

REPRESENTATIVE POLICY BOARD

Aquarion Water Authority
835 Main Street, Bridgeport, Connecticut
Or

*<https://teams.microsoft.com/meet/2179770051343339?p=axvxWL9FraNeqOFGDA>

Meeting ID: 217 977 005 134 333 9

Passcode: p35Uw9iy

Or

Dial in by phone

[+1 203-590-2110](tel:+12035902110), [218182655](tel:+1218182655) United States, Trumbull

Phone conference ID: 218 182 655#

REVISED

AGENDA

Special Meeting of Tuesday, October 20, 2026 at 5:30 p.m.

- I. Election of Presiding Member for the October 20th Meeting
- II. Safety Moment
- III. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
- IV. Communications
 - A. Identify training needs
- V. Items for Consideration and Action
 - A. Establish Statutory Committees and Leadership:
 - i. Consumer Affairs Committee
 - ii. Finance Committee
 - iii. Land Use Committee
 - B. Establish Special Committees and Leadership:
 - i. Bylaws and Rules of Practice Review Committee
 - ii. Nominating Committee (RPB Officers)
 - iii. Nominating Committee (Authority members)
 - C. Schedule November and December 2026 meeting dates
 - D. Set RPB meeting procedures (*doc delivery, day, time*)
 - E. Review and approve Conflict of Interest Policy
 - F. Review and approve Cost Allocation Policy
 - G. Consider and Act on Resolutions for DWSRF Loans
- VI. OCA Role and Freedom of Information requirements: Atty. Jeffrey Donofrio
- VII. Adjourn

*Members of the public may attend the meeting in person or by Teams. To view meeting documents, please visit www.aquarionwater.com/meetings. For questions, contact the board office at 203-336-7680 or by email at aarteaga@aquarionwater.com.

Keep Head Protection on Top!

Head injuries can be minimal (minor cut) or cause a SIF-Potential or SIF-Actual (life altering or fatal). We can protect ourselves and lower the risk from falling objects just by wearing a hard hat. Hard hats are built with a hard outer shell and inner suspension system designed to minimize the risk of injury in the workplace.

When is a hard hat needed?

Whenever employees are exposed to a head injury hazard,
a hard hat is REQUIRED!



Hard hats protection is needed for the following:

- I. Working at construction sites
- II. Working on exposed energized equipment
- III. Working in manholes
- IV. Working in warehouses
- V. Working below other workers who are using tool
- VI. Working around or under conveyer belts carrying parts or equipment

Types and Classes of Hard Hats:

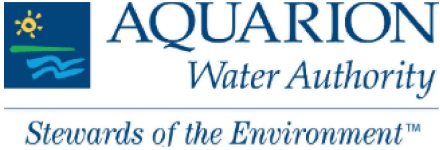
- Type 1:** Intended to reduce the force of impact from a blow to the top of the head (lateral impact)
- Type 2:** Intended to reduce the force of impact from a blow to the side, back, or off-center (top and lateral impact)
- Class G (General):** Provide low-voltage protection (2,200 volts)
- Class E (Electrical):** Provide high-voltage protection (20,000 volts)
- Class C (Conductive):** Provide no voltage protection



Get a good fit and inspect your hard hat.

- ✓ Adjust the straps and keep clearance between the shell and headband.
- ✓ Keep your hard hat clean as dirt can hide damage.
- ✓ Inspect for cracks, dents, or penetration.
- ✓ If your hard hat takes a hit, replace it.

STOP. LOOK. THINK 360°.



To: AWA RPB Members

From: Lucy Teixeira

Date: October 14, 2026

Re: ***Statutory Committee Membership Preference***

As discussed during the training sessions held on October 6 and 7, RPB members will have the opportunity to elect membership to one of the three statutory committees for the 2026-2027 administrative year: Finance, Land Use, or Consumer Affairs.

Please enter your name below and indicate your committee preferences by marking your first choice with a “1” and your second choice with a “2.” Please return the completed form to Angela Arteaga at aarteaga@aquarionwater.com. Space is also provided for suggested topics or matters for consideration by the RPB or its committees.

If you are unable to pdf the form, please email your first and second choice and any suggestions to Angela.

The newly formed standing committees will elect their chairs at the first meeting and every July thereafter.

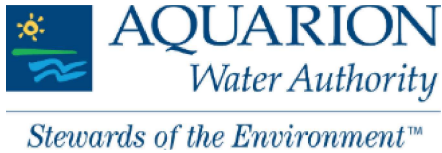
Thank you.

Name: _____

Consumer Affairs: _____ Finance: _____ Land Use: _____

Issues for RPB or statutory committee consideration: _____

Thank you!



To: AWA RPB Members

From: Lucy Teixeira

Date: October 14, 2026

Re: *Special Committee Preferences*

The RPB will be establishing two special committees:

1. **Bylaws & Rules Review Committee** – for review of the RPB Bylaws and possible recommendation for adoption by the full RPB; and
2. **Nominating Committee for RPB Officers** – to consider and recommend a slate of officers (Chair, Vice Chair, Secretary, and Treasurer) for recommendation to the full RPB.
3. **Nominating Committee for Authority Members** – to appoint 5 members to the Aquarion Water Authority board.

If you are interested in serving on one (or more) of the special Committees above, please enter your name below and indicate your first choice with a “1” your second choice with a “2., etc.” Please return the completed form to Angela Arteaga at aarteaga@aquarionwater.com.

If you are unable to pdf the form, please email your choice(s) and any suggestions to Angela.

Thank you.

Name: _____

RPB Bylaws & Rules Review Committee: _____

RPB Nominating Committee (RPB Officers): _____

RPB Nominating Committee (AWA Authority members): _____

CONFLICT OF INTEREST POLICY OF THE AUTHORITY BOARD OF THE AQUARION WATER AUTHORITY AND THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

Effective: _____

Article I: Purpose

The Aquarion Water Authority (“**AWA**”) and the South Central Connecticut Regional Water Authority (“**RWA**”) (each, also referred to as the “**Water Authority**” and collectively, as the “**Water Authorities**”) are committed to lawful and ethical behavior in their operations and affairs. The purpose of this Conflict of Interest Policy (“**Policy**”) is to protect the integrity and independence of the decision-making processes of the eleven-member Authority Board (“**Authority Board**”), and to promote fairness, transparency and confidence in the actions of the Authority Board where actual or potential conflicts of interest may arise and thereby safeguard the interests of the Water Authorities and preserve public trust. The proper operation of the AWA and the RWA requires that all members of the Authority Board (each a “**Member**”) strive to act in the best interests of each Water Authority, and without favoring one Water Authority over the other. More specifically, this Policy informs the Members about what constitutes a conflict of interest, assists the Authority Board identify actual and potential conflicts, and provides a mechanism for addressing conflicts of interest where applicable.

All Members should be provided with this Policy upon appointment and be required to annually acknowledge that they have read, understand and are in compliance with the terms of this Policy.

This Policy is intended to supplement but not replace or supersede any applicable State of Connecticut and federal laws governing conflicts of interest applicable to a public corporation and political subdivision of the State of Connecticut. This Policy shall only apply to matters or transactions that are considered and voted on by the Authority Board. This Policy does not apply to potential conflicts arising from an individual Member’s personal or pecuniary interests, but conflicts resulting from instances where Members’ fiduciary duties to the Water Authorities may be or appear to be compromised due to the nature of the transaction or circumstances. Lastly, this Policy does not apply to matters or transactions independently and separately considered by each Representative Policy Board (“**RPB**”) of the Water Authorities.

Article II: Definitions

1. “**Conflict of Interest**” is defined as a situation in which Members’ duty to act in the best interests of one of the Water Authorities may be, or may reasonably appear to be, compromised or influenced by the Members’ obligations to the other Water Authority due to the nature of the transaction or situation. Circumstances that might present a Conflict of Interest include but are not limited to Divergent Interests

Transactions and transactions involving an entity for which one of the Water Authorities has a Financial Interest.

2. **“Divergent Interests Transactions”** mean transactions where the Water Authorities have divergent, competing or potentially adversarial interests or transactions where the Water Authorities have different economic or operational interests.

3. A **“Financial Interest”** means a direct or indirect, through business, investment, or other circumstances, ownership, compensation or other pecuniary interest in any entity in which the Water Authority has or is negotiating a transaction or arrangement or is a competitor or potential competitor of the Water Authority.

Article III: Fiduciary Duties to the Water Authorities

1. **Fiduciary Duty.** The Members shall support and advance the best interests of the Water Authorities, recognizing that the Authority Board has a fiduciary duty to both Water Authorities. In their capacity as Members, each Member shall avoid taking any action on any matter or transaction involving a Conflict of Interest except as stipulated in this Policy.

Article IV: Identifying Divergent Interests Transactions

For each transaction involving, directly or indirectly, both Water Authorities, the Authority Board shall:

1. **Transaction Terms.** Identify all the parties, the nature of the transaction, the economic terms and any known ownership, management, contractual, or financial relationships between the parties.

2. **Divergent Interests Indicators.** Based on the transaction terms, evaluate whether the terms present one or more of the following indicators:

A. The transaction may cause one Water Authority to favor its own interests over the interests of the other Water Authority, including its customers.

B. The transaction is only between the Water Authorities, including their affiliated business entities, and it is an opposite-side transactions, including but not limited to buyer-seller and customer-service provider type transactions.

C. The transaction terms differ materially from market, competitive, customary or arm's-length terms.

D. The transaction involves shared vendors, joint ventures, management agreements, lease agreements or use of the assets of one of the Water Authorities by the other.

E. The transaction is of the nature where the Water Authorities are competing against each other, e.g., for contracts, business opportunities, strategic opportunities, etc.

F. The transaction may allocate benefits, excluding profits, disproportionately between the Water Authorities.

G. The transaction creates obligations for one Water Authority that may not align with the interests of the other Water Authority.

3. Determination and Disclosure. If during a meeting of the Authority Board, the Authority Board determines by a majority of vote that the transaction presents one or more of the indicators listed in Article IV, Section 2, then the transaction shall be deemed a Divergent Interests Transaction.

4. Rebuttable Presumption of Conflict of Interest. For purposes of this Policy, there is a rebuttable presumption that when the Water Authorities engage in a Divergent Interests Transaction that materially impacts one or both Water Authorities, a Conflict of Interest will be created. Notwithstanding the foregoing, transactions that will be unequally funded by both Water Authorities (e.g., one Water Authority pays more than 50% of the costs) or where profits or costs will be unequally divided or prorated among the Water Authorities, are not presumed to be Conflict of Interests and are managed by means of the Cost Allocation Policy.

Article V: Addressing a Conflict of Interest

1. Procedures in Event of a Conflict of Interest. If the business matter is of the type listed under Article V, Section 2, the following procedures shall be followed:

A. The Authority Board shall convene two separate sessions for deliberations and voting on the business matter to protect fairness - one for Members appointed by the RWA RPB only and the other for Members appointed by the AWA RPB only. For purposes of these separate sessions, Members appointed by the RWA RPB shall recuse from participating in discussions or voting at the session held for Members appointed by the AWA RPB, and vice-versa.

B. During each session, Members shall deliberate and decide for each Water Authority by a majority vote whether, notwithstanding the Conflict of Interest, the transaction, arrangement or business matter is in their respective Water Authority's best interest and whether the transaction, arrangement or business matter is fair and reasonable to their Water Authority such that it would constitute an "arms-length" transaction.

C. Upon an affirmative vote held at each session, the business matter shall be scheduled for consideration and voting by the full Authority Board at the

next Authority Board meeting. The Authority Board may convene additional subsequent and separate sessions for deliberations and voting until the requisite affirmative vote has been obtained.

Article VI: Recordkeeping

The minutes of any meeting of the Authority Board, the AWA RPB and the RWA RPB, during which a potential conflict or Conflict of Interest was discussed, including the evaluation of potential Divergent Interests Transactions, shall be maintained. These records shall contain the nature of the conflict or transaction discussed, a summary of the discussion evaluating the Potential Conflict, Conflict of Interest, or the potential Divergent Interests Transaction, the names of the persons who were present for discussions and votes, as applicable, a summary of the decision and actions taken, if any, by the, Authority Board, the AWA RPB and the RWA RPB, as applicable, and a record of any votes taken in connection with these proceedings.

Cost Allocation Framework for RWA and AWA

The allocation of corporate, administrative, and shared service costs between **Regional Water Authority (RWA)** and **Aquarion Water Authority (AWA)** is governed by this Cost Allocation Framework.

Core Allocation Factors

The Cost Allocation Framework mandates that expenses must be directly assigned whenever possible. When costs cannot be directly charged, the allocation factor can be applied using one of three primary formulas:

- **The Customer Factor:** Used for billing, customer service center operations, and communications, governmental affairs, insurance and risk management, IT, Engineering, regulatory oversight expenses, or other similar expenses. Costs are distributed based on the percentage of active customer accounts a service company holds relative to the total joint public entity system.
- **The Employee Factor:** Applied to Human Resources, safety management, payroll, benefits, internal training, or other similar expenses. Costs are allocated based on a service company's share of total full-time equivalent employees.
- **The Two-Factor Formula:** Used for broad corporate governance and shared executive (CEO, CFO) expenses between the two sister utilities. This formula averages two metrics: number of customers and revenues. The allocation percentages should be calculated during the fiscal year budget preparation cycle using the previous fiscal year's financial and operational data. The accounting departments at RWA and AWA will maintain detailed records documenting the annual calculation, including customer and employee counts.

Cost-Charging Categories

To prevent utility customers from subsidizing market-based or non-regulated segments, cost allocations fall into three tiers:

1. **Direct Charging:** Direct labor hours, dedicated equipment, and specific regulatory legal filings are billed straight to each authority. Appropriate overheads will also follow the direct charges (payroll and general overhead allocation).
2. **Indirect Shared Allocations:** Shared corporate enterprise software licenses, and engineering services are pooled and distributed based on the Customer allocation factors above.
3. **Non-Allowable Costs:** Costs related to joint public authority business development are tracked in isolated accounts (New Development Account/Growth Fund) and cannot be allocated to the service companies.

Auditing & Oversight

Because transactions occur between RWA and AWA, cost allocation policies are subject to scrutiny. An external legal or audit firm will conduct annual review audits of the Cost Allocation Framework to ensure ongoing compliance. These audits verify that the service company does not cross-subsidize lines of business and that all shared charges are passed through at a strict at-cost basis with zero profit markup.

The allocation percentages should be calculated during the fiscal year budget preparation cycle using the previous fiscal year's financial and operational data. The accounting departments at RWA and AWA will maintain detailed records documenting the annual calculation, including customer and employee count.

Allocable costs and expenses shall be charged to a specific account at each authority and billed at least quarterly. The billing statement shall include a detailed accounting of the costs to support auditing and transparency in compliance with this policy.

Wholesale Water & Lab Services

Structuring wholesale water and lab services contracts between RWA and AWA requires a formal document called an Intercompany Service Contract. An Intercompany Service Contract governs wholesale water and lab services between the sister utilities. It also establishes a legal firewall to protect customer interests, satisfy regulatory requirements, and mandate adherence to competitive procurement guidelines that ensure lowest-cost benefits.

The wholesale water arrangement will continue as a price based arrangement and will be subject to the cost of service development and associated updates, consistent with other wholesale customers. This is due to the cost and the revenues already being reflected in AWA's and RWA's cost and revenue structures, as applicable.

The current lab agreement remains in effect until its expiration date. Prior to it expiring, a determination will be made on the forward-looking approach (e.g. cost-based and/or price-based options). This does not preclude AWA from competitively bidding lab services.

Example Applications

1. Direct Charging

- **The Scenario:** RWA tests water samples or provides wholesale water to AWA.
- **Cost Policy:** Staff hours and direct equipment use required for the project with staff time being logged via specific labor codes and billed to AWA or RWA, as applicable. Applicable overheads are applied to staff time; however, there is no profit margin applied. Direct equipment used will be charged based either on the already developed usage costs factors or as part of the overheads.

2. Indirect Shared Allocations

- **The Scenario:** A new system software system being used by both RWA and AWA.
- **Cost Policy:** Because the software cannot be traced to one specific entity, the cost is pooled and allocated to RWA and AWA using the applicable referenced above.

3. Non-Allowable Costs

- **The Scenario:** Executives/staff attend conferences, pursue public entity business development opportunities, and potential new wholesale or laboratory clients.
- **Cost Policy:** Business development expenses are segregated into isolated accounts (New Development Account/Growth Fund). They cannot be allocated to RWA or AWA service companies.

**REPRESENTATIVE POLICY BOARD
OF THE
AQUARION REGIONAL WATER DISTRICT**

RESOLUTION AUTHORIZING BONDS TO FINANCE PFAS PROJECTS

Resolution Approving the Issuance of Bonds

WHEREAS, the Aquarion Water Authority (the “Authority”) proposes to issue its Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the “Bonds”) in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority on April 24, 2025, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, the Act authorizes the Authority to issue its bonds from time to time but subject to the approval of the Representative Policy Board (the “RPB”).

NOW THEREFORE BE IT RESOLVED THAT:

1. The Bonds shall not exceed an aggregate of \$12,535,000 to finance the projects in the maximum amounts as set forth in item 3 below or so much as may be necessary after deducting grants or other sources of funds available for such projects.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution to be adopted by the AWA for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions, whether bonds are taxable or tax exempt and such other details of the Bonds as the AWA shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of (i) (a) a new treatment and storage facility at the Woodbury Wells Numbers 2 and 3 site, including site and safety improvements and demolition of the existing treatment and control buildings in the maximum amount of \$4,300,000; (b) an Ion Exchange (IX) treatment system for PFAS at the Brook Acres Well Station located in the New Milford Regional System, including site and safety improvements and demolition of the existing treatment and control buildings in the maximum amount of \$1,725,000; (c) a new treatment building at the Indian Fields well site, including site and safety improvements in the maximum amount of \$2,125,000; (d) water main installation from the Indian Spring System to the Cedar Heights Water Level in the New Milford Regional System, including miscellaneous appurtenant work at the Indian Spring Booster Station and the Cedar Heights Booster Station in the maximum amount of \$1,800,000; (e) a new treatment building at the Judea Depot wellfield, including new booster pumps and tanks, in the maximum amount of \$1,300,000; (f) addition of PFAS treatment at the Gillotti Wellfield located in the Ball Pond System in the maximum amount of \$1,285,000; (ii) funds for deposit to reserve funds, as necessary for each project as set forth above in item (i) in accordance with the General Bond Resolution and as permitted by the Internal Revenue

Code of 1986 and (iv) costs of issuance of each series of the Bonds (collectively, the “Project”).

4. The Bonds may be sold by a competitive bid or by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement.

**REPRESENTATIVE POLICY BOARD
OF THE
AQUARION REGIONAL WATER DISTRICT**

RESOLUTION AUTHORIZING BONDS TO FINANCE LEAD LINE PROJECTS

Resolution Approving the Issuance of Bonds

WHEREAS, the Aquarion Water Authority (the “Authority”) proposes to issue its Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the “Bonds”) in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority on April 24, 2025, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, the Act authorizes the Authority to issue its bonds from time to time but subject to the approval of the Representative Policy Board (the “RPB”).

NOW THEREFORE BE IT RESOLVED THAT:

1. The Bonds shall not exceed an aggregate of \$12,175,000 to finance the projects in the maximum amounts as set forth in item 3 below or so much as may be necessary after deducting grants or other sources of funds available for such projects.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution to be adopted by the AWA for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions, whether bonds are taxable or tax exempt and such other details of the Bonds as the AWA shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of (i) (a) Phase II of the lead service line inventory and the creation of a lead replacement plan and lead service line replacement standard operating procedures and documentation in the maximum amount of \$8,650,000; (b) Phase II of the replacement of known lead or galvanized requiring replacement service lines in service areas including 172 lines in Bridgeport, Stratford, Fairfield, Trumbull and Shelton in the maximum amount of \$2,700,000; (c) the development of service line material inventories for the Torrington Water System in the maximum amount of \$825,000 (ii) funds for deposit to reserve funds, as necessary for each project as set forth above in item (i) in accordance with the General Bond Resolution and as permitted by the Internal Revenue Code of 1986 and (iv) costs of issuance of each series of the Bonds (collectively, the “Project”).
4. The Bonds may be sold by a competitive bid or by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement.