any obligations of the acquired system for which no other provision for payment has been made.

In case an existing water system is to be acquired that is outside the Service Area from the proceeds of bonds of the Authority which are secured by the revenues, receipts or moneys derived by the Authority from the ownership of such additional water system, then the provisions of the General Bond Resolution shall not apply to the ownership, operation or financing of such additional water system and the bonds issued to finance such acquisition shall not be considered Bonds or Subordinated Bonds under the General Bond Resolution.

The General Bond Resolution provides that, whenever the Authority issues additional bonds under the General Bond Resolution, it shall establish, prior to such issuance, rates and charges with respect to the Water System that are sufficient to comply with the additional bonds test described above. Also, the General Bond Resolution requires that bond proceeds or other moneys be deposited in the Debt Reserve Fund, Capital Contingency Fund and Operating Reserve Fund sufficient to meet the respective requirements of such Funds, calculated immediately after the issuance of the additional bonds.

Refunding Bonds

Pursuant to the General Bond Resolution, refunding bonds may be issued for the purpose of refunding all or any part of the Bonds of one or more Series Outstanding, but only upon receipt by the Trustee of certain documents, moneys and instructions as set forth in the General Bond Resolution.

Water Revenues

Basic service and consumption charges for all metered customers are determined by the size of the meter. The increases in the Authority's operating revenues from the Water System primarily have been the result of revenue increases. The Authority obtained approval of the following revenue increases:

<u>Revenue Increase (%)</u>	<u>Effective Date</u>
14.5	August, 1980
10.8	May, 1981
5.2	May, 1983
5.1	June, 1984
3.1	August, 1986
7.2	November, 1988
9.5	March, 1990
7.4	March, 1991
5.3	April, 1992
4.6	August, 1996
3.7	June, 1999
2.5	August, 2000
4.5	September, 2004
5.1	November, 2005
4.6	January, 2007
3.6	April, 2008
4.2	April, 2009
8.2	April, 2010
13.0	July, 2011
7.2	May, 2013
7.5	December, 2014
6.7	June, 2016
3.0	January, 2018
6.1	July, 2019
6.2	January, 2022
5.2	June, 2023
3.8	January, 2025

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The following table sets forth the results of a comparison prepared by the Authority of its approved rates with the rates of other water utilities located in metropolitan areas in the State and in the Northeast.

COMPARISON OF TYPICAL QUARTERLY WATER BILLS^(a)

	Quarterly Water Consumption in Cubic Feet (b)						
	1,500	2,500	10,000	50,000	100,000	500,000	2,000,000
South Central Connecticut Regional Water Authority	\$147	\$194	\$591	\$2,637	\$5,021	\$24,183	\$91,457
Connecticut Municipal Water Utilities:							
Hartford Metropolitan District Commission							
Customers Within District	104	143	436	2,188	4,143	19,783	79,658
Customers Outside District (c)	154	193	486	8,730	4,875	20,075	83,290
New Britain Water Department							
Customers Within New Britain	56	86	305	1,571	3,031	14,715	56,336
Customers Outside New Britain	92	140	494	2,552	4,917	23,842	93,062
City of Waterbury	52	78	277	1,337	2,662	13,262	53,012
Investor-Owned Water Utilities located within Connecticut:							
Aquarion Water Company							
All Divisions, excluding the below	106	150	583	2,116	3,906	18,350	74,100
Eastern Division	95	131	491	2,123	3,919	18,350	74,100
Northern Division	90	123	443	1,820	3,748	17,496	70,686
Valley Division	94	124	353	1,646	3,184	15,541	61,858
Connecticut Water Company	167	252	987	3,848	7,353	35,396	142,356
Water Utilities in the Northeast:							
Boston, MA (Municipal)	101	172	765	4,194	8,602	45,245	182,900
New Jersey American Water (d)	172	234	732	3,866	7,276	33,761	136,266
Veolia Water, New Jersey (e)	147	203	624	3,307	6,110	28,535	115,274
Aqua America, PA (f)	229	336	1,203	4,574	8,395	36,594	144,342
Providence, RI (Municipal) (g)	94	133	420	2,211	4,218	20,274	81,978
Veolia, New York (h)	165	250	1,239	4,247	8,287	44,732	193,841
Springfield, MA (Municipal)	88	139	525	2,598	5,173	25,773	103,142

- (a) Data as of January 29, 2025
- (b) Bills computed for 5/8 inch meter service for use up to 10,000 cubic feet, for two inch meter commercial service up to 500,000, and commercial 6" above 500,000 unless 6" is not available
- (c) Based on the average of the outside the district rates
- (d) Formerly known as United Water New and Elizabethtown Water Company of New Jersey
- (e) Formerly known as Suez, New Jersey
- (f) Formerly known as Philadelphia Suburban Water Company
- (g) Includes fire protection charged to water customers
- (h) Formerly known as Suez New York and United Water Company New York

The Act gives the Authority the power to set just and equitable rates and charges free from review or approval by PURA or any successor board or commission, but subject to RPB approval. The Act provides that the RPB shall approve such rates and charges proposed by the Authority unless it finds that such rates and charges will provide funds insufficient for, or in excess of, the amounts required to meet all expenses of the Authority. Since 1980, the RPB has not failed to approve any rate increase, but there can be no assurance that future rate increases will be approved. The Act further provides that such rates or charges, if not paid when due, will constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge will take precedence over all other liens or encumbrances except taxes and which may be foreclosed against the lot or building served in the same manner as a lien for taxes. (The Authority shares its position after taxes with the Greater New Haven Water Pollution Control Authority). The Authority's uncollectible reserve in each of fiscal year 2024 and fiscal year 2023 was approximately 3% of gross revenue. Municipalities served by the Authority are subject to the same rates and charges as other users of the Authority's Water System.

The Act provides that PILOT is equal to taxes on property of the Authority that would otherwise be due, excluding improvements (other than water pipes or improvements to water pipes) made by the Authority after its acquisition of the property. Pursuant to the Act, PILOT is subordinate to and paid only after provision for debt service. The Act also provides that the Authority shall establish, and the RPB shall approve, rates and charges sufficient for PILOT. The Authority is one of the largest property owners in the majority of the municipalities represented by the RPB. In the event of the failure of the Authority to make PILOT, an aggrieved municipality

or holder of bonds or notes of the Authority may apply for a judicial order directing the Authority to increase appropriately its rates and charges.

AUTHORIZATION AND PURPOSE

On May 23, 2024, the Authority approved the Thirty-eighth Series Supplemental Resolution authorizing the issuance and terms of the Thirty-eighth Series Refunding Bonds.

The Thirty-eighth Series Refunding Bonds are being issued to finance (i) the current refunding (by purchasing tendered bonds pursuant to an Invitation to Tender, as hereinafter defined) of certain maturities of the Authority's outstanding Bonds, (ii) funds for deposit to certain reserve funds held under the General Bond Resolution, if necessary, and (iii) the costs of issuance of the Thirty-eighth Series Refunding Bonds.

On February 14, 2025, the Authority released an Invitation to Tender ("Invitation to Tender") to the Beneficial Owners of the Authority's Water System Revenue Refunding Bonds Thirty-fourth Series B (Taxable) and Thirty-fifth Series Bonds (the "Taxable Target Bonds") and the Water System Revenue Bonds, Thirty-second Series A and the Water System Revenue Refunding Bonds, Thirty-second Series B and Thirty-third Series B-1 (the "Tax Exempt Target Bonds" and together with the Taxable Target Bonds, the "Target Bonds"), inviting such Beneficial Owners of the Target Bonds to tender their bonds for purchase by the Authority on the terms and conditions set forth in the Invitation to Tender. The purpose of the Invitation to Tender is to give the Authority the opportunity to retire the Target Bonds on the date of issuance of the Thirty-eighth Series Refunding Bonds (the "Closing Date"). Pursuant to the Invitation to Tender, the owners of the Target Bonds may tender their bonds for cash subject to the conditions set forth in the Invitation to Tender (the portion of the Target Bonds so tendered being referred to herein as the "Tendered Bonds"). The Authority expects to purchase some or all of the Tendered Bonds at the prices and on the other terms set forth in the Invitation to Tender, as the same may be supplemented or amended (the portion of the Tendered Bonds purchased by the Authority being referred to herein as the "Refunded Bonds"). The Authority has the right, in its sole discretion, to purchase some or all of the Tendered Bonds and may determine, in its sole discretion, not to purchase some or all of the Tendered Bonds. Any Refunded Bonds will be canceled on the Closing Date and will no longer be deemed outstanding. Funds to pay the purchase price of the Refunded Bonds and to pay the costs of the Invitation to Tender are expected to be provided from the proceeds of the Thirty-eighth Series Refunding Bonds, or from other available funds of the Authority, if any.

This discussion is not intended to summarize the terms of the Invitation to Tender, or to solicit offers to tender the Target Bonds, and reference is made to the Invitation to Tender for a discussion of the terms of the Invitation to Tender and the conditions for the purchase of Target Bonds validly tendered and accepted for purchase. The Authority has filed the Invitation to Tender with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system.

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PLAN OF FINANCE-TENDER OFFER PLAN

A portion of the proceeds of the Thirty-eighth Series Refunding Bonds will be used to currently refund (by purchasing Tendered Bonds pursuant to an Invitation to Tender) certain of the Authority's Target Bonds, on the Closing Date as set forth below.

Water System Revenue Refunding Bonds, Thirty-fourth Series B (Federally Taxable)

CUSIP*	Maturities	Outstanding	Refunded	Remaining	Redemption	Amount	Price	Date
837227 7B7	8/1/2025	\$735,000						
837227 7C5	8/1/2026	\$755,000						
837227 7D3	8/1/2027	\$4,320,000						
837227 7E1	8/1/2028	\$4,430,000						
837227 7F8	8/1/2029	\$4,535,000						
837227 7G6	8/1/2030	\$8,335,000						
837227 7H4	8/1/2031	\$10,655,000						
837227 7J0	8/1/2032	\$10,975,000						
837227 7K7	8/1/2033	\$20,390,000						
837227 7L5	8/1/2034	\$1,270,000						
837227 7M3	8/1/2039	\$7,030,000						
837227 7N1	8/1/2043	\$6,560,000						

Water System Revenue Refunding Bonds, Thirty-fifth Series (Federally Taxable)

CUSIP*	Maturities	Outstanding	Refunded	Remaining	Redemption	Amount	Price	Date
837227 7W1	8/1/2025	\$705,000						
837227 7X9	8/1/2026	\$6,435,000						
837227 7Y7	8/1/2027	\$6,570,000						
837227 7Z4	8/1/2028	\$6,725,000						
837227 8A8	8/1/2029	\$1,825,000						
837227 8B6	8/1/2030	\$2,905,000						
837227 8G5	8/1/2035	\$11,885,000						
837227 8H3	8/1/2040	\$7,280,000						
837227 8J9	8/1/2044	\$6,725,000						

Water System Revenue Bonds, Thirty-second Series A

CUSIP*	Maturities	Outstanding	Refunded	Remaining	Redemption	Amount	Price	Date
837227 3H8	8/1/2041	\$2,400,000						
837227 3J4	8/1/2045	\$3,555,000						

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Authority and are included solely for the convenience of the holders of the Target Bonds. The Authority is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Target Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Target Bonds.

Water System Revenue Refunding Bonds, Thirty-second Series B

CUSIP*	Maturities	Outstanding	Refunded	Remaining	Redemption	Amount	Price	Date
837227 3S4	8/1/2025	\$4,585,000						
837227 4K0	8/1/2025	\$5,000,000						
837227 3T2	8/1/2026	\$9,985,000						
837227 3U9	8/1/2027	\$2,290,000						
837227 4L8	8/1/2027	\$4,250,000						
8372273V7	8/1/2028	\$6,855,000						
837227 3W5	8/1/2029	\$8,220,000						
837227 3X3	8/1/2030	\$5,795,000						
837227 3Y1	8/1/2031	\$4,880,000						
837227 3Z8	8/1/2032	\$5,065,000						
837227 4A2	8/1/2033	\$5,250,000						
837227 4B0	8/1/2034	\$11,495,000						
837227 4C8	8/1/2035	\$11,965,000						
837227 4D6	8/1/2036	\$13,985,000						
837227 4E4	8/1/2037	\$16,400,000						
837227 4F1	8/1/2038	\$11,245,000						
837227 4G9	8/1/2039	\$2,150,000						

Water System Revenue Refunding Bonds, Thirty-third Series B-1

CUSIP*	Maturities	Outstanding	Refunded	Remaining	Redemption	Amount	Price	Date
837227 5S2	8/1/2034	\$1,820,000						
837227 5V5	8/1/2037	\$1,500,000						
837227 5W3	8/1/2041	\$9,065,000						

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SOURCES AND USES OF FUNDS

The following is a summary of the estimated sources and uses of funds relating to the Thirty-eighth Series Refunding Bonds:

Sources:

Par Amount
Net Original Issue Premium.....
Total Sources.....

Uses:

Redemption Account.....
Debt Reserve Fund
Underwriter's Discount.....
Cost of Issuance
Total Uses

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements of the Authority for all Bonds outstanding, excluding the Thirty-eighth Series Refunding Bonds but including bonds that may be refunded with the Thirty-eighth Series Refunding Bonds.

Period Ending May 31	Existing Authority Debt Service (\$)¹	Existing DWSRF Debt Service (\$)²	Thirty-eighth Series Bonds Principal (\$)	Thirty-eighth Series Bonds Interest (\$)	Aggregate Debt Service (\$)
2025		983,163			983,163
2026	44,600,107	2,949,490			47,549,597
2027	44,599,335	2,949,490			47,548,826
2028	44,595,959	2,949,490			47,545,449
2029	44,624,834	2,949,490			47,574,324
2030	44,592,043	2,949,490			47,541,533
2031	44,596,129	2,949,490			47,545,619
2032	44,594,293	2,949,490			47,543,784
2033	44,593,213	2,949,490			47,542,703
2034	44,593,636	2,949,490			47,543,126
2035	31,794,282	2,949,490			34,743,772
2036	31,820,849	2,949,490			34,770,339
2037	31,964,131	2,872,418			34,836,550
2038	32,323,494	2,624,866			34,948,360
2039	30,682,535	1,777,879			32,460,414
2040	17,668,535	1,395,681			19,064,215
2041	15,399,354	1,351,724			16,751,078
2042	12,794,030	1,036,749			13,830,779
2043	10,304,135	953,443			11,257,578
2044	10,312,139	885,979			11,198,118
2045	8,548,137	71,943			8,620,080
2046	6,752,625	-			6,752,625
2047	5,814,975	-			5,814,975
2048	5,816,275	-			5,816,275
2049	5,363,850	-			5,363,850
2050	5,367,750	-			5,367,750
2051	2,929,600	-			2,929,600
2052	2,931,750	-			2,931,750
2053	1,169,375	-			1,169,375
2054	1,173,625	-			1,173,625
2055					-
TOTAL	672,320,995	46,398,239			718,719,234

¹ The Authority issues Water System Revenue Bonds to finance capital projects and provide certain restricted funds, as required by the General Bond Resolution. Annual debt service payments are made in August and February.

² The Authority participates in the State of Connecticut’s Drinking Water (DWSRF) programs. The above table sets forth the annual debt service requirements of the Authority for all DWSRF debt service. Monthly debt service payments are made.

Note: Amounts may not total due to rounding.

DESCRIPTION OF THE AUTHORITY

General

The Authority is a public corporation that was created by the Connecticut General Assembly in 1977 as a public instrumentality and political subdivision of the State. The Authority was established for the primary and public purpose of providing and assuring the provision of an adequate supply of pure water and the safe disposal of wastewater at a reasonable cost within the District and, to the degree consistent with the foregoing, of advancing water conservation and the conservation and compatible recreational use of land held by the Authority as well as conducting and investing in non-core businesses that are related to water, environment, agriculture, energy, and/or sustainable manufacturing support, excluding wind energy sources but including the acquisition of the Aquarion Water Company or one or more of its subsidiaries.

The Act provides specifically that the Authority may acquire, hold, develop and maintain real estate and water for conservation and compatible active and passive recreational purposes and may levy charges for such uses. The day-to-day management of Water System operations is conducted by its operating staff (the “Operating Staff”). The Authority’s fiscal year 2025 budget presently allows for the employment of 295 full-time equivalents (excluding seasonal temporary personnel and subsidiary employees).

The Authority currently consists of five members who are residents of the District and on and after January 1, 2025 may have two additional members who are not residents of the District. None of the members may be members of the RPB and each are appointed without regard to political affiliation. The five current members of the Authority were appointed by the RPB to serve for staggered five-year terms. Pursuant to the Act, the Authority members elect its chairperson for a two-year term; the Authority’s vice-chairperson, secretary and treasurer are elected by the Authority members for one-year terms. The two additional members who may reside outside the District have not yet been appointed. The members of the Authority and certain information concerning them is set forth below.

<u>Name</u>	<u>Residence</u>	<u>Term Expires January 1</u>	<u>Affiliations</u>
David J. Borowy Chairperson	Cheshire	2027	In-charge of the northeast territory for Jackson-Hewitt Tax services. Served on South Central Connecticut Regional Water Authority Representative Policy Board for 13 years, including three years as the Chairman, three years as the Vice Chairman, and Chair of the RPB Finance Committee for five years. Elected Town Councilman in Cheshire for 16 years, 12 years serving as budget committee Chair, and the last two years serving as Mayor and Town Council Chair. Serves as Project Chair for the Cheshire Chamber of Commerce and other boards. He is a member of the National Association of Corporate Directors and of American Water Works Association.
Kevin J. Curseaden Vice Chairperson	Milford	2028	Partner at Carroll, Curseaden & Moore focusing on property law; Served on South Central Connecticut Regional Water Authority Representative Policy Board for 10 years and as chairperson of the RPB for two years; Served in the Army Reserve since 2000 with deployment in both Kosovo and Northern Iraq. He also serves on the board of United Way of Milford.
Catherine E. LaMarr Secretary/Treasurer	New Haven	2026	Deputy Corporation Counsel responsible for transactions and policies for the City of New Haven. Prior to joining the City’s Office of the Corporation Counsel, served as the General Counsel for the Office of the Connecticut State Treasurer for 20 years and was also in private practice for several years. Founding board member of the Connecticut Center for Arts and Technology and serves as the Treasurer of the ConnCAT board.
Mario Ricozzi	Branford	2029	Over 30 years of experience in the Design, Operation, Maintenance, and Management of Infrastructure and the

<u>Name</u>	<u>Residence</u>	<u>Term Expires January 1</u>	<u>Affiliations</u>
			customer experience for various municipalities and utilities including the Greater New Haven Water Pollution Control Authority, the City of Danbury, and the Village of Mamaroneck, New York. Mario spent several years in private practice with the consulting engineering firm Greiner, Inc. He has served on several Boards of Directors of professional and technical organizations including the American Society of Civil Engineers, Connecticut Water Works Association, and the Connecticut Society of Civil Engineers among others. He has been a volunteer in Branford, serving as the Branford Representative on the South Central Connecticut Regional Water Authority Representative Policy Board, as the chair of the Recycling and Solid Waste Commission and as a member or chair of various task committees related to improving the Town's infrastructure. Mario received his Bachelor of Civil Engineering degree from the Georgia Institute of Technology, is a Licensed Professional Engineer and is a Fellow of the American Society of Civil Engineers.
Suzanne Sack	Killingworth	2030	Investment Committee of the Board of Directors of the State University of New York Oswego Foundation and Treasurer and Chair of the Finance Committee of the Haddam-Killingworth Board of Education. She has a 25 year career in the financial services industry.

The Authority's headquarters are located at 90 Sargent Drive, New Haven, Connecticut 06511 (203-562-4020). The Authority's website is www.rwater.com.

Larry L. Bingaman, former President and Chief Executive Officer, died unexpectedly on November 15, 2024. Sunder Lakshminarayanan has been named Interim President and Chief Executive Officer, effective on December 2, 2024. Principal members of the Operating Staff/Management are presented below:

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>	<u>Background</u>
Sunder (Sunny) Lakshminarayanan	Interim President and Chief Executive Officer and Vice President, Engineering and Environmental Services	3	Mr. Lakshminarayanan holds a Bachelor's of Science degree in civil engineering from the University of Madras in India and dual master's degrees in business administration – finance from the New Jersey Institute of Technology and a Master of Science degree in civil/environmental engineering from Northeastern University. He has held a variety of roles, of increasing responsibility, focused on water and wastewater, in top engineering consulting firms in the United States and senior executive positions for two international design-build firms, having responsibilities for strategic planning, engineering and construction.
Rochelle Kowalski	Senior Vice President, Chief Financial Officer and Head of Corporate Development	11	Ms. Kowalski holds a Bachelor of Arts degree from Russell Sage College and a Master's degree in Economics from Trinity College. She has held financial leadership positions at American Water, a large investor-owned water and wastewater utility company, AT&T, and Lucent Technologies and also has independent consulting experience. Ms. Kowalski is a member of Financial Executives International, the Financial Executives Networking Group, the American Water Works Association ("AWWA"), and since June, 2015 has been the Treasurer of the Connecticut Section of AWWA.
Premjith (Prem) Singh	Chief Information and Digital	5	Mr. Premjith (Prem) Singh holds a Bachelor's degree in computer science and engineering from the University of

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>	<u>Background</u>
	Officer and Vice President of Customer Care		Madras in India, and a Master’s degree in management of technology from Fairfield University in Connecticut. Prem has significant expertise in helping companies develop innovative, agile digital solutions that transform their business and allow them to better meet the needs and expectations of customers. Before joining the Authority, he worked at National Grid, where he served as chief information officer and vice president of information technology, leading technology innovation, business transformation and digital integration for the global organization, in addition to creating a Transformation Office focused on organizational change and strategic design. Prior to National Grid, Prem served in various technology and business transformation leadership roles at Avangrid/UII Holdings Corporation.
James Hill	General Manager and Head of Operations	23	Mr. Hill has more than 30 years of water industry experience and has been with the Authority for more than 20 years. Most recently he served as Interim Head of Operations. Prior to joining the Authority he worked at the Connecticut Water Company, where he served as Chief Operator, and Manchester Water and Sewer. During his time at the Authority, he has focused on adding automation, improving water quality, and enhancing system resilience to deliver high-quality water. Mr. Hill has a bachelor's degree in geology and geophysics from the University of Connecticut, and has published scholarly articles in geology and in the water utility field.
Elizabeth Calo	General Manager and Head of Human Resources	2	Ms. Calo previously served as Senior Director, Employee Relations and Human Resources Operations. Prior to joining the Authority, she served in Human Resources positions with nationally known companies, including NAPA Auto Parts, Ceridian HCM and The Home Depot. Over her extensive career spanning more than two decades in the Human Resources field, she has concentrated on cultivating inventive methods to enhance collaboration within cross-functional, regional talent pools to optimize performance levels and facilitate business process improvements. Ms. Calo holds a master’s degree in business administration from the University of Phoenix and a Fairfield University certification in Human Resource management and personnel administration.

In the fiscal year 2025 budget, approximately 125 non-management members of the Operating Staff are members of the United Steelworkers, Local Union 12160. The collective bargaining agreement for Local Union 12160 expired on April 15, 2023, with successive one-year renewals unless one of the parties gives written notice to the other to terminate. Annual wage increases, through those effective in May 2022, are included in the prior agreement. Arbitration is complete and the panel decision dated January 21, 2025 was received. The agreement ends in 2026.

Management members of the Operating Staff participate in professional organizations, including the Connecticut Section of the American Water Works Association, Connecticut Water Works Association, and other related associations. The Authority provides reimbursement for tuition payments to employees for studies related to their professional responsibilities and conducts in-house technical, clerical and management training programs for all employees.

Powers of the Authority

Subject to the approval of the RPB, the Act authorizes the Authority, among other things, (i) to acquire any existing water supply system situated within the District by means including the purchase of all the stock, assets and franchises of any existing water company and to succeed to all rights, powers and franchises of such company, (ii) to acquire the Aquarion Water Company, (iii) to establish just and equitable rates or charges for

use of the Water System to be paid by any customer and to change such rates or charges from time to time so as to provide revenues sufficient to pay the cost of maintaining, repairing and operating the Water System, the principal of and interest on bonds of the Authority when due, to meet other requirements of the General Bond Resolution authorizing such bonds, to make PILOT and to provide for the maintenance, conservation and appropriate recreational use of land of the Authority, and (iv) to issue bonds for any of its corporate purposes and to secure their payment by a lien or pledge covering all or part of its contracts, earnings or revenues. The issuance of bonds to refund outstanding bonds of the Authority is not subject to the approval of the RPB.

The Authority may not sell water to customers in any part of the District in which any other water company has a franchise, or in which a municipality operates a water system, without the consent of such company or municipality. The Authority may exercise the power of eminent domain in furtherance of its corporate purposes. However, it lacks the power to acquire by eminent domain property owned by the State, any municipality or any existing water supply system. In addition, the Authority has all of the powers granted by Connecticut law to stock corporations, except the power to issue stock.

In 2002, the Connecticut General Assembly amended the Act to permit the Authority to provide wastewater services. The revenues, expenses and liabilities of such wastewater services shall be kept separate and apart from the revenues, expenses and liabilities of the water system. Currently, the Authority does not provide, nor does it contemplate providing such wastewater services.

In 2017, the Connecticut General Assembly amended the Act to permit the Authority to conduct and invest, to the degree consistent with the foregoing purposes, in non-core businesses which are defined as activities 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 or a class III energy source but excluding wind sources. The Authority's investment in such activities shall not exceed five per cent of the Authority's net utility plant devoted to water supply and distribution and wastewater collection and treatment unless approved by the RPB.

In 2018, the Connecticut General Assembly amended the Act to permit the Authority to expedite procedures and notice periods in the event of an emergency, as defined within the Act.

In 2024, the Connecticut General Assembly in its general legislative session, amended the Act (i) to expand the numbers of board members from five to seven and allow that two of such board members be permitted to live outside of the District effective January 1, 2025 and effective upon enactment into law (ii) to increase the dollar thresholds needed for RPB approval for the (a) repair, improvement, construction, reconstruction, enlargement or extension of any of the Authority's properties or systems costing more than \$3,500,000 from \$2,000,000 and (b) acquisition of or subsequent investment in any noncore business costing more than \$1,500,000 from \$1,000,000 expanded the definition of "non-core" to include "sustainable manufacturing support" among other changes.

In 2024, the Connecticut General Assembly in its special legislative session, amended the Act to include the Aquarion Acquisition in the definition of noncore business and, provided that if the Aquarion Acquisition by either the Authority or the AWA is approved, expanded the Authority board to consist of eleven members, six of which to be appointed by the RPB and five of which to be appointed by the AWA RPB. The same members of the Authority board will serve as members of the AWA board, technically two boards acting as one.

Powers of the Representative Policy Board

The RPB is composed of one member from each of the municipalities comprising the District, appointed by the chief elected official of such municipality and approved by its legislative body, and one member appointed by the Governor. Each member's voting power is weighted under a formula based upon each municipality's proportion of the District's total number of customers and Authority-owned land area. No member has more than 13 of the current total 101 weighted votes on the RPB. The Act provides that the RPB is empowered among other things, to appoint the seven members of the Authority; to approve (i) the acquisition of any existing water supply system or wastewater system, (ii) the repair, improvement, construction, reconstruction, enlargement or extension of any of the Authority's properties or systems costing more than \$3,500,000, (iii) the acquisition of or subsequent investment in any noncore business costing more than

\$1,500,000, (iv) the rates and charges established by the Authority and (v) the issuance of new money bonds; and to ratify the chief executive officer appointed by the Authority.

Pursuant to the terms of the Act, the RPB has established an Office of Consumer Affairs to act as the advocate for consumer interests with regard to matters such as rates, water quality and supply. The expenses of the Office of Consumer Affairs are paid by the Authority. Attorney Jeffrey M. Donofrio, with the law firm of Ciulla & Donofrio, LLP, in North Haven, Connecticut, currently holds such office. Should the Aquarion Acquisition be approved, the Office of Consumer Affairs will advocate for consumer interests for customers of the Aquarion Water Authority as well as the Authority and the expenses of such office will be shared by the Authority and the Aquarion Water Authority.

WATER SYSTEM SERVICE AREA

Service Area

As of May 31, 2024, the Water System serves approximately 120,700 customers, representing approximately 432,000 individuals in 15 municipalities in the south central region of the State. This Service Area includes all or portions of Ansonia, Bethany, Branford, Cheshire, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Seymour, West Haven and Woodbridge, which have an aggregate population of approximately 502,000 persons. In addition, the Authority provides water to about 502 customers and owns land in the Town of Wolcott. The Authority also owns land in the District towns of Beacon Falls, Guilford, Killingworth, Madison and Prospect, but serves no customers in those municipalities. The Authority owns land in Durham and Haddam, as well. See the inside back cover of this Official Statement showing the map of the District.

The Authority furnishes water pursuant to wholesale agreements with Aquarion providing for the sale of not less than 200 million gallons per year and also provides water to the City of Meriden. The Aquarion contract is in effect until December 2025 and may be renewed at Aquarion's option for one additional 10-year period. Additionally, the Authority sells small quantities of wholesale water to Aquarion under "take and pay" agreements estimated at 49 million gallons annually for the current fiscal year. The Authority provides water to the City of Meriden under an agreement under review. The Authority also has emergency interconnection agreements with the towns of Southington and Wallingford.

The Authority also furnishes water to the Connecticut Water Company for a capacity reservation of one million gallons per day maximum in exchange for 14 annual payments of \$75,000 each, with fiscal year 2021 being the last year for such \$75,000 payment, and provides water at a wholesale rate. This agreement remains in effect for 50 years from initially commencement and will automatically renew for successive 20 year terms unless either party gives written notice five years prior to expiration. Based on these agreements and year-to-date consumption, wholesale revenues are expected to be approximately \$845,000 in fiscal year 2025.

Accessibility to the District is provided by Interstates 91 and 95, the Boston Post Road (U.S. 1), the rail lines of MetroNorth and Amtrak, and the Tweed New Haven Municipal Airport. New Haven Harbor is the largest commercial port on Long Island Sound, and the third busiest in New England.

The City of New Haven is the most populous municipality within the Service Area.

Yale New Haven Hospital, Inc., Yale-New Haven Hospital Saint Raphael Campus, the Veterans' Administration Healthcare System, the Milford Hospital and the Griffin Hospital form the nucleus of the medical and health care services available in the Service Area.

The Yale University complex of colleges, libraries, museums, theaters, and athletic venues provide a wide range of facilities and services to the people of the region and employs approximately 17,600 people. The total compensation, including employee benefits, to its employees approximates \$3.2 billion annually. There are four other colleges and universities in the Service Area which, together with Yale University, have an aggregate student population of approximately 43,600.

The Service Area is served by four major utilities: Frontier Communications, the United Illuminating Company and the Southern Connecticut Gas Company, both subsidiaries of Avangrid, and the Authority. Smaller portions of the Service Area are served by other utilities.

In addition to the above-mentioned service institutions, the Service Area economy includes a diversified mix of industry and commerce.

The following table presents information on the number of employed persons who reside in the municipalities in the Service Area.

EMPLOYMENT OF RESIDENTS IN SERVICE AREA*

<u>City/Town</u>	<u>Dec. 2022</u>	<u>Dec. 2023</u>	<u>Dec. 2024</u>
Ansonia	8,718	8,611	8,807
Bethany	3,199	3,171	3,243
Branford	16,189	16,047	16,412
Cheshire	16,858	15,719	16,077
Derby	6,299	6,221	6,363
East Haven	15,728	15,591	15,945
Hamden	35,468	35,158	35,957
Milford	29,753	29,388	30,056
New Haven	64,795	64,228	65,688
North Branford	8,296	8,224	8,411
North Haven	13,563	13,444	13,750
Orange	7,443	7,378	7,546
Seymour	8,566	8,461	8,654
West Haven	30,093	29,829	30,507
Woodbridge	4,677	4,620	4,725
Total	269,645	266,090	272,141
Percentage Change From Prior Period	0.5%	-1.3%	2.3%
Connecticut residents employed in Connecticut	1,840,159	1,813,000	1,876,324
Percentage Change From Prior Period	-0.1%	-1.5%	3.5%

* Compiled and computed from reports by the Connecticut Department of Labor – Office of Research and the Connecticut Department of Economic and Community Development, Compliance Office and Planning/Program Support for 2022, 2023 and 2024 are from Connecticut Department of Labor – Office of Research as of December 2024.

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For certain other information concerning the municipalities in the Service Area, see the tables below.

POPULATION IN SERVICE AREA

<u>City/Town</u>	<u>Estimated Population and Percentage Change in Period</u>			<u>Estimated Population Supplied and Percentage Change in Period</u>				
	<u>2021^(a)</u>	<u>% Change</u>	<u>2022^(b)</u>	<u>% Change</u>	<u>2023^(c)</u>	<u>2023^(d)</u>	<u>% Change</u>	<u>2024^(e)</u>
Ansonia	18,815	0.57%	18,923	0.45%	19,008	18,034	0.59%	18,140
Bethany	5,288	-0.21%	5,277	-0.11%	5,271	10	0.00%	10
Branford	28,176	-0.10%	28,148	-0.42%	28,031	27,954	0.28%	28,031
Cheshire	28,628	1.28%	28,994	0.71%	29,200	23,803	2.10%	24,304
Derby	12,274	0.68%	12,358	0.39%	12,406	10,791	0.58%	10,854
East Haven	27,804	-0.44%	27,682	-0.54%	27,533	27,874	-1.22%	27,533
Hamden	60,923	-0.19%	60,809	-1.31%	60,014	54,543	0.26%	54,684
Milford	52,390	0.55%	52,679	0.22%	52,793	51,954	0.26%	52,087
New Haven	135,081	2.84%	138,915	-2.59%	135,319	123,839	0.40%	124,340
North Branford	13,498	-0.25%	13,464	-0.36%	13,415	5,156	0.06%	5,159
North Haven	24,169	-0.23%	24,114	0.75%	24,295	21,252	1.12%	21,491
Orange	14,246	0.08%	14,258	0.45%	14,322	10,967	0.47%	11,019
Seymour	16,679	0.78%	16,809	0.86%	16,953	805	0.00%	805
West Haven	55,294	-0.52%	55,004	-0.39%	54,790	51,841	0.27%	51,980
Woodbridge	<u>9,045</u>	<u>0.07%</u>	<u>9,051</u>	<u>-0.33%</u>	<u>9,021</u>	<u>1,406</u>	<u>5.48%</u>	<u>1,483</u>
Total	502,310	0.82%	506,485	-0.42%	502,371	430,229	0.39%	431,920

- (a) The State of Connecticut Department of Public Health estimates as of July 1, 2021.
- (b) The State of Connecticut Department of Public Health estimates as of July 1, 2022.
- (c) The State of Connecticut Department of Public Health estimates as of July 1, 2023.
- (d) Estimated by the Authority as of May 31, 2023, respectively.
- (e) Estimated by the Authority as of May 31, 2024, respectively.

UNEMPLOYMENT IN SERVICE AREA*

<u>City/Town</u>	<u>Dec. 2020</u>	<u>Dec. 2021</u>	<u>Dec. 2022</u>	<u>Dec. 2023</u>	<u>Dec. 2024</u>
Ansonia	11.5	6.7	4.7	5.1	3.8%
Bethany	6.1	2.8	2.9	3.4	2.2%
Branford	6.0	3.3	2.7	3.1	2.4%
Cheshire	4.8	0.3	2.4	2.7	1.9%
Derby	10.2	5.3	3.6	5.2	4.1%
East Haven	7.7	4.7	3.4	4.0	2.8%
Hamden	6.9	3.8	2.8	3.3	2.5%
Milford	7.5	3.9	3.1	3.6	2.6%
New Haven	9.4	5.0	3.4	4.2	3.2%
North Branford	5.3	4.1	2.8	3.1	2.2%
North Haven	6.0	3.0	2.9	3.3	2.2%
Orange	5.7	3.1	2.7	2.7	2.2%
Seymour	7.8	4.5	3.6	4.2	2.9%
West Haven	8.2	4.4	3.3	3.9	2.8%
Woodbridge	5.6	2.5	2.5	3.1	1.8%
State of Connecticut	7.7%	4.3%	3.2%	3.9%	2.7%
United States	6.5%	3.7%	3.3%	3.5%	3.8%

* Compiled from reports by the Connecticut Department of Labor-Office of Research and the Connecticut Department of Economic and Community Development, Compliance Office and Planning/Program Support for 2020, 2021, 2022, 2023 and 2024 are from Connecticut Department of Labor Office of Research (2022 benchmark) as of December, 2024.

NUMBER OF NEW HOUSING UNITS IN SERVICE AREA *

<u>City/Town</u>	Dec. 2018^(a)	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022^(a)	Dec. 2023^(a)
Ansonia	4	0	0	1	8	11
Bethany	34	5	6	7	5	3
Branford	6	12	24	27	19	73
Cheshire	17	11	26	37	141	509
Derby	2	2	6	7	(9)	197
East Haven	5	32	8	2	7	22
Hamden	35	71	48	0	(20)	64
Milford	141	164	135	188	60	193
New Haven	382	684	736	292	509	508
North Branford	17	10	4	14	8	7
North Haven	36	15	10	10	44	159
Orange	17	20	16	29	121	0
Seymour	3	5	5	8	43	21
West Haven	0	53	5	4	0	(32)
Woodbridge	(1)	4	3	13	8	19
Total	69	1,088	1,032	63	94	1,754
Percentage Change Over Prior Period ^(a)		55.8%	-5.1%	-38.1%	47.7%	85.8%
State of Connecticut	3,590	5,026	4,971	4,085	4,991	7,394
Percentage Change Over Prior Period		40.0%	-1.1%	-17.8%	22.2%	48.1%

^(a) Negative net gains are the result of demolitions exceeding housing starts.

* Source: State of Connecticut Department of Economic and Community Development.

Customers

As of May 31, 2024 the Water System provided water service to approximately 120,700 customers. The number of customers has had minimal growth over the past few years. (See table, “WATER REVENUES, CONSUMPTION AND CUSTOMERS BY CLASS”).

Customers of the Water System are classified according to the nature of their use of water. All homes, dormitories and apartment buildings are classified as residential, all manufacturing enterprises in which water is used as part of the manufacturing process are classified as industrial, and all business and institutional enterprises other than those classified industrial are classified as commercial. Water sales to governmental units are classified as sales to public authorities. Residential use during fiscal year 2024 accounted for approximately 69% of water consumption and approximately 70% of water revenues (including private and public fire protection).

Excluding its wholesale customers the following table ranks the Authority's 10 largest customers, based on their consumption. In fiscal year 2024, these 10 customers represented 10.7% of the Water System's total consumption and 7.6% of its revenues.

TEN LARGEST CUSTOMERS IN SERVICE AREA

Rank	Customer	Percentage of FY 2024 Consumption	Percentage of FY 2024 Revenues
1	Yale University	5.3%	3.8%
2	Yale New Haven Hospital	1.1%	0.8%
3	Connecticut Department of Corrections - Cheshire	0.8%	0.5%
4	Milford Power Company	0.7%	0.5%
5	Quinnipiac University	0.7%	0.5%
6	VA Connecticut Healthcare System - West Haven	0.5%	0.4%
7	Southern Connecticut State University	0.5%	0.4%
8	Bozzuto’s Warehouse Inc.	0.4%	0.3%
9	PSEG Power CT	0.4%	0.3%
10	Medtronic	0.3%	0.2%
Total		10.7%	7.6%

Note: Amounts might not total due to rounding.

The following table sets forth certain information concerning revenues and consumption by class of customer for each of the last five fiscal years. While there are year-over-year fluctuations, there is an overall declining trend in customer consumption.

WATER REVENUES, CONSUMPTION AND CUSTOMERS BY CLASS

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022⁽⁴⁾</u>	<u>FY 2023</u>	<u>FY 2024⁽⁵⁾</u>
Revenues From Sales of Water:					
Residential.....	\$79,824,120	\$86,527,376	\$83,756,583	\$88,270,192	\$90,659,510
Commercial.....	19,148,612	16,838,630	18,317,324	19,505,376	20,076,353
Industrial.....	2,183,348	2,081,601	1,820,356	2,430,726	2,298,951
Public Authority.....	2,529,522	2,564,286	3,069,634	3,400,775	3,266,497
Other ⁽¹⁾	<u>13,086,548</u>	<u>13,278,911</u>	<u>13,724,387</u>	<u>14,370,906</u>	<u>14,925,344</u>
Total.....	\$116,772,150	\$121,290,804	\$120,688,284	\$127,977,975	\$131,226,655
Gallons Used (in thousands):					
Residential.....	9,236,660	10,250,130	9,456,044	9,449,581	9,026,265
Commercial.....	2,939,900	2,576,055	2,637,572	2,724,731	2,699,741
Industrial.....	392,358	358,881	292,446	397,095	357,214
Public Authority.....	593,483	548,401	575,762	633,909	663,303
Other ⁽²⁾	<u>288,352</u>	<u>354,892</u>	<u>425,080</u>	<u>391,580</u>	<u>357,143</u>
Total.....	13,450,753	14,088,359	13,386,904	13,596,896	13,103,666
Number of Customers:					
Residential.....	109,175	109,390	109,556	109,746	110,067
Commercial ⁽⁶⁾	6,627	6,633	6,585	6,573	6,541
Industrial.....	223	219	217	217	219
Public Authority ⁽⁶⁾	597	597	645	641	629
Other ⁽³⁾	<u>3,065</u>	<u>3,115</u>	<u>3,127</u>	<u>3,148</u>	<u>3,230</u>
Total.....	<u>119,687</u>	<u>119,954</u>	<u>120,130</u>	<u>120,325</u>	<u>120,686</u>

- (1) Includes private and public fire protection services, miscellaneous unmetered sales and wholesale sales.
- (2) Includes miscellaneous unmetered use and wholesale use.
- (3) Includes private and public fire protection customers and wholesale customers.
- (4) Includes an estimated adjustment to reporting due to the January 2022 conversion to monthly billing.
- (5) Gallons Used is preliminary estimate subject to change.
- (6) Includes reclassification of 48 accounts from Commercial to Public Authority in FY 2022.

Other Activities

The Authority provides various fee-based services on a regional or local basis. For example, it offers its customers service protection plans, covering, respectively, the water line that runs from the curb to customer’s residence, covering the sanitary sewer line that runs from the sewer main or septic to the customer’s residence, and in-door plumbing protection program in combination with water and sewer or septic. Another example is the Authority providing laboratory testing services for other water utilities.

WATER SYSTEM

Supply and Facilities

The existing water supply for the Authority's Water System is obtained from watersheds that are between the Housatonic River and the Connecticut River and extend from close to Long Island Sound to about 20 miles inland.

Safe yield means the maximum dependable quantity of water per unit of time which may flow or be pumped continuously from a source of supply during a critical dry period without consideration of available water limitations. The Authority completed updated safe yield modeling of its active surface water sources in 2019. The total Safe Yield of all active sources is 83.0 million gallons per day (“MGD”). The Authority has identified treatment and distribution system limitations at some of its supply sources. The total Available Water for all Authority supplies, which is defined by the Connecticut Department of Public Health (“CTDPH”) as the

amount of water that the Authority can dependably supply, taking into account limitations on Safe Yield, is 77.2 MGD. The Authority's Available Water is approximately 16.3 MGD greater than the highest historical annual average daily draft in the Authority's service area of 60.9 MGD in 1988. The water supply is currently obtained from four active surface water supply systems, which provide approximately 85% of available water, and seven well fields.

All of the Authority's active sources are authorized by the Connecticut Department of Energy & Environmental Protection (the "DEEP") under the Water Diversion Policy Act. The Act included provisions allowing owners to register historical diversions of water, which allows continued use of these sources without any expiration date. Any new or modified diversions of water occurring after 1983 must be approved by the DEEP through a permitting process. All of the Authority's surface water supply sources and most of the groundwater supply sources have been registered with the DEEP, for a combined authorized diversion of 168.3 MGD. Additionally, the Authority operates two active wells under diversion permits issued by the DEEP, for an authorized total of 3.8 MGD. One of these permits expired in 1994; although a renewal application was filed in 1994, the DEEP approval is still officially pending. Approval of a current update to the permit application, as requested by DEEP in 2020 is pending. The other well diversion permit expires in 2035. Additionally, the Authority owns several inactive sources of supply with a total available diversion of 12.1 MGD registered under the Water Diversion Policy Act. Diversion permits are also held for several distribution system interconnections with neighboring water systems, including Connecticut Water Company, Aquarion Water Company, and municipal systems owned and operated by Meriden, Southington, and Wallingford.

Presently, the Authority's water is treated at 11 water treatment facilities producing drinking water from a combination of surface water and groundwater sources. Four of the water treatment facilities treat surface water sources and seven facilities treat groundwater sources. These facilities employ disinfection (chlorine), fluoridation and corrosion control treatment steps. In addition to the treatment supplied by this chemical feed equipment, water processed in the surface water treatment facilities is treated by filtration.

The treated water is delivered to customers through a system of pumping stations, storage tanks and connecting transmission and distribution mains, separated into 24 major distribution pressure systems. The Authority's distribution and transmission facilities include the following: 36 facilities with pumping equipment, 36 storage tanks including two covered reservoirs, and approximately 1,722 miles of distribution mains.

The Water System has pumping equipment installed to pump water from reservoirs and wells through necessary treatment facilities and throughout the distribution system. The water in the storage tanks serves as a reserve of treated water for fire protection, to meet peak system demands and to maintain uniform pressure in the system.

Approximately 23.2% of the mains in the Water System are less than 40 years old, and approximately 42.8% of the mains are less than 60 years old.

Because of the chemical characteristics of the Water System's water supply, the inside of the mains is exposed to a small amount of corrosive action that produces deterioration. Since 1956, the Authority has installed water mains in the Water System that have a factory-applied protective cement lining that prevents this deterioration. In addition, the Authority has a long standing annual main rehabilitation program which lines, *in-situ*, certain of its existing transmission and distribution mains with protective cement. The program was evaluated as part of the review, and an update of the Underground Asset Management Plan in fiscal 2020 was conducted based on the reduction in size, which was weighted against cost, risk, and remaining life criteria. Less than an estimated 122 miles of pipe remain eligible for the program, of the original 704 miles of unlined pipe in the system, resulting in only 17% of completely unlined pipe in the system. Due to increased capital allocations for other projects, the program remains deferred to fiscal 2026. This is due to focusing on projects prioritized with a higher need. These programs are continuously reviewed to evaluate the impacts, and given our historical investment in the distribution system, deferral of this work at this time will not have a significant impact to the overall system. Also, the remaining unlined mains will be scheduled for cleaning and lining as necessary.

The Authority provides water for fire protection in the 15 municipalities that it serves, delivered through fire hydrants, approximately 64% of which are owned by the respective municipalities.

The Authority regularly “flow-tests” the system to determine its operating characteristics and capacity. This allows the Authority to identify systems and individual pipelines needing further testing. If a segment of pipeline is found to be flow-restricted, the Authority either rehabilitates it or replaces it. In 2021 a complete update of the Authority’s water distribution system hydraulic model was completed. This tool provides information on critical mains, hydraulic restrictions, and potential areas for system growth. When paired with system demand forecasting, this tool is leveraged to inform capital improvements projects in the water distribution-system.

Assuming the completion of anticipated improvements and replacements, the Authority believes that the capacity and capability of the Water System to supply water is sufficient for the present and projected needs of its customers during the planning period extending through May 31, 2070. Management will consider various improvements, as needed, to meet additional customer demand.

Monitoring Facilities

The Authority receives and stores data showing standpipe water levels, well and pumping station status, system pressures and the status of pressure-reducing valve installations. Its operators control the flow and pressure of water in the system through use of computer commands to meet fluctuating customer requirements and system demands. The Authority has completed a Remote Telemetry Unit Upgrade project to enhance the controls and communications at each remote station as well as in the process of implementing new high-performance graphics in the Control Room. The Project will allow for better monitoring and control of the water distribution system.

Climate Risk

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Authority’s location in southern Connecticut on the Long Island Sound increases its vulnerability to flooding, including storm water flooding. In addition to flooding, the Authority faces other threats due to climate change, including damaging wind that could become more severe and frequent, extreme precipitation events and short term droughts. The Authority cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

The Authority is well positioned to address increasing climate variability forecasts for the northeast United States, such as more frequent extreme precipitation events and short-term droughts. The high storage volumes associated with the Authority’s system of reservoirs provides the ability to both capture high storm flows and store water to withstand drought periods. Water levels at Authority reservoirs are monitored remotely and used for both operational and planning purposes. Dams are inspected and maintained regularly in compliance with state regulations, with Emergency Action Plans for all high hazard dams. Other ongoing climate risk mitigation strategies and tools include the following:

- Maintaining a Business Continuity Plan and Incident Management Plan to respond to extreme weather events;
- All water supply facilities and major pump stations have emergency backup power systems;
- Distribution tank mixing systems and reservoir aeration systems to address water quality impacts related to rising temperatures;
- Table-top exercises are conducted for extreme weather events, including tornadoes and a high hazard dam failure;
- A project to rehabilitate a 160-year-old dam to enhance its stability in extreme flooding conditions and to mitigate droughts is in design and with construction expected to begin in fiscal year 2026;
- Installation of corrosion-proof high-density polyethylene (“HDPE”) pipe in areas of our distribution system that are vulnerable to sea level rise, with the goal of replacing all pipes in these areas with HDPE;
- In-house forestry and invasive species experts monitor and manage impacts of invasive species that may proliferate in a warming climate;

- A water supply watershed land acquisition program to lessen land development impacts on source water quality that may be exacerbated by a warming climate; and
- Regular seasonal monitoring of reservoir water quality to ensure that climate-driven changes are detected.

Maintenance

The Authority has set out to update and improve asset management and maintenance as a part of the strategic business plan adopted in 2015 and remains a strategic focus. Each facility in the water system receives periodic corrective and preventative maintenance. Annual, quarterly, monthly, or bi-weekly site inspections are conducted by Authority staff at each water system facility using a programmatic approach to maintenance. Follow-up work to correct or improve the facility is scheduled subsequent to these inspections, as needed. Annual inspections are conducted on all Authority owned fire hydrants. Distribution system valves are exercised regularly using a systematic approach to maintenance.

Water Loss Control

The net unaccounted-for water for fiscal year 2024 amounted to 1.864 billion gallons, or 12.22% of water produced and admitted into the Water System. The Authority tracks the annual rolling average of gross and net unaccounted for water, on a monthly basis. This allows for the identification of trends in unaccounted for water prior to the end of the year and the Authority to take corrective measures proactively.

The Authority established a program to address unaccounted-for water in 2009 and continues to make improvements to the program by testing master meters, pursuing new or improved sources of data, performing leak detection, and updating the unaccounted-for water calculation and data tools. The Authority has reported that its Source Flow Meter accuracy-testing program, established in 2004 revealed that inaccuracies in the reported production volumes as measured at the Authority's Source Flow Meters have resulted in the reporting of inaccurately high values of unaccounted-for water. The Authority reports it has: (1) completed accuracy testing for all of its 10 Source Flow Meters (completed August 2011) and continues testing on a periodic basis; (2) replaced the Source Flow Meters at its two largest surface water treatment plants (June 2013); and (3) undertaken an evaluation of its options for corrective actions for the other Source Flow Meters. The calculated error has been incorporated into the water loss calculation. In addition to Source Meter information, the Authority performed a leak survey on approximately 48% of the total distribution system in 2020. In 2020, the Authority completed development of a Water Loss software tool. This tool incorporates the real-time customer data supplied by the advanced metering infrastructure system with production and pumping flows to allow for a breakdown of water balance calculations into service area levels. This allows the Authority to create targeted water loss actions for discrete geographic areas in order to optimize water loss control activities. The Authority established a program in fiscal year 2023 using new technology and this technology uses artificial intelligence and machine learning to detect the leaks in the distribution system. This ground breaking new technology has already allowed the Authority to locate and repair several non-surfacing leaks that would have otherwise gone undetected.

The Authority completed a Water Audit for fiscal year 2020 utilizing the AWWA's Water Audit Software tool. The real losses calculated through the audit amount to a total volume of 1.24 billion gallons, total unit losses of 36.3 gal/conn/day, and an Infrastructure Leakage Index (ILI) of 1.1. The ILI is an indicator of the system performance within its physical constraints, and demonstrates that the Authority is managing its unaccounted-for water well. AWWA guidance states that an ILI of between 1.0 and 3.0 indicates effective leakage controls, with the lower value being better.

WATER CONSUMPTION DATA

(Figures in Thousands)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022⁽⁵⁾</u>	<u>FY 2023</u>	<u>FY 2024⁽⁶⁾</u>
Total Gallons Produced	15,328,618	16,239,976	15,815,238	15,696,646	15,255,717
Total Gallons Used ⁽¹⁾	13,450,753	14,088,359	13,386,905	13,596,896	13,103,666
Total Gallons Unaccounted-for ⁽²⁾	1,729,692	1,998,298	2,282,412	1,925,226	1,955,871
Percent Total Gallons Unaccounted for	11.28%	12.30%	14.43%	12.27%	12.82%
Estimated Miscellaneous Usage ⁽³⁾	142,597	108,483	92,002	98,403	92,071
Net Unaccounted-for Water ⁽⁴⁾	1,587,095	1,889,816	2,190,410	1,826,823	1,863,800
Percent Net Unaccounted-for Water	10.35%	11.64%	13.85%	11.64%	12.22%

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- (1) The amount of gallons produced has been adjusted so that “Gallons Produced” and “Gallons Used” figures are based on the same number of days.
 - (2) Includes public and private fire protection service.
 - (3) Includes estimated quantities of water used for operational activities.
 - (4) Calculated as “Total Gallons Unaccounted-for” less “Estimated Miscellaneous Usage”.
 - (5) Includes estimated adjustment to reporting due to the January 2022 conversion to monthly billing.
 - (6) Preliminary estimate subject to change.

Conservation and Sale of Land

In its enabling legislation, the Authority is charged with advancing the conservation and compatible recreational use of its land to the degree consistent with providing an adequate supply of pure water at reasonable cost. The legislation requires the Authority to develop standards for determining the suitability of its real property for categories of land use. This includes real property that may be surplus with regard to the purity and adequacy of both present and future water supply. It also includes real property that may be desirable for specified modes of recreation or open space, and that may be suitable for other uses.

After an extensive planning process, that took into account the benefits of owning land to protect water quality, the Authority adopted a Land Use Plan (the “Land Use Plan”) in 1983 for its landholdings. Subsequent to the adoption of the Land Use Plan, the Authority implemented a number of uses consistent with the Land Use Plan, including a permit based recreation program. If located on a public drinking water supply watershed, recreational uses require the approval of the RPB and the CTDPH. They may also require applicable municipal approvals. Any sale, lease, or exchange of an interest in real property requires the approval of the RPB and the CTDPH.

Similar to the effort that was completed in 1983, the Authority adopted an updated Land Use Plan in 1996. The Land Use Plan was most recently updated and approved in January 2016. It included all the land acquisitions and dispositions from 1996 through January 2016, as well as future plans for the Authority’s landholdings.

In March 2007, the Authority reviewed its significant landholdings and identified an additional 800 acres of land not needed for the operation, protection and maintenance of the water system. The Authority intends to sell these 800 acres in accordance with a statutory process in order to keep water rates as low as possible. An example of this effort is the disposition of two parcels totaling approximately 63 acres in Madison. The Authority sold these parcels to the Madison Land Conservation Trust in May 2017. The General Bond Resolution provides that proceeds from the disposition of land, up to the greater of \$10 million or 10% of the aggregate amount of Bonds then outstanding, may be used for non-water supply system capital improvements, acquisitions of real property or retirement of non-water system debt. All proceeds in excess of such amount must be used in connection with the Water System. Typically, the Authority will deposit proceeds from land dispositions into its Restricted Land account within the Construction Fund. Since 2016, the Authority has sold nine former rental houses. The proceeds from those sales are dedicated to the acquisition of watershed land as provided for in the Act.

Because of the Authority’s commitment to the multi-barrier approach for providing safe public drinking water sanctioned by the U.S. Environmental Protection Agency (“EPA”), it has acquired more than 4,000 acres of land on the public water supply watershed, and protected 1,300 acres under conservation easements, since

1996 to enhance its efforts to protect source water. As of May 2023, the Authority's land holdings totaled approximately 27,796 acres. The Authority developed a matrix that ranks more than 140 privately-owned parcels on its watersheds for their importance for watershed protection and long-term watershed lands acquisition.

HazWaste Central

In order to promote the environmentally-safe disposal of hazardous substances that might otherwise contaminate the region's environment, including its water supply, the Authority owns and operates from its headquarters, as agent for the South Central Connecticut Regional Council of Governments, a regional center for the collection of household hazardous waste and hazardous waste from area residents and conditionally exempt small quantity generators ("CESQGs"). Many substances commonly used around the house or at CESQG sites, such as oil-based paints, cleaners, oils and pesticides, contain substances regulated as "hazardous waste" under federal law. Homeowners and CESQGs bring their hazardous wastes to the center on designated days of operation for collection, temporary storage and transfer to a hazardous waste disposal facility.

The center is operated by a licensed hazardous waste management firm that is fully insured and bonded against environmental hazards. The program is financed by the 16 participating municipalities. The center meets all regulations promulgated by the DEEP and the EPA for operation of this type of facility.

Risk Management

The Authority's Risk Management Program places a strategic focus on an enterprise level that proactively establishes programs and processes supporting business objectives while protecting the organization's assets, operations and reputation. Its comprehensive Risk Register identifies, evaluates, prioritizes, and mitigates potential risks. A cross functional risk committee is in place to monitor current risk exposures and mitigation strategies and identify new potential risks and initiatives as part of a continuous improvement risk management process.

The Business Continuity and Incident Management Plans provide the framework for response to any hazard. As part of its 2015-2020 Strategic Plan, the Authority developed, and implemented, a Business Continuity Roadmap which includes goals and objectives for the advance planning necessary to be fully prepared for natural disasters or other business interrupting anomalies. Business Continuity and Incident Management planning continue.

The Authority continues to implement and maintain improvements as identified in its "vulnerability assessment" completed in 2003, pursuant to Section 1433 of the Safe Drinking Water Act (the "SDWA"). The current vulnerability assessment was updated in March 2020 per the requirements of America's Water Infrastructure Act (AWIA) signed into law in 2018. The assessment evaluates supply, treatment, and distribution system components using training and knowledge the Risk Analysis and Management for Critical Asset Protection (RAMCAP®) Standard for Risk and Resilience Management of Water and Wastewater Systems to assist with determining vulnerabilities to both man-made and natural hazards and with evaluating potential improvements to enhance security and resiliency. This evaluation is consistent with AWWA J100-10 (R13), Risk and Resilience Management of Water and Wastewater Systems.

The Authority periodically tests its alternative emergency operations center and tests its all- emergency response plans by conducting "tabletop" emergency preparedness exercises, both in-house and with local, state and federal agencies and industry associations, as well as participating in other efforts as part of state and regional emergency planning. In addition, the Authority participates in the Connecticut Water/Wastewater Agency Response Network that provides emergency mutual aid and assistance to member organizations according to agreed-upon standards.

Cyber Security

The Authority, like many other public and private entities, relies on technology to conduct its operations. The Authority faces frequent cybersecurity threats including but not limited to hacking, viruses, malware, and phishing on computers and other sensitive digital networks and systems. To mitigate the risk of

business operations being negatively impacted from cybersecurity attacks, the Authority has invested in a diverse array of cybersecurity and operational controls. This includes a comprehensive policy related to the security of the Authority's networks.

The Authority has several mitigation strategies. For example, the Authority has identified critical data and operational assets, and inventoried internal and external software platforms and applications. Corporate-wide network cybersecurity measures have been implemented which include establishing strong passwords for network access, installing firewalls, system monitoring and alerts, spam filtering, anti-virus/malware software, centralized logging, and engaging a continuous patching protocol and a mobile device management system to restrict unnecessary functions.

The Authority has implemented firewall infrastructure that is maintained with traffic scanning polices utilizing antivirus, web filtering, application filtering, Domain Name System filtering, Indicators of Compromise for pre-attack and pre-malware alerts, Denial of Service and Intrusion Detection/Intrusion Prevention Systems which are essential components of our comprehensive cybersecurity traffic protection plan.

The Authority has implemented malware protection on all workstations, including a new feature called Endpoint Detection and Response which proactivity prevents and protects the Authority from ransomware threats utilizing machine learning capabilities and insures for quicker recovery in the event of an actual ransomware attack.

The Authority has a cybersecurity governance committee that meets to assess threats, risks, and vulnerabilities and takes full advantage of services offered by the Department of Homeland Security ("DHS") from assessments to penetration tests. This governance body includes members of the leadership team, subject matter experts and outside resources when needed. The Authority also participates in the monthly State of Connecticut Cybersecurity Committee.

The Authority has taken a layered approach that includes regular phishing tests and cybersecurity tips communicated to our employees. The Authority performs tabletop and functional exercises, including a recent cybersecurity and disaster recovery exercise simulating a disaster at our headquarters location in which the Authority performed moving business operations to our Emergency Operations Center.

The Authority has certain members of staff trained on Incident Command System 200/300/400 Federal Emergency Management Agency training recommended by the EPA. General introductory training for Incident Command System 100 is available to all supervisory staff members.

The Authority has completed a full-scale audit of all network and security infrastructure topology drawings and has completed the implementation of various multifactor authentication for both business and Supervisory Control and Data Acquisition ("SCADA") network servers and remote access virtual private network entry points.

The Authority has developed a Cybersecurity Incident Response Plan and continues to enhance the Cybersecurity Policy documents along with improvements to our Business Continuity Plans. The Authority continues to improve Cyber/Technology practices as part of its efforts to strengthen security measures and foster innovation while addressing technology obsolescence and infrastructure needs.

The Authority has developed a Cybersecurity Policy and a Cybersecurity Plan to document our Cybersecurity approach to defend and protect our infrastructure. The Authority continues to maintain these documents which support our security practices to address technology challenges related to Cybersecurity.

The Authority has a cybersecurity insurance policy. The insurance policy covers breach response services, including forensic investigation, legal counsel, and public relation/crisis management services as well as notifications and credit monitoring for our customers. This also includes protection from cyber extortion, business interruption, data recovery costs, consequential reputational loss, data and network liability, payment card liabilities, fraudulent instruction, telephone fraud, and social engineering.

The Authority has completed various assessments including:

- National Incident Management System (NIMS) compliance certification from Connecticut Department of Energy and Environmental Protection (CTDEEP) and Department of Homeland Security (DHS);
- Supervisory Control and Data Acquisition audit;
- DHS/Cyber and Infrastructure Security Agency (CISA) Ransomware Readiness Assessment 2024;
- Assessment under the America’s Water Infrastructure Act-Risk Assessment and Management for Critical Asset Protection (AWIA-RAMCAP) and certification to EPA;
- EPA Cybersecurity Checklist for Sanitary Surveys 2024;
- Clifton Larson Allen External Penetration Test 2024;
- Participated in the National CISA cyber dam sector drill exercise 2024; and
- DHS Cyber Reliance Review performed for Critical National Infrastructure, using Computer Emergency Response Team Resilience Management Model and National Institute of Standards and Technology - Cybersecurity Framework.

No assurances can be given however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Authority’s digital networks and systems and the costs of remedying any such damage could be substantial.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

For information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Authority, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the State or the Authority. The Authority took steps at the end of fiscal 2020 to plan for the uncertainty. Due to the customer mix, the Authority experienced an increase in consumption in fiscal 2021.

Pandemics, epidemics and other public health emergencies, may adversely impact the Authority and its revenues, expenses and financial condition. The Authority cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Authority. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Authority revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CAPITAL IMPROVEMENT PROGRAM

Process for Project Evaluation and Project Description

The Authority has a number of capital projects and a capital prioritization process. The capital prioritization process involves single year and multi-year planning and ranks projects against several criteria including customer service and satisfaction, water resource adequacy and water quality, personnel and public safety, and infrastructure stability, security, reliability, and vulnerability as well as sustainability. The capital prioritization process involves capital project managers, members of a cross-functional capital program control team, and members of the Authority's leadership team. The resulting prioritization matrix for the upcoming fiscal year is shared with both the five-person Authority board and the RPB as part of the budgeting process.

Through the annual budgeting process, the single and five-year capital budget is approved by the Authority board and reviewed by the RPB. However, proposed projects of more than \$3.5 million require a project application. The application is first submitted to and then reviewed with the Authority board. If accepted by the Authority board, the project application is submitted to the RPB. A public hearing, including a presentation from the applicant, is required for capital projects requiring RPB approval and notice of such hearing is also required.

Management of the Authority has prepared the prospective information set forth below concerning its program of capital improvements. In the view of the Authority's management, this information was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Authority. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this official statement are cautioned not to place undue reliance on the prospective financial information.

Neither the Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed procedures with respect to the prospective financial information contained herein, nor have they expressed an opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim association with, the prospective financial information.

Projects planned for initiation and completion over the five-year period from fiscal years 2025 through 2029 and their estimated expenditures are summarized below. The Authority reviews its program of capital improvements on an on-going basis and formally updates its budgets at least annually, revising and updating it as conditions warrant consistent with a capital budget prioritization matrix that ranks projects based on eight criteria. The Authority at least annually prepares a projection of improvements, additions and renovations to the Water System, generally based on condition assessments performed by staff and/or consultants. Most recently, the Authority prepared and submitted the capital improvement program (the "CIP") for fiscal years 2025 through 2029, and the plan was approved by the five-member Authority board in June 2024.

Information concerning the Authority's CIP is shown in 2024 dollars in the following table:

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**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
5-YEAR PLAN OF CAPITAL IMPROVEMENTS**

(000s omitted)

-CAUTION-
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**South Central Connecticut Regional Water Authority
5-Year Plan of Capital Improvements
(000's omitted)**

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	TOTAL
NATURAL RESOURCES (1)						
Land Management	\$ 20	\$ 50	\$ 50	\$ 50	\$ 50	\$ 220
Watershed Protection	100	50	50	50	50	300
Improvements to Reservoir Intakes	432	158	100	-	550	1,240
Improvements to Reservoir Dams & Spillways	1,637	7,277	16,800	13,908	4,393	44,014
Bridge Refurbishments	209	300	-	300	-	809
Tunnel Repairs & Improvements	95	500	100	250	100	1,045
Miscellaneous	575	500	965	1,200	98	3,338
	3,068	8,835	18,065	15,758	5,241	50,966
TREATMENT (2)						
Lake Saltonstall WTP Process Improvements	1,140	5,860	3,300	3,505	2,750	16,555
Lake Gaillard WTP Process Improvements	7,238	7,484	3,850	400	550	19,522
West River WTP Process Improvements	1,642	1,854	250	275	315	4,336
Lake Whitney WTP Process Improvements	1,000	1,918	501	575	2,550	6,544
Improvements to Groundwater Treatment Facilities	2,965	2,400	3,000	2,475	2,500	13,340
Filter Media Replacement	800	800	800	900	900	4,200
Miscellaneous	1,750	1,550	450	550	950	5,250
	16,535	21,866	12,151	8,680	10,515	69,746
TRANSMISSION & PUMPING (3)						
Pipe and Transmission Main	11,450	7,675	7,825	7,160	7,925	42,035
Cleaning and Lining	-	1,900	1,000	1,000	1,000	4,000
Lead Service Line Replacements	4,000	5,000	5,000	10,000	20,000	44,000
Valve Replacements	250	400	400	500	500	2,050
Service Connections & Hydrants	2,525	2,525	2,825	2,825	2,875	13,575
Meters	450	450	450	500	450	2,300
Tank Painting & Improvements	1,240	3,975	3,204	1,490	1,148	11,057
Tank Construction/Replacement	202	1,809	3,967	4,365	1,115	11,459
Motor Control Center Replacements/Electrical Improvements	-	350	350	350	350	1,400
Critical Pump Station & Transmission Facilities Upgrades	250	1,000	200	1,000	2,950	5,400
Variable Frequency Drive Replacements	150	200	150	20	200	720
Pump Station Generator Replacements	632	100	650	250	1,000	2,632
Burwell Hill Pump Station Equipment Replacement	-	-	-	-	-	-
Raynham Hill Pump Station Improvements	-	1,800	-	-	-	1,800
Spring Street Pump Station Replacement	400	1,462	4,000	3,018	1,603	10,482
Lake Gaillard Pump Station Improvements	200	300	300	300	300	1,400
Devonwood Drive, Cheshire Booster Pump Station	-	150	1,500	800	-	2,450
Miscellaneous	1,489	4,758	2,913	1,308	1,880	12,349
	23,239	32,952	34,735	34,886	43,297	169,108
GENERAL PLANT (4)						
CIS	7,923	-	-	-	-	7,923
Information Systems	1,655	1,000	900	570	758	4,883
Customer Channels Sales & Marketing	-	-	-	-	-	-
Data Center Life Cycle Replacements	650	650	650	550	550	3,050
Equipment	1,992	1,064	954	811	895	5,716
90 Sargent Drive	730	615	5,030	5,395	11,520	23,290
	12,950	3,329	7,534	7,326	13,723	44,862
CONTINGENCY						
	685	870	925	816	878	4,174
PROJECT RESERVE						
	593	-	-	-	-	593
TOTAL	\$ 57,070	\$ 67,852	\$ 73,409	67,466	73,653	\$ 339,449
ESTIMATED GRANTS (CDS & state)						
	\$ (716)	\$ (3,500)	\$ (2,000)			\$ (6,216)
ESTIMATED GRANTS (DWSRF)						
	\$ (2,000)	\$ (4,000)	\$ (5,000)	(4,000)	(5,000)	\$ (20,000)
Net Total*	\$ 54,354	\$ 60,352	\$ 66,409	\$ 63,466	\$ 68,653	\$ 313,233
CONSTR. FUND STATE & REDEV REVOLV. ACCT						
	\$ 3,000	\$ 3,000	\$ 3,000	3,000	3,000	\$ 15,000
COMMERCIAL (6)						
	\$ 100	\$ 600	\$ 300	40	40	\$ 1,080

- (1) Projects required to provide for present and future water requirements as well as protection of existing water supplies.
- (2) Projects which are necessary to maintain compliance with all Federal and State regulations as well as provide an adequate supply for future expansion of water demand.
- (3) Projects necessary to correct deficiencies in the system and provide for current and future demands needed for both consumption and fire protection, as well as modify and upgrade pumping facilities.
- (4) Expenditures for specific items including information systems, equipment, vehicles and plant modifications.
- (5) Escalated at 3% per year.
- (6) To be funded out of the Growth Fund

ENGINEERING AND ENVIRONMENTAL MATTERS

Engineering Evaluation

In connection with the acquisition of its predecessor, the New Haven Water Company, in 1980, and the issuance of its first series of Bonds, the Authority has engaged a firm as Consulting Engineer to prepare a report on the Water System and on certain other matters. The report, prepared by GHD, Inc., concluded, in part, the following:

- 1) Provided that the Authority continues to implement its CIP, the Authority appears to have sufficient capacity and ability to satisfy the forecasted range of both near- and long-term demands of its current and prospective future customers.
- 2) The funding of operations and maintenance activities appears to be satisfactory. The Authority is operating and maintaining its infrastructure and facilities at generally accepted industry standards. It appears that critical facilities are effectively maintained. The Authority devotes a level of attention to critical facilities that is commensurate with the perceived risk.
- 3) Capital improvements at Authority facilities and in the distribution system are proactive and well planned. Timely implementation of the CIP should keep the facilities in good repair and position the Authority to provide continuous service to its customers.
- 4) The Authority has a good track record of compliance with CTDPH regulations and has responded to CTDPH directives in a timely manner. Provided that the Authority implements its CIP in a timely manner and continues to operate its facilities in a satisfactory manner, the Authority should continue to meet state and federal water requirements.
- 5) Dam inspection intervals meet or exceed DEEP requirements and based on available inspection report the dams are being maintained appropriately.

Environmental Regulation

Water utilities, including political subdivisions such as the Authority, are subject to continuing environmental regulation. Federal, state and local standards and procedures that regulate the environmental impact of water utilities are subject to change. These changes may arise from legislative, regulatory, or judicial action regarding such standards and procedures. Consequently, there is no assurance that the Authority's current facilities will be in compliance with future regulations or will be able to obtain all future required operating permits. Future environmental standards and procedures could result in reduced operating levels, reduced water availability, significantly increase the cost of operations, and/or require significant additional capital expenditures to bring the Authority into compliance with such standards and procedures.

Safe Drinking Water Act ("SDWA")

The federal SDWA empowers the administrator of the EPA to establish maximum contaminant levels or treatment techniques for each contaminant that may have an adverse effect on the health of persons. The EPA has promulgated primary drinking water standards and treatment techniques pursuant to the SDWA. Pursuant to the SDWA and legislation of the State of Connecticut, the State has adopted standards for the treatment and quality of drinking water. Federal and state regulations establish standards for, among other things, certain chemicals, turbidity, microbiological contaminants, radioactivity, odor and color. Additionally, plans for new water supply systems or enlargement of the existing Water System must be submitted to CTDPH for approval.

The latest Sanitary Survey was completed in June 2024. The Authority received the CTDPH Sanitary Survey Report dated February 10, 2025, and the report is being reviewed. We believe that all the significant deficiencies noted, with one exception, will be fixed within the allowed 120-day period. There is one significant deficiency related to the Mill Rock Basin tank that is expected to take longer and a written plan to address this deficiency will be submitted to CTDPH for approval.

Regarding future regulations specific to the Surface Water Treatment Rule, the Authority is actively monitoring ongoing proposed revisions to the Lead and Copper Rule and potential regulation of per- and polyfluoroalkyl substances (“PFAS”) compounds. The Authority has submitted a claim against the 3M Company as part of the class action settlement. The Authority continues to upgrade source water control structures, treatment processes and distribution system management associated with requirements of the Disinfection/Disinfectant Byproducts Rule.

The Authority’s capital and operating budgets include money for compliance. Preliminary estimate updates associated with the Lead and Copper Rule Revisions that were made as part of the 2022, 2023, and 2024 10-year model, and the five-year capital plan reflects the then-current estimates that fall within fiscal years 2025 through 2029. These preliminary estimates will continue to be refined and were most recently refined as part of the 2024 10-year model update. Estimates include customer-side replacements. The Authority removed all known lead service lines from its side of the system in the 1970s and early 1980s and has removed goosenecks as they are encountered. While there is no lead in the water the Authority delivers to customers in its distribution system, lead can get into drinking water as it passes through customer-owned service lines and internal plumbing and fixtures that contain lead. The Authority submitted its service line inventory, as required.

As allowed by federal regulation, the EPA has delegated its authority to the CTDPH. As a result, the CTDPH has developed the State’s drinking water standards which are equal to or are more stringent than the federal standards that require, among other things, that substantially all surface water reservoirs of water systems in the State have filtration or other extensive treatment prior to use as a source of drinking water. The Authority has such filtration plants in operation at all of its active surface water supply systems.

Clean Water Act

The federal Clean Water Act requires permits for discharge of effluent into navigable waters and requires that all discharges of pollutants comply with federally approved state water quality standards. The DEEP has adopted, and the federal government has approved, water quality standards for receiving waters in the State. A joint federal and state permit system has been established to ensure that applicable effluent limitations and water quality standards are met in connection with the construction and operation of facilities that affect or discharge into state or interstate waters.

Regulated process wastewater discharges to surface and groundwater at the Authority’s four water treatment plants (“WTPs”) and two wellfields are authorized under DEEP’s Comprehensive General Permit for Discharges to Surface Water and Groundwater. In 2020, DEEP’s General Permit General Permit for Miscellaneous Discharges of Sewer Compatible Wastewater was replaced with the General Permit for Discharges from Miscellaneous Industrial Users (“MIU GP”) and the General Permit for Discharges from Significant Industrial Users (“SIU GP”). Management of the MIU GP was transferred from DEEP to the local Publicly Owned Treatment Works. Process wastewater discharged to the sewer from Whitney WTP is registered under the MIU GP through the Greater New Haven Water Pollution Control Authority. A timely application was submitted to register discharges to the sewer from Gaillard WTP under the SIU GP. DEEP retained oversight of this General Permit.

Connecticut Inland Wetlands and Watercourses Act and Water Diversion Policy Act

While the construction of dams, reservoirs and other facilities necessary to the impounding, storage and withdrawal of water in connection with public water supplies is an as of right use under Connecticut’s Inland Wetlands and Watercourses Act, the Authority is required, pursuant to other statutory provisions, to obtain permits from the DEEP Commissioner for the location, construction or alteration of any dam or reservoir, and to secure the approval of the DEEP Commissioner for any unregistered diversion of water greater than 50,000 gallons per day. Various criteria must be satisfied under the respective statutes and regulations of the DEEP in order to obtain such permits or approvals, and the DEEP Commissioner has the power to impose such conditions as deemed reasonably necessary in connection with such permits or approvals in order to assure compliance with such statutes. For actions taken to date, the Authority has applied and/or obtained all such requisite permits or approvals. Connecticut adopted its first state water plan (the “State Water Plan”) in 2019. The Authority actively participated in the development of the State Water Plan to ensure that its interests were duly represented. It is possible in coming years that policies and recommendations within the State Water Plan could

lead to legislative proposals concerning water diversions, water conservation, and/or related issues that could alter the state current regulatory scheme for water resource management, including those affecting the use of public drinking water sources.

OPERATIONS, REVENUES AND EXPENSES

Summary: Revenues, Expenses and Changes in Net Position

(Thousands of Dollars)

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues:			
Water Revenues	\$124,320	\$131,968	\$135,660
Other	<u>10,839</u>	<u>12,390</u>	<u>16,112</u>
Total operating revenues	135,159	144,358	151,772
Operating Expenses:			
Operating and Maintenance	56,900	58,480	62,299
Expenses Associated with Other Revenue	7,267	8,648	9,821
Depreciation	23,294	25,872	26,397
Payments-in-Lieu-of-Taxes (PILOT)	<u>8,554</u>	<u>8,524</u>	<u>8,767</u>
Total Operating Expenses	<u>96,015</u>	<u>101,524</u>	<u>107,284</u>
Operating Income	39,144	42,834	44,488
Non-operating Income and Expenses:			
Interest Expense – Net	-20,322	-14,088	-11,049
Gain (Loss) on Disposal of Assets	-1,644	-2,229	-859
Realized and Unrealized Gains (Losses) on Investments	-350	-255	412
Amortization of Bonds Discount, Premium, Issuance Costs and Deferred Refunding Losses	2,333	2,742	2,222
Intergovernmental Revenue	0	490	1941
Other Income (Expense), Net	<u>-310</u>	<u>-237</u>	<u>124</u>
Total Non-Operating Expenses	<u>-20,293</u>	<u>-13,577</u>	<u>-7,209</u>
Gain Before Contributions	18,851	29,257	37,279
Capital Contributions	<u>1,438</u>	<u>1,781</u>	<u>4,240</u>
Change in Net Position	<u>\$20,289</u>	<u>\$31,038</u>	<u>\$41,519</u>

Summary of Fiscal Year 2023, Fiscal Year 2024 and Projected Fiscal Year 2025 Authority Operations

The change in water revenues from fiscal years 2023 to 2024 is primarily due to the full year impact of the June 2023 rate application. The primary drivers of the increase in other revenues are the third quarter acquisition under RWA Well Services, in October 2023, and the full-year impact of the prior PipeSafe economic adjustment.

Operating and maintenance expenses from fiscal years 2023 to 2024 increased by approximately \$3.8 million. The larger increases are due to payroll expense, employee benefits, chemicals, electric services, and Information Technology Licenses and Maintenance fees. Pension expense, under GASB 68 and Other Post Employment Benefits (“OPEB”) expense, under GASB 75, decreased from fiscal years 2023 through 2024. There were other net changes across multiple accounts.

For further details, see “APPENDIX B - Audited Financial Statements of the Authority for Fiscal Years Ended May 31, 2024 and May 31, 2023 - Management’s Discussion and Analysis.”

The Authority is currently projecting water revenues to be under budget due to a cooler, wetter summer than anticipated. However, this is more than offset by higher interest income and other revenues as well as the PILOT expense being less than anticipated, all of which are favorable to budget. In addition, debt service is also favorable due to the May, 2024 refinancing and DWSRF financing being later in the fiscal year than budgeted.

The Authority is not projecting a need to draw from discretionary funds for fiscal year 2025 and is projecting to exceed the required debt service coverage.

The Authority's General Bond Resolution requires it to calculate debt service coverage on the basis of revenues collected, rather than accrued, including amounts transferred from the Rate Stabilization Fund to the Revenue Fund, and expenses as incurred. While the net income shown in the Authority's financial statements includes the full effect of water consumed, the receipt of this revenue will not be available for operations or considered in the coverage tests until the Authority completes its billing and collection process. To date, the Authority has successfully made its cash transfers and is in compliance with all rate covenants and other requirements of its General Bond Resolution. Coverage before PILOT for fiscal years 2024, 2023, 2022, 2021 and 2020 was 1.53x, 1.60x, 1.60x, 1.48x and 1.50x, respectively, each of which exceeded the 1.25x coverage required by the General Bond Resolution. Presented below is a summary of debt service coverage results for fiscal years 2024, 2023, 2022, 2021 and 2020 and as projected for fiscal year 2025, calculated in accordance with the requirements of the General Bond Resolution.

Reduced Federal Funding

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the "Recovery Act"), authorized state and local governments to issue two general types of taxable bonds, known as "Build America Bonds" or "BABs" with the federal government providing subsidies for a portion of their borrowing cost. One type of BABs provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer. The Water System Revenue Bonds, 2010 Series A (the "2010 Series A Bonds") were issued as direct payment BABs on April 6, 2010 in the original par amount of \$31,385,000. Pursuant to the Recovery Act, at inception, the Authority received a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the 2010 Series A Bonds on or about each interest payment date. The 35% equates to \$348,411 per payment, occurring twice a year. Such subsidy payment represents revenue to the Authority under the General Bond Resolution. No holders of the 2010 Series A Bonds are entitled to a tax credit. The receipt of the subsidy by the Authority is not a condition of payment of any portion of the principal and interest on the 2010 Series A Bonds. However, if the subsidy payments are reduced or eliminated, the 2010 Series A Bonds are subject to extraordinary optional redemption. Due to provisions within the Budget Control Act of 2011 and the implementation of sequestration, the amount of the subsidy was reduced on payments made to issuers on or after March 1, 2013, resulting in a decrease to the Authority's August 1, 2013 payment and the twice-annual payments through the current period. Reductions to the subsidy have ranged from a high of 8.7% to a low of 5.7%. A 5.7% reduction was effective for the payments received by the Authority in fiscal years 2023 and 2024. The percent is subject to further change. The interest subsidy received totaled approximately \$657 thousand dollars for both fiscal years ended May 31, 2024 and 2023, respectively, excluding interest associated with payment processing delays.

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**DEBT SERVICE COVERAGE FOR LAST FIVE YEARS
AND PROJECTED FOR FISCAL YEAR 2025**

(Thousands of Dollars)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> <i>(Projected)</i>
Revenues (collected)						
Collected Water Sales and Other Revenues.....	\$121,508	\$124,109	\$132,467	\$136,117	\$140,671	\$140,509
Rate Stabilization Fund						
BABs Subsidy.....	655	663	657	657	680	644
Collected Investment Income	1,703	258	204	3,435	5,423	4,928
Total Revenues	<u>123,866</u>	<u>125,030</u>	<u>133,328</u>	<u>140,209</u>	<u>146,774</u>	<u>146,080</u>
Less						
Operating and Maintenance Expenses incurred.....	55,143	54,688	57,070	60,456	67,326	71,610
Depreciation.....	6,417	6,500	6,917	7,500	8,875	9,729
Payments in Lieu of Taxes PILOT (A).....	8,388	8,528	8,554	8,518	8,747	8,970
Total Expenses.....	<u>69,948</u>	<u>69,716</u>	<u>72,541</u>	<u>76,474</u>	<u>84,948</u>	<u>90,309</u>
Net Revenues (B).....	<u>53,918</u>	<u>55,314</u>	<u>60,787</u>	<u>63,735</u>	<u>61,826</u>	<u>55,771</u>
Debt Service Paid on the Bonds (C)	<u>41,455</u>	<u>43,268</u>	<u>\$43,467</u>	<u>\$45,238</u>	<u>\$46,006</u>	<u>\$46,781</u>
Coverage After PILOT (B/C)	<u>1.30</u>	<u>1.28</u>	<u>1.40x</u>	<u>1.41x</u>	<u>1.34x</u>	<u>1.19x</u>
Coverage Before PILOT ({A + B}/C).....	<u>1.50</u>	<u>1.48</u>	<u>1.60x</u>	<u>1.60x</u>	<u>1.53x</u>	<u>1.38x</u>

In June 2024 the Authority, after evaluating operational obligations for fiscal year 2025, transferred approximately \$25.5 million to the General Fund. Moneys in the General Fund can be used for any of the corporate purposes of the Authority. The Authority created a Growth Fund to deposit moneys to be used for commercial activities from the General Fund; the Authority then transferred \$3.0 million into the Growth Fund, added \$1 million to the General Fund, and transferred approximately \$21.5 million to the Construction Fund, including the funding of depreciation. In addition, while not part of the Year-End Disposition under the General Bond Resolution, there was a transfer from RWA Well Services, LLC into the Construction Fund.

As of June 30, 2024 the Rate Stabilization Fund balance was \$10.0 million and the General Fund balance was at approximately \$13.8 million. As of June 30, 2024, the amount of money in the Growth Fund was \$12.5 million, excluding interest earnings. During fiscal year 2025, approximately \$3.9 million of the Growth Fund was used towards the purchase of the Homeowners Safety Valve business. While the Growth Fund is targeted for new commercial activities, the moneys are available to be transferred back to the General Fund or any other fund under the General Bond Resolution, at the direction of the Authority.

In addition, balances in the Capital Contingency Fund and the Operating Reserve Fund as of June 30, 2024 are approximately \$6.2 million and \$11.9 million at market value, respectively. The Authority can draw on both of these funds to pay debt service if need be.

Pension Plans

The Authority is the administrator of two noncontributory single employer defined benefit pension plans (the “Pension Plans”) that it administers under a master trust agreement, one for salaried employees and one for bargaining unit employees. The Pension Plans provide retirement and disability to the Pension Plans’ members and their beneficiaries. Cost of living adjustments are not provided to members and beneficiaries but may be made at the discretion of the Authority. The Authority establishes and amends benefit provisions of the Plans. The salaried employees plan is closed to new employees hired on or after January 1, 2011 and the bargaining unit plan is closed to new employees hired after April 15, 2010.

The Authority has received from its actuarial firm, The Angell Pension Group, Inc., (the “Angell Group”) actuarial valuation reports with respect to the Pension Plans. The actuarial valuation reports as of January 1, 2024 are being used for fiscal year 2025. The annual investment return assumption is 6.75%. The

PubG.2010 Above Median Employee, Healthy Annuitant, and Disabled Retiree (Male/Female) with MP-2021 projection scale was used for the Salaried Plan and the PubG-2010 Total Employee, Healthy Annuitant, and Disabled Retiree (Male/Female) with MP-2021 projection scale was used for the Bargaining Unit Plan. The Authority's fiscal year 2025 actuarial required contribution ("ARC") is \$2,481,043 and the fiscal year 2025 budgeted contribution is \$3,481,043. In fiscal year 2024, \$5 million was contributed to the pension plans which was approximately \$2.1 million above the ARC.

In addition, the Angell Pension Group, Inc. made additional calculations to determine the Pension Plans' liabilities and net positions as of May 31, 2024. The reports and the additional calculations, in accordance with governmental accounting standards, provided that, as of May 31, 2024 the total pension liability was \$86,949,718 and the Pension Plans' fiduciary net position of the assets was \$75,327,269 leaving a net liability of \$11,622,449.

See also "APPENDIX B - Audited Financial Statements of the Authority for Fiscal Years Ended May 31, 2024 and May 31, 2023 – Note 13: Defined Benefit Pension Plans" and "Required Supplementary Information" following the notes.

Other Post-Employment Benefits

The Authority's OPEB include health benefits for retirees and qualifying dependents as well as a death benefit of \$13,000 beginning in April 2017. Medical coverage for retirees and spouses 65 and over is provided by an indemnity plan. Medical and dental coverage for retirees and dependents under 65 is provided by the Authority's self-insurance plan. Death benefits are funded on a pay-as-you-go basis. Authority employees eligible for retiree benefits are as follows: minimum 65 years old with 10 years of service or the sum of age and service (at least 10 years) is at least 80. Requirements for contributions by union plan members are negotiated with the union. Retiree contribution requirements vary depending on retirement date and hire date. Non-union employees hired on or after January 1, 2005 and union employees hired on or after January 1, 2006 are entitled to continue in the group health coverage by paying the entire monthly cost for the appropriate coverage based on their age.

The actuarial report from the Angell Group for May 31, 2024 determined the total liability in the amount of \$26,230,544, an asset value of \$10,085,112 and a net liability of \$16,145,432. This is based on an 6.75% annual investment return assumption using the frozen entry age actuarial cost method and a 6.5 % healthcare cost inflation, graded down using the Gatzen Model to an ultimate rate of 4.04%. In fiscal year 2024, the Authority made cash contributions to the OPEB Trust of \$1,640,907.

The January 2024 valuation report provided that the Authority's recommended cash contribution payable to the OPEB Trust for fiscal year 2025 is \$1,694,075. The Authority is making monthly contributions consistent with the recommended cash contribution.

See also "APPENDIX B - Audited Financial Statements of the Authority for Fiscal Years Ended May 31, 2024 and May 31, 2023 – Note 15: Other Post-Employment Benefits – Retiree Health Care" and "Required Supplementary Information" following the notes.

Planning and Budgets, Financial Controls, Accounting and Billing Procedures

As discussed and described under the heading "CAPITAL IMPROVEMENT PROGRAM" herein, the Authority annually prepares a five-year projection of improvements, additions and renovations to the Water System based on engineering recommendations and regulatory requirements. Such projection is based upon an analysis of actual operating performance of the Water System, augmented by detailed evaluations, reports and recommendations prepared by the Consulting Engineer.

Pursuant to such projections, management prepares a one-year capital improvement budget within the context of a five-year Capital Improvement Program, annually identifying major projects, together with recurring plant additions and renovations, including a program to replace plant and equipment that wears out in the normal course of operation. The Authority develops a schedule of expenditure, and from this, prepares a financing budget using available funds or external sources of funds, as required.

The Authority's five-year strategic plan has been updated for the period fiscal year 2020 to fiscal year 2025. Similar to the strategic plan for the period fiscal years 2015 through 2019 as well as the plan presented in June 2009, the strategic plan is based on the principals of the Balanced Scorecard Management System, and follows four perspectives: Customer/Constituents; Employee Learning and Growth; Financial; and Internal Business Processes. The update incorporates strategic goals that guided the organization for several years and incorporates the themes from the 2050 blue-sky sessions. The focus areas within the strategic plan are updated annually, including a strategic plan for fiscal year 2026.

The Authority is required by the General Bond Resolution to prepare an annual operating budget on the basis of monthly requirements. For each month, the budget shows projected Operating Expenses and PILOT and projected amounts to be deposited in and withdrawn from each of the Funds created under the General Bond Resolution, as well as the Revenues and other moneys projected to be available. Revenues are calculated based on consumption by customers during the prior year, adjusted for known changes, multiplying such consumption by actual rates in effect. If there is a shortfall in the required coverage at the end of a fiscal year, the Authority must draw from the Rate Stabilization Fund to meet the coverage. The Authority has not drawn from the Rate Stabilization Fund for the last 13 years. In addition, if a calculation indicates a short-fall between projected revenues and revenue requirements at existing rates, the Authority can submit an application to adjust its rates to the RPB for approval.

The Authority maintains its books and accounts in accordance with generally accepted accounting principles. The Authority maintains additional records to provide information required by the General Bond Resolution regarding covenants associated with the setting of rates and the issuance of additional Bonds.

Each month, management prepares an operating summary for review by the Authority which compares operating results with budgeted amounts and provides an explanation of variances and their significance. It follows the same procedure with respect to the capital budget and the requirements of the General Bond Resolution considering rate covenants and additional bonds tests. The Authority prepares a monthly board report that is submitted to the five-member Authority board covering operations, engineering, and administration areas.

While the Authority had billed most of its water customers quarterly other than certain large customers which were billed monthly, it converted to monthly billing during fiscal year 2022. Public fire protection charges are billed every six months. The provision for uncollectible accounts as of May 31, 2024 and 2023 was \$3,968,699 and, \$4,372,036 respectively. The Authority can place liens on property for unpaid water service and charges interest on bills unpaid 30 days after the billing date. Such liens take precedence over all other liens or encumbrances except taxes and may be foreclosed against the property in the same manner as a lien for taxes.

STATUTORY REMEDIES

The Authority or any person who is aggrieved by a decision of the RPB with respect to the establishment of rates or charges, the establishment of land use standards and disposition policies, the sale or other transfer or change of use of real property, the location of purification or filtration plants, the commencement of any project costing more than \$3,500,000 to repair, improve, construct, reconstruct, enlarge or extend any of the properties or systems of the Authority or the acquisition by purchase, lease or otherwise of any existing water supply system, waste water system or part thereof is entitled to judicial review by the Superior Court under the Act by filing an appeal within 45 days of publication of such decision. Holders of the Bonds or of any other bonds or notes of the Authority and any trustee acting on behalf of such holders are deemed aggrieved persons with respect to any decision of the RPB that violates any covenant or other provision of the General Bond Resolution authorizing such bonds or notes. The reviewing court shall affirm the decision of the RPB, unless the court finds that the substantial rights of the aggrieved persons have been prejudiced. If the court finds such prejudice, it shall sustain the appeal, modify the RPB decision, order the RPB to take specific action or remand for further proceedings. The filing of an appeal under the Act does not by itself constitute a stay of any rate increase or other action approved by the RPB.

LITIGATION

At the date of this Official Statement there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Thirty-eighth Series Refunding Bonds or in any way contesting or affecting the existence of the Authority or the validity of the Thirty-eighth Series Refunding Bonds, or any proceedings of the Authority taken with respect to the issuance or sale thereof. In addition, there is no controversy or litigation pending or threatened to restrain or enjoin or in any way contesting or affecting use of the proceeds of the Thirty-eighth Series Refunding Bonds or the pledge or application of any moneys or security provided for the payment of the Thirty-eighth Series Refunding Bonds or the powers of the Authority related to the issuance of the Thirty-eighth Series Refunding Bonds.

The Authority has reviewed the status of pending lawsuits affecting the Authority generally and believes that such pending litigation will not be finally determined so as to result individually or in aggregate in a final judgment against the Authority which would materially adversely affect sources for payment of principal or interest on the Thirty-eighth Series Refunding Bonds.

TAX MATTERS

Federal Income Taxes

In the opinion of Bond Counsel, under existing law, (i) interest on the Thirty-eighth Series Refunding Bonds is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Thirty-eighth Series Refunding Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Authority with its representations and covenants relating to certain requirements of the Code. The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Thirty-eighth Series Refunding Bonds in order that interest on the Thirty-eighth Series Refunding Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Thirty-eighth Series Refunding Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Thirty-eighth Series Refunding Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Thirty-eighth Series Refunding Bonds, the Authority will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Thirty-eighth Series Refunding Bonds proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Thirty-eighth Series Refunding Bonds is conditioned upon compliance by the Authority with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Thirty-eighth Series Refunding Bonds.

Original Issue Discount

The initial public offering prices of certain maturities of the Thirty-eighth Series Refunding Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside front cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of the OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium

The initial public offering prices of certain maturities of the Thirty-eighth Series Refunding Bonds may be more than their stated principal amounts payable at maturity (the "OIP Bonds"). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bonds for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters

Prospective purchasers of the Thirty-eighth Series Refunding Bonds should be aware that the ownership of Thirty-eighth Series Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral federal income tax consequences. Prospective purchasers of the Thirty-eighth Series Refunding Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Thirty-eighth Series Refunding Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes

In the opinion of Bond Counsel, under existing statutes, interest on the Thirty-eighth Series Refunding Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Thirty-eighth Series Refunding Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Thirty-eighth Series Refunding Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Thirty-eighth Series Refunding Bonds.

Changes in Federal and State Tax Law

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such

as the Thirty-eighth Series Refunding Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Thirty-eighth Series Refunding Bonds will not have an adverse effect on the tax status of interest on the Thirty-eighth Series Refunding Bonds or the market value or marketability of the Thirty-eighth Series Refunding Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Thirty-eighth Series Refunding Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Thirty-eighth Series Refunding Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Thirty-eighth Series Refunding Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Thirty-eighth Series Refunding Bonds may be adversely affected and the ability of holders to sell their Thirty-eighth Series Refunding Bonds in the secondary market may be reduced. The Thirty-eighth Series Refunding Bonds are not subject to special mandatory redemption, and the interest rates on the Thirty-eighth Series Refunding Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Thirty-eighth Series Refunding Bonds.

General

The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Thirty-eighth Series Refunding Bonds. Prospective owners of the Thirty-eighth Series Refunding Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Thirty-eighth Series Refunding Bonds.

The proposed form of Bond Counsel opinion is included in APPENDIX D hereto.

THIRTY-EIGHTH SERIES REFUNDING BONDS AS LEGAL INVESTMENTS

The Thirty-eighth Series Refunding Bonds are securities in which all public officers and bodies of the State and all municipalities, all insurance companies and associations, and all banks, trust companies, savings banks and savings and loan associations in the State may properly and legally invest funds in their control. The Thirty-eighth Series Refunding Bonds are not eligible investments in the State for funds of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees or other individual fiduciaries.

AGREEMENT OF THE STATE OF CONNECTICUT

Pursuant to the Act, the State of Connecticut has pledged and agreed with the holders of any bonds and notes issued under the Act, including the Thirty-eighth Series Refunding Bonds, that it will not limit or alter the rights vested in the Authority to acquire, construct, maintain, operate, reconstruct and improve its properties, to establish and collect its revenues, rates, rentals, fees and other charges, and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of 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.

INDEPENDENT AUDITORS

The financial statements of the Authority as of May 31, 2024 are included in APPENDIX B and have been audited by CliffordLarsonAllen LLP, independent auditors, as set forth in their report dated September 17, 2024. Our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

The auditor has not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period. The auditor has not been engaged to verify the financial information set out in APPENDIX B and is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of such financial information.

The auditors have not been asked nor have they given their permission to print the financial statements in this Official Statement.

RATINGS

Moody's Ratings and S&P Global Ratings have assigned their municipal bond ratings of "Aa3" and "AA-", respectively, for the Thirty-eighth Series Refunding Bonds.

Each such rating reflects or will reflect only the views of such organization, and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agency, if in the judgment of such agency circumstances so warrant. A downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Thirty-eighth Series Refunding Bonds.

UNDERWRITING

D. A. Davidson & Co. (the "Underwriter") has agreed, subject to certain conditions and pursuant to a bond purchase agreement by and between the Authority and the Underwriter (the "Bond Purchase Agreement") to purchase from the Authority the Thirty-eighth Series Refunding Bonds described on the inside cover page of this Official Statement. The Thirty-eighth Series Refunding Bonds will be purchased at an aggregate purchase price of \$_____ (which is equal to the par amount of \$_____ plus/less original issue premium/discount of \$_____ minus the Underwriter's discount of \$_____) and to reoffer such Thirty-eighth Series Refunding Bonds at the public offering prices or yields set forth on the inside cover page hereof.

The Thirty-eighth Series Refunding Bonds may be offered and sold to certain dealers (including dealers depositing the Thirty-eighth Series Refunding Bonds into investment trusts) at prices lower than such public offering prices and such prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and they will be obligated to purchase all the Thirty-eighth Series Refunding Bonds if any Thirty-eighth Series Refunding Bonds are purchased.

D.A. Davidson & Co. is also serving as dealer manager (the “Dealer Manager”) with respect to the tender offer of the Target Bonds and the Dealer Manager’s right to receive compensation from the Authority for its services as Dealer Manager is contingent upon the sale and delivery of the Bonds.

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Agreement for the benefit of the owners and beneficial owners of the Thirty-eighth Series Refunding Bonds to provide certain financial information and operating data relating to the Authority no later than eight months following the end of the Authority’s fiscal year (the “Annual Report”), commencing with the report for the fiscal year ended May 31, 2024, and to provide notices of the occurrence of certain material events, and to provide notice of failure to file Annual Reports.

The specific nature of the information to be contained in the Annual Report and the notice of material events is set forth in “APPENDIX E - Form of Continuing Disclosure Agreement for the Thirty-eighth Series Refunding Bonds,” and will be filed to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). The Annual Report, notice of material events and notice of failure to file Annual Reports will be filed by the Authority or by a dissemination agent (the “Dissemination Agent”) in accordance with the requirements of the Rule.

The Authority has complied, in all material respects, with previous undertakings made by the Authority under the Rule during the last five years. The following should be noted.

As required by its then existing Continuing Disclosure Agreements by and among the Authority, the Trustee and US Bank National Association, as dissemination agent (the “Dissemination Agent”), the Authority provided to the Dissemination Agent on a timely basis its annual reports for fiscal years 2020 and 2021, including its audited financial statements and all other required information. The Authority received from the Dissemination Agent confirmations of timely filings for both annual reports. On December 4, 2024, the Authority was notified that the Authority’s financial statements for fiscal years 2020 and 2021 were not available on the MSRB/EMMA website. Instead, the financial statements for the Town of Cheshire, Connecticut for fiscal years 2020 and 2021 had been filed under the Authority’s CUSIPs on the MSRB/EMMA website. On December 6, 2024, the Authority again provided its fiscal years 2020 and 2021 financial statements to the Dissemination Agent and they were filed on the MSRB/EMMA website on December 6, 2024. On December 11, 2024, the Dissemination Agent filed its failure to file the financial statements of the Authority for fiscal years 2020 and 2021. In making these disclosures the Authority has not concluded and does not admit that the failure of the Dissemination Agent to file or the failure of the MSRB to properly post the fiscal years 2020 and 2021 financial statements for the Authority or the failure of the Dissemination Agent to timely file event notices of its failure to file the financial statements of the Authority were material failures of the Authority to comply with its continuing disclosure obligations. The Authority, however, has modified its disclosure practices to prevent such failures in the future.

DEALER MANAGER

D.A. Davidson & Co., as dealer manager (the “Dealer Manager”), entered into a Dealer Manager Agreement with the Authority (the “Dealer Manager Agreement”), pursuant to which the Dealer Manager expects to assist the Authority in the solicitation of offers to tender the Refunded Bonds. See “PLAN OF FINANCE–TENDER OFFER PLAN.” The Dealer Manager will receive customary compensation in connection therewith.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc. of Mount Laurel, New Jersey serves as municipal advisor to the Authority regarding the issuance of the Thirty-eighth Series Refunding Bonds. The municipal advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Thirty-eighth Series Refunding Bonds and has provided other advice. The municipal advisor, however, does not assume responsibility for the adequacy of the statements made herein and makes no representation that it has independently verified the same.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Thirty-eighth Series Refunding Bonds are subject to the approval of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel to the Authority. The opinion of Bond Counsel will be substantially in the form attached as APPENDIX D to this Official Statement. Certain legal matters will be passed upon for the Underwriter by Nash Perez, LLC, Camden, NJ.

In the opinion of Bond Counsel, the enforceability of the Bonds and the General Bond Resolution may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

DOCUMENTS ACCOMPANYING DELIVERY OF THIRTY-EIGHTH SERIES REFUNDING BONDS

Absence of Litigation

Upon delivery of the Thirty-eighth Series Refunding Bonds, the Authority shall furnish a certificate of the Authority, dated the date of delivery of the Thirty-eighth Series Refunding Bonds to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Thirty-eighth Series Refunding Bonds or in any way contesting or affecting the existence of the Authority or the validity of the Thirty-eighth Series Refunding Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or in any way contesting or affecting the validity or enforceability of the General Bond Resolution.

Opinions of Bond Counsel

Delivery of the Thirty-eighth Series Refunding Bonds will be subject to the approving opinion, dated the Date of Delivery of the Thirty-eighth Series Refunding Bonds of Pullman & Comley, LLC, Bond Counsel to the Authority, in substantially the form attached as APPENDIX D to the Official Statement.

Authority's Certificates

Upon delivery of the Thirty-eighth Series Refunding Bonds, the Authority shall furnish a certificate dated the date of delivery of the Thirty-eighth Series Refunding Bonds, to the effect that (i) the Preliminary Official Statement, as supplemented or amended to the sale date, and the Official Statement, as of the sale date and as supplemented or amended to the Date of Delivery, does not as of the Date of Delivery contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) there has been no material adverse change in the financial condition or operations of the Authority from that set forth in or contemplated by the Preliminary Official Statement, as amended or supplemented to the sale date, and the Official Statement, as supplemented and amended to the Date of Delivery of the Thirty-eighth Series Refunding Bonds.

OTHER MATTERS

Additional information, including copies of the General Bond Resolution, may be obtained from the Authority's municipal advisor, Acacia Financial Group, Inc., 6000 Midlantic Drive, Suite 410, Mount Laurel, New Jersey 08054 (856-234-2266), or from the Authority at its offices at 90 Sargent Drive, New Haven, Connecticut 06511 (203-562-4020).

Information contained in this Official Statement has been authorized for use in connection with the offering of the Thirty-eighth Series Refunding Bonds by the Authority. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Thirty-eighth Series Refunding Bonds.

The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create

any implication or permit any inference that there has been no change in the affairs of the Authority since the date hereof. Certain projections contained herein are based upon assumptions as to future events and facts, including projections as to future water needs, and such projections may not be realized. While assumptions of facts appeared reasonable when made, there is no warranty expressed or implied that they will be realized in fact.

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Draft

The execution and delivery of this Official Statement has been authorized by the Thirty-eighth Series Supplemental Resolution, adopted on May 23, 2024. The Authority deems such Official Statement final as of its date for purposes of the U.S. Securities and Exchange Commission Rule 15c 2-12 but it is subject to revision or amendment.

SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY

DAVID J. BOROWY

Chairperson

ROCHELLE KOWALSKI

Senior Vice President, Chief Financial Officer and
Head of Corporate Development

Draft

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

WATER SYSTEM REVENUE BOND RESOLUTION
GENERAL BOND RESOLUTION

THIRTY-EIGHTH SERIES B
SUPPLEMENTAL RESOLUTION

Authorizing the Issue of

WATER SYSTEM REVENUE REFUNDING BONDS, THIRTY-EIGHTH SERIES B
dated the Date of Delivery

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
WATER SYSTEM REVENUE REFUNDING BONDS, THIRTY-EIGHTH SERIES B

TABLE OF CONTENTS

ARTICLE I

AUTHORITY AND DEFINITIONS

	Page
Section 101. Authority for Supplemental Resolution.....	1
Section 102. Definitions.....	2

ARTICLE II

AUTHORIZATION OF THIRTY-EIGHTH SERIES B BONDS

Section 201. Principal Amount, Designation and Series	3
Section 202. Purpose.....	3
Section 203. Date, Maturity and Interest Rates	3
Section 204. Interest Payment Dates	3
Section 205. Registration, Denominations, Numbers and Letters	3
Section 206. Paying Agents	4
Section 207. Redemption	4
Section 208. Sale of Thirty-eighth Series B Bonds	5
Section 209. Official Statement	5
Section 210. Book-Entry-Only System.....	5

ARTICLE III

DISPOSITION OF PROCEEDS OF THIRTY-EIGHTH SERIES B BONDS

Section 301. Construction Fund.....	6
Section 302. Escrow Fund.....	6
Section 303. Other Funds.....	6

ARTICLE IV

FORM AND EXECUTION OF THIRTY-EIGHTH SERIES B BONDS

Section 401. Form of Thirty-eighth Series B Bonds and Trustee's Certificate of Authentication.....7
Section 402. Execution of Thirty-eighth Series B Bonds7
Section 403. Reserved.....7
Section 404. No Recourse on Thirty-eighth Series B Bonds.....7

ARTICLE V

BOND INSURANCE

Section 501. Voting Rights of Bond Insurer.....8
Section 502. Notice to Bond Insurer.....8

ARTICLE VI

CONTINUING DISCLOSURE

Section 601. Continuing Disclosure8

ARTICLE VII

MISCELLANEOUS

Section 701. Delegation of Authority9
Section 702. Effective Date9

- EXHIBIT A – Certificate of Determination
- EXHIBIT B – Form of Thirty-eighth Series B Bond

SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of Water System Revenue Refunding Bonds, Thirty-eighth Series B

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 and pursuant to the Resolution, the Authority has from time to time authorized the issuance of bonds of the Authority pursuant to certain supplemental resolutions; and

WHEREAS, the Authority hereby determines that it is necessary and desirable that the Authority issue its Water System Revenue Refunding Bonds, Thirty-eighth Series B, (the “Thirty-eighth Series B Bonds”) in one or more series to finance (i) the refunding of certain maturities of the Authority’s Outstanding Bonds, (ii) funds for deposit to certain reserve funds held under the Resolution, if necessary and (iii) the costs of issuance related to the Thirty-eighth Series B Bonds.

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 “Thirty-eighth Series B 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 the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development 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 Thirty-eighth Series B Supplemental Resolution.

B. In addition, as used in this Thirty-eighth Series B Supplemental Resolution, unless the context otherwise requires, the following terms shall have the following respective meanings:

“Bond Insurance Policy” means the insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on any series of the Thirty-eighth Series B Bonds when due as set forth in the Certificate of Determination.

“Bond Insurer” means the insurance company or any successor thereto or assignee thereof as set forth in the Certificate of Determination.

“Certificate of Determination” means a certificate of determination signed by the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development required by Section 701 hereof, setting forth the terms of a series of the Thirty-eighth Series B Bonds, as the case may be, and Bond Insurer provisions, if any, and attached hereto as **Exhibit A** and made a part hereof.

“Closing Date” means that closing date as set forth in the Certificate of Determination.

“Continuing Disclosure Agreement” means that Continuing Disclosure Agreement between the Authority and U.S. Bank Trust Company, National Association, as Trustee and Dissemination Agent, to be dated the date of issuance of a series of the Thirty-eighth Series B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“CUSIP Number” means the number assigned and disseminated by the Committee on Uniform Security Identification Procedure (“CUSIP”) Service Bureau of Standard & Poor’s, or its successor, which uniquely identifies the issuer, the type of security issued, maturity and interest rate of such security or if such identification cease to be available, CUSIP Number means any standardized security identification adopted by the Authority, which is widely available to and utilized by financial industry participants.

“Insured Series” means a series of the Thirty-eighth Series B Bonds insured by the Bond Insurer.

“Official Statement” means the Official Statement of the Authority pertaining to a series of the Thirty-eighth Series B Bonds.

C. Unless the context otherwise requires, in this Thirty-eighth Series B 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 Thirty-eighth Series B Supplemental Resolution.

ARTICLE II

AUTHORIZATION OF THIRTY-EIGHTH SERIES B BONDS

Section 201. Principal Amount, Designation and Series.

One or more 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. A series of bonds shall be designated as, and shall be distinguished from, the Bonds of all other series by the title of “Water System Revenue Refunding Bonds, Thirty-eighth Series B-___.” The principal amount of each series of the Thirty-eighth Series B Bonds shall be as set forth in the Certificate of Determination.

Section 202. Purpose.

The purposes for which any series of the Thirty-eighth Series B Bonds are being issued are to finance (i) the refunding of certain maturities of the Authority’s Outstanding Bonds, (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 such series of the Thirty-eighth Series B Bonds. The amount of any series of the Thirty-eighth Series B Bonds being issued for Other Corporate Purposes is as set forth in the Certificate of Determination.

Section 203. Date, Maturity and Interest Rates.

The Thirty-eighth Series B Bonds shall be dated the Date of Delivery.

The Thirty-eighth Series B Bonds shall be issued as serial or term bonds or a combination of serial and term bonds which shall mature on the first day of August in the years and in the aggregate principal amounts and the rates of interest as established by the Certificate of Determination. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 204. Interest Payment Dates.

The Thirty-eighth Series B Bonds shall bear interest from their dated date, payable semiannually on the first day of February and August in each year commencing on the date as set forth in the Certificate of Determination to maturity.

Section 205. Registration, Denominations, Numbers and Letters.

The Thirty-eighth Series B Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple of \$5,000. Subject to the provisions of the

Resolution, the form of the Thirty-eighth Series B Bonds and the Trustee's certificates of authentication shall be substantially in the form set forth in Article IV of this Thirty-eighth Series B Supplemental Resolution.

The Thirty-eighth Series B Bonds when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Only one Bond will be issued for each maturity and CUSIP Number in the aggregate principal amount of such maturity and CUSIP Number, and initial purchases of the Thirty-eighth Series B Bonds will be made in book-entry only form in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Thirty-eighth Series B Bonds will not receive certificates representing their interest in the Thirty-eighth Series B Bonds. Unless the Authority determines otherwise, as long as the Thirty-eighth Series B Bonds are registered in the name of Cede & Co., transfers or exchanges of ownership interest in the Thirty-eighth Series B Bonds may be accomplished via book-entry transactions only, through DTC.

Section 206. Paying Agent.

The principal of, premium, if any, and interest on the Thirty-eighth Series B Bonds shall be payable at the corporate trust offices of U.S. Bank Trust Company, National Association, St. Paul, Minnesota, Trustee and Registrar and of U.S. Bank Trust Company, National Association, New York, New York, as Paying Agent. The principal of, premium, if any, and interest on all Thirty-eighth Series B Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents, as permitted by the Resolution. Interest on the Thirty-eighth Series B Bonds shall be payable by check mailed by the Trustee to the registered owner whose name appears on the registration books of the Authority (or, at the option of any registered owner of at least one million dollars (\$1,000,000) in aggregate principal amount of the Thirty-eighth Series B Bonds, interest thereon may be paid by wire transfer to the registered owner pursuant to wire instructions furnished by such registered owner) as of the fifteenth day of January and July in each year (or the preceding business day if such fifteenth day is not a business day).

Section 207. Redemption.

A. Each series of the Thirty-eighth Series B Bonds may be subject to optional redemption as set forth in the Certificate of Determination.

B Each series of the Thirty-eighth Series B Bonds may 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 which are required to be made in amounts sufficient to redeem on August 1 of each of the years and in the amounts as established by the Certificate of Determination.

C. The Thirty-eighth Series B Bonds 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. Sale of Thirty-eighth Series B Bonds.

Each series of the Thirty-eighth Series B Bonds may be sold by competitive sale in accordance with a notice of sale or by negotiated sale to such purchaser and in accordance with such terms as the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall determine and as set forth in the Certificate of Determination, and, in the case of a negotiated sale, pursuant to a Purchase Contract, and such officials are hereby authorized to accept a bid or execute the Purchase Contract with such terms and conditions as such officials shall determine and to sell such series of the Thirty-eighth Series B Bonds in accordance with such bid or Purchase Contract, as the case may be.

Section 209. Official Statement.

The Official Statement of the Authority pertaining to a series of the Thirty-eighth Series B Bonds in substantially the form presented at this meeting with such change, insertions and revisions as the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall deem advisable is hereby authorized and the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall sign and deliver copies of the Official Statement to the purchaser of a series of the Thirty-eighth Series B Bonds for subsequent distribution.

Section 210. Book-Entry-Only System.

The Authority is hereby authorized to issue the Thirty-eighth Series B Bonds in book-entry-only form and to execute and enter into any agreement or instrument required by the Depository Trust Company (“DTC”), New York, New York, which will act as the initial securities depository for the Thirty-eighth Series B Bonds in order to qualify such Thirty-eighth Series B Bonds for DTC eligibility. The ownership of one fully registered Bond for each maturity and CUSIP Number, each in the aggregate principal amount of each maturity and CUSIP Number, will be registered in the name of Cede & Co., as nominee for DTC.

So long as Cede & Co. is the registered owner of the Thirty-eighth Series B Bonds, as nominee of DTC, references herein to the bondowners or registered owners of the Thirty-eighth Series B Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Thirty-eighth Series B Bonds.

In the event that (a) DTC determines to discontinue its service with respect to the Thirty-eighth Series B Bonds by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law and the Authority fails to appoint a successor securities depository for the Thirty-eighth Series B Bonds, or (b) the Authority determines to discontinue the system of book-entry transfers through DTC (or a successor securities depository), bond

certificates are required to be delivered. The beneficial owners, upon registration of certificates held in the beneficial owners' name, will become the registered owners of the Thirty-eighth Series B Bonds.

The Authority will recognize DTC or its nominee as the bondowner for all purposes including notices. Conveyance of notices and other communications by DTC to DTC participants, by DTC participants to indirect participants and by DTC participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Thirty-eighth Series B Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Thirty-eighth Series B Bonds. Upon receipt of moneys, DTC's current practice is to credit immediately the accounts of the DTC participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC participants and indirect participants to beneficial owners will be governed by standing instructions and customary practices and will be the responsibility of such DTC participant or indirect participant and not of DTC, the Authority, the Trustee or any Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time.

ARTICLE III

DISPOSITION OF PROCEEDS OF THIRTY-EIGHTH SERIES B BONDS

Section 301. Construction Fund.

Upon delivery of a series of the Thirty-eighth Series B Bonds 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, all or a portion of which shall be used to finance the Cost of Issuance of such series of the Thirty-eighth Series B Bonds.

Section 302. Escrow Fund.

Upon delivery of each series of the Thirty-eighth Series B Bonds and receipt of payment therefor, the Authority shall deposit the amount, if any, established by the Certificate of Determination in the Escrow Fund established pursuant to an Escrow Agreement by and between the Authority and the Trustee, as Escrow Agent, to defease certain Outstanding Bonds of the Authority.

Section 303. Other Funds.

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

ARTICLE IV

FORM AND EXECUTION OF THIRTY-EIGHTH SERIES B BONDS

Section 401. Form of a Series of the Thirty-eighth Series B Bonds and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, a series of the Thirty-eighth Series B Bonds and the Trustee's certificate of authentication shall be, respectively, in substantially the form as set forth in **Exhibit B** to this resolution, with such insertions or omissions, endorsements and variations as may be required or permitted by the Resolution.

Section 402. Execution of Thirty-eighth Series B Bonds.

The Chairperson or other Authorized Officer is hereby authorized and directed to execute any series of the Thirty-eighth Series B Bonds and the Secretary or other Authorized Officer is hereby authorized to sign and attest the Authority's seal on each series of the Thirty-eighth Series B Bonds, each by their manual or facsimile signatures.

Section 403. Continued Exemption from Federal Income Taxation.

A series of Thirty-eighth Series B Bonds may be issued as taxable or tax-exempt bonds, as set forth in the Certificate of Determination for such series. For each series of Thirty-eighth Series B Bonds that are tax-exempt bonds, 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 such series of the Thirty-eighth Series B Bonds 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 Thirty-eighth Series B Bonds.

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 any series of the Thirty-eighth Series B Bonds or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing such series of the Thirty-eighth Series B Bonds and neither any member or officer of the Authority nor any person executing such series of the Thirty-eighth Series B Bonds shall be liable personally on the Thirty-eighth Series B Bonds by reason of the issuance thereof.

ARTICLE V

BOND INSURANCE

Section 501. Voting Rights of Bond Insurer.

For purposes of Section 701 (Events of Defaults), Section 704 (Proceedings Brought by Trustee), Section 705 (Restriction of Bondholder's Action), Section 707 (Effect of Waiver and Other Circumstances), Section 903 (Supplemental Resolutions Effective With Consent of Bondholders), Section 1002 (Powers of Amendment), Section 1003 (Consent of Bondholders) and Section 1004 (Modifications by Unanimous Consent), in each case of the Resolution as long as the Bond Insurer, if any, has not failed to comply with its payment obligations under the Bond Insurance Policy, the Bond Insurer shall have all rights and privileges of the owners of the Insured Series to exercise rights of approval, consent, direction, waiver and request on behalf of and in place of the holders of the Insured Series. For purposes of computing applicable percentages in said Sections, actions taken by the Bond Insurer as aforesaid shall be treated as actions taken by the holders of the Insured Series. In the event the Bond Insurer has failed to comply with its payment obligations under the Bond Insurance Policy, the foregoing provisions of this Section 501 shall not apply.

Section 502. Notice to Bond Insurer.

The Trustee and the Authority shall notify the Bond Insurer by 3:00 p.m. on the day such payment is due, should the payment of interest on or principal of the Insured Series not be made when such payment is due or the Authority fails to make a monthly payment into any Fund required to be made in connection with the Insured Series.

The Trustee and the Authority shall provide a copy to the Bond Insurer of any notice given to any other party with respect to the Insured Series.

ARTICLE VI

CONTINUING DISCLOSURE

Section 601. Continuing Disclosure.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement for each series of the Thirty-eighth Series B Bonds. Notwithstanding any other provision of the Resolution, failure of the Authority or the Trustee to comply with such Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds, shall), with indemnification satisfactory to it, or any

Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority, the Dissemination Agent (as such term is defined in the Continuing Disclosure Agreement) or the Trustee, as the case may be, to comply with its obligations under this Section and the Continuing Disclosure Agreement. For purposes of this Section, “Beneficial Owner” means any person which (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of, any series of Thirty-eighth Series B Bonds (including persons holding such series of Thirty-eighth Series B Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any series of Thirty-eighth Series B Bond for federal income tax purposes.

ARTICLE VII

MISCELLANEOUS

Section 701. Delegation of Authority to Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development

The Chairperson or Vice Chairperson and the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development is hereby delegated the authority to (i) determine with respect to a series of the Thirty-eighth Series B Bonds the amount, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, whether such series is taxable or tax-exempt and other details of such series of Thirty-eighth Series B Bonds, (ii) determine whether the series of Thirty-eighth Series B Bonds shall be sold by competitive or negotiated sale and if such sale is negotiated, the purchaser of such series of Thirty-eighth Series B Bonds, and (iii) accept and incorporate into the Thirty-eighth Series B Supplemental Resolution through the Certificate of Determination any terms or provisions required by the Bond Insurer, if any, 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 the President/Chief Executive Officer or Senior Vice President, Chief Financial Officer and Head of Corporate Development shall prepare a Certificate of Determination prior to the date of delivery of each series of the Thirty-eighth Series B Bonds to be attached hereto as **Exhibit A** and incorporated in this Thirty-eighth Series B Supplemental Resolution setting forth such details and particulars of such series of the Thirty-eighth Series B Bonds and Bond Insurer provisions, if any, as determined in accordance with this delegation.

Section 702. Effective Date.

This Thirty-eighth Series B Supplemental Resolution shall take effect immediately.

EXHIBIT A

CERTIFICATE OF DETERMINATION

[See Document No. __]

Draft

EXHIBIT B

[Form of Thirty-eighth Series B Bond]

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
WATER SYSTEM REVENUE REFUNDING BOND, THIRTY-EIGHTH SERIES B- __**

Number _____ \$

ORIGINAL ISSUE DATE:

MATURITY DATE INTEREST RATE DATED DATE CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

South Central Connecticut Regional Water Authority (the "Authority"), a public corporation constituting a public instrumentality and political subdivision organized and existing under the laws of the State of Connecticut, for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, unless redeemed prior thereto as hereinafter provided, the Principal Amount shown above on the Maturity Date shown above, and to pay interest on such Principal Amount until the Authority's obligation with respect to the payment of such Principal Amount shall be discharged as provided in the Resolution (as hereinafter defined), at the Interest Rate shown above semiannually on the [first day of February and August] in each year, commencing [August 1, _____.] Interest, calculated on the basis of a 360-day year consisting of twelve 30-day months will be paid from the Dated Date shown above. The principal and redemption price (if any) of this bond are payable upon presentation and surrender at the corporate trust office of U.S. Bank National Association, St. Paul, Minnesota, trustee and registrar under the Resolution, or its successor in trust (the "Trustee") or U.S. Bank National Association, New York, New York, paying agent under the Resolution, or at the principal office of its successor as such paying agent (the "Paying Agent"). The principal, redemption price, if any, and interest on this bond are payable in any coin or currency of the United States of America which, at the time of payment is legal tender for the payment of public and private debts, provided, however, that interest on this bond is payable to the person in whose name this bond is registered as of the close of business on the [fifteenth day of January and July] (or the preceding business day if such fifteenth day is not a business day) in each year by check (or, at the option of any registered owner of at least one million dollars (\$1,000,000) in aggregate principal amount of the

bonds, interest thereon may be paid by wire transfer to the registered owner pursuant to wire instructions furnished by such registered owner) to such registered owner as shown on the registration books of the Authority kept by the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Connecticut to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed and that the issue of bonds of which this issue is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by said Constitution or statutes. This bond is a general obligation of the Authority and the full faith and credit of the Authority are pledged to the prompt payment of both the principal of, premium, if any, and interest on this bond as the same shall become due.

This bond shall not be valid or become obligatory upon the Authority and shall not be entitled to any security, right or benefit under the Resolution until authenticated by the certificate of the Trustee endorsed hereon by the manual signature of a duly authorized official of the Trustee.

IN WITNESS WHEREOF, SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY has caused this bond to be executed in its name and on its behalf by the facsimile signature of its Chairperson or other Authorized Officer, and a facsimile of its corporate seal to be imprinted hereon and attested by the facsimile signature of its Secretary or other Authorized Officer, as of the Original Issue Date shown above.

SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY

By _____

[SEAL]

Attest

By _____

SOUTH CENTRAL CONNECTICUT REGIONAL
WATER AUTHORITY
WATER SYSTEM REVENUE REFUNDING BONDS, THIRTY-EIGHTH SERIES B-__

This bond is one of a duly authorized issue of bonds of the Authority designated “Water System Revenue Refunding Bonds, Thirty-eighth Series B,” in the aggregate principal amount of \$_____ issued under and pursuant to Special Act. No. 77-98 of the General Assembly of the State of Connecticut, as amended (the “Act”), and under and pursuant to a resolution of the Authority adopted July 31, 1980 entitled “Water System Revenue Bond Resolution, General Bond Resolution as amended and as supplemented by various supplemental resolutions, including the Thirty-eighth Series B Supplemental Resolution, adopted _____, 20_____ (which resolution, together with all supplemental resolutions hereafter adopted in conformity with the terms thereof, are herein called the “Resolution”). As provided in the Resolution, the bonds as to principal, redemption price thereof and interest thereon are payable from and secured by a pledge of certain revenues of the Authority’s Water System referred to in the Resolution and other funds held or set aside under the Resolution. Copies of the Resolution are on file at the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing the bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the bonds with respect thereto, the terms and conditions upon which the bonds are issued and may be issued thereunder, the conditions upon which the Resolution may be amended or supplemented with or without the consent of the holders or registered owners of the bonds, and the terms upon which bonds may no longer be secured by the Resolution if sufficient moneys or specified securities are deposited with the Trustee in trust for their payment.

This bond is not a debt of the State of Connecticut or of any municipality in the State of Connecticut, and neither the State of Connecticut nor any municipality in the State of Connecticut is liable hereon; nor is this bond payable out of any funds other than those of the Authority as provided under the Resolution and the Act.

As provided in the Resolution, bonds of the Authority may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority with the written consent of the holders of at least two-thirds in principal amount of the bonds then outstanding under the Resolution and, in case less than all of a series of bonds would be affected thereby, with such consent of the holders of at least

two-thirds in principal amount of the bonds of each series so affected then outstanding under the Resolution, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of at least two-thirds in principal amount of the bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the holders of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above mentioned office of the Trustee by the registered owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner of this bond or such owner's duly authorized attorney, and thereupon a new registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

So long as Cede & Co. is the Registered Owner of this bond, unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Authority or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other names as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The bonds of the issue of which this bond is one are subject to redemption prior to maturity, upon published notice as hereinafter provided, (i) as a whole if all or substantially all of the Authority's Water System is taken by the State or any municipality in the State with general governmental powers and duties, under the conditions established by the Resolution, at 100% of the principal amount thereof together with accrued interest to the redemption date and [(ii) otherwise, as a whole or in part, at any time, in such order of maturity and CUSIP Number as the Authority may determine and by lot within a CUSIP Number after _____], at the respective redemption prices (expressed as percentages of the principal amount of the bonds or

portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

<u>Period During Which Redeemed</u> <u>(both dates inclusive)</u>	<u>Redemption Price]</u>
--	--------------------------

[OPTIONAL TO BE DETERMINED BY PURCHASER] The bonds of this issue of which this bond is one due on August 1, _____ are subject to mandatory redemption in part on each August 1 on and after August 1, _____ at 100% of the principal amount thereof plus accrued interest to the date of redemption, from sinking fund payments which are required to be made in amounts sufficient to redeem on August 1 of each of the years set forth in the following table, the principal amount of such bonds specified opposite each of such years:

<u>Year</u>	<u>Amount</u>
	\$

In the event that less than all of the bonds are to be redeemed, the particular bonds or portions of bonds to be redeemed shall be selected by the Trustee as provided in the Resolution.

The bonds of the issue of which this bond is one are payable upon redemption at the above mentioned offices of the Trustee and the Paying Agent. Notice of redemption shall be published at least once a week for two successive weeks in two newspapers or financial journals of general circulation (or substantial circulation in the financial community) one in the City of New Haven, Connecticut and one in the Borough of Manhattan, City and State of New York, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Resolution. A copy of such notice shall also be mailed, postage prepaid, not less than twenty-five (25) days before the redemption date, to the registered owners of any bonds or portions of bonds which are to be redeemed, at their last addresses appearing upon the registry books of the Trustee, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice shall not affect the validity of the proceedings for the redemption of bonds. Notice need not be published if all the bonds or portions of bonds to be redeemed are registered bonds and a notice in the form required for published notice is mailed, postage prepaid, to the registered owners of such bonds at their last addresses appearing on the registry books of the Trustee. If notice of redemption shall have been published or mailed as aforesaid, the bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all

the bonds to be redeemed shall be available for such payment on said date, then from and after the redemption date such bonds shall cease to accrue interest and become payable to the holders or registered owners entitled to payment thereof on such redemption.

The Act provides that neither the members of the Authority nor any person executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

The registered owner of this bond shall have no right to enforce the provisions of the Resolution or to institute action to enforce the covenants therein or to take any action with respect to an event of default under the Resolution or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE

This bond is one of the issue of the Water System Revenue Bonds, Thirty-eighth Series B-__, described herein. The facsimile signatures and seal on this bond are duly adopted facsimiles of the genuine signatures of the officers of the South Central Connecticut Regional Water Authority and of the duly adopted seal of said Authority. The legal opinion of Pullman & Comley, LLC was dated and delivered on the date of the original delivery of the bonds.

U.S. BANK NATIONAL ASSOCIATION,
Trustee

By: _____

Its Authorized Officer

**South Central Connecticut Regional Water Authority
Strategic Planning Committee**

Minutes of the November 21, 2024 Meeting

The regular meeting of the Strategic Planning Committee (“Committee”) of the South Central Connecticut Regional Water Authority took place on Thursday, November 21, 2024, via remote access. Chair Sack presided.

Committee Members – Mss. Sack and LaMarr, and Messrs. Borowy, Curseaden, and Ricozzi
Management – Mss. Kowalski and Calo(R), and Messrs. Hill(R), Lakshminarayanan, and Singh
Staff – Mrs. Slubowski

I. MEET AS STRATEGIC PLANNING COMMITTEE

Chair Sack called the meeting to order at 2:05 p.m.

I.1 APPROVE MINUTES – JUNE 27, 2024 MEETING

On motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Committee voted unanimously to approve the minutes of its June 27, 2024 meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

I.2 FY 2026 STRATEGIC PROCESS

Ms. Kowalski, the RWA’s Vice President & Chief Financial Officer, provided an update on the FY 2026 Strategic Planning process envisioned, which included continuing to use the balanced scorecard, factoring results of the 2024 staffing analysis, efficiencies, trends, legislation, customer expectations, and potential Blue Drop considerations.

The processes would include employee and board stakeholder feedback.

Future focus considerations would include quality of service, workforce planning & development, financial resilience, resource optimization, and technology and innovation.

After discussion, at 2:13 p.m., on motion made by Mr. Borowy, and seconded by Mr. Ricozzi, the committee voted to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Suzanne Sack, Chair

(R) = Attended remotely.