

Aquarion Water Authority
South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut

or

[*https://teams.microsoft.com/join/275758633385517?p=agszlwoBVZKA3AuE01](https://teams.microsoft.com/join/275758633385517?p=agszlwoBVZKA3AuE01)

Meeting ID: 275 758 633 385 517

Passcode: yz2jB6LG

Or

Dial in by phone

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Phone conference ID: 692 436 727#

AGENDA

Special Meeting of Thursday, October 22, 2026 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. Consent Agenda
 - 3.1 Approve minutes – September 24, 2026 special meeting
4. Finance: R. Kowalski/D. Szabo
 - 4.1 Public Bid Exemptions
 - 4.2 Quarterly Financial Report – September 2026
 - 4.3 Consider and act on AWA refinancing resolution – *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)(B), pertaining to commercial and financial information.*
5. Pension Plan Update: AON, S. Siefer and C. Keenan
6. Business Updates: President's Report - L. Teixeira
 - 6.1 AWA Transition Plan: L. Teixeira - *Upon 2/3 vote, convene in possible 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.*
 - 6.2 Update on status of AWA Representative Policy Board Appointments

*Members of the public may attend the meeting in person or by conference call. To view the meeting documents, please visit www.aquarionwater.com/meetings. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

Safety Is No Accident

Safety In Action



AQUARION

Safety is No Accident

Safety in Action

Proactive

➤ ACTIONS

- Audits, pre-assessments, continuous training, and near-miss reporting.

➤ Indicators:

- Use leading indicators (JSOs, Job Briefs, Safety meetings and SIOs).

➤ Benefits:

- Prevents injuries and cultivates an engaged Workforce.

Reactive

➤ ACTIONS

- Incident investigations, implementation of Corrective actions.

➤ Indicators:

- Use lagging indicators (LTI, WC), to measure past incidents.

➤ Benefits:

- Essential to recognizing blind spots in our safety programs to prevent same accident from repeating.

AQUARION



- Safety in Action

Share four points from The 7 Habits of Highly Effective People (Stephen Covey):

- I. Circle of Concern/Influence-Concern = things you cannot control (weather or people's behavior) vs. Influence – things you can control (skills, attitude and actions).*
- II. Take Initiative-do not wait for opportunities, create/control situations through forward-thinking behavior and preparation.*
- III. Control Your Language-shift your vocabulary from reactive (I should have) to proactive (I can, I will).*
- IV. Owning Your Mistakes-made a mistake, be proactive and acknowledge it, correct it and learn from it, no excuses.*



Safety Is No Accident

Safety in Action

Proactive Versus Reactive Example

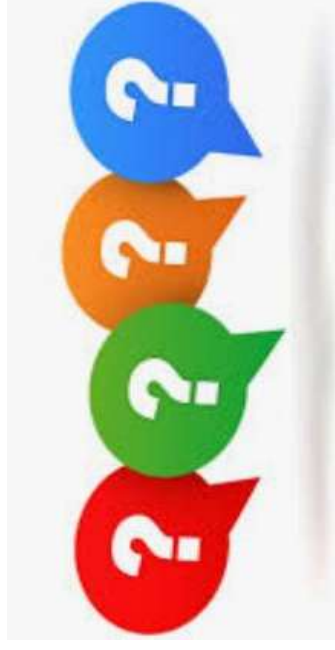
- Operator is on excavator in a tight work area.
- Another crew has a job task next to excavator and decides to park in his work area.
- The crew is unaware or the excavator's scope of work.
- Instead of the excavator asking the crew to move their vehicles to a safer location he decides he can squeeze by to complete job.
- Ten minutes later, he turns excavator around and strikes two crew vehicles with his counterweight.
- If he took a **proactive approach**, stopped his work and asked the crew to move their vehicles the hazard would not have occurred.
- Instead, a **reactive approach occurred**, site shutdown to perform incident analysis, will be a cost to fix vehicles, and possibly individual/s could be written up.
- **Proactive approach** = a two-minute conversation to move vehicle –vs- several hours downtime, money and stress.



AQUARION

- FOLLOW UPS/LESSONS
LEARNED

- I. Plan ahead...
- II. Id potential hazards early...
- III. Encourage open communication...
- IV. Be adaptable...
- V. Provide assistance before it is needed.



Aquarion Water Authority

September 24, 2026

Special Meeting

Minutes

The special meeting of the Aquarion Water Authority (“AWA”) took place on Thursday, September 24, 2026, at the Aquarion Water Authority, 835 Main Street, Bridgeport, Connecticut, and via remote access. Chair Borowy presided.

Present: **AWA** – Messrs. Borowy, Cort, Curseaden and Ricozzi(R), and Ms. LaMarr and Sack
AWA Management – Messrs. Freda, LaChance, Lawrence, and Ulrich, and Mss. Teixeira, Kowalski, and Szabo
RWA –Mr. Lakshminarayanan
Staff – Ms. Slubowski(R)

1. CALL TO ORDER

Chair Borowy called the meeting to order at 3:01 p.m.

1.1 Safety Moment

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.

3. CONSENT AGENDA

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

3.1 Minutes of the July 23, 2026 special meeting and August 27, 2026 special meeting.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

4. CONSIDER AND ACT ON ADOPTION OF COST ALLOCATION

Chair Borowy stated that the Board previously conducted a detailed review of the Cost Allocation Policy at the Regional Water Authority (“RWA”) meeting earlier in the day. During its review, the Board also reviewed the revised Cost Allocation Policy for the RWA and the AWA, which was refined and redrafted in preparation for submission to the Connecticut Public Utilities Regulatory Authority (“PURA”). The framework outlines the methodology for allocating shared costs and included provisions addressing Allocation Factors, Cost Charging Categories, Auditing and Oversight, and Wholesale Water and Laboratory Services Contracts. Board members commented that the framework is intended to be a living document and would be reviewed and updated annually, as appropriate.

Aquarion Water Authority
September 24, 2026

On motion made by Mr. Ricozzi and seconded by Mr. Cort, the AWA voted unanimously to approve the Cost Allocation Policy, as presented.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

5. CONSIDER AND ACT ON ADOPTION OF CONFLICT OF INTEREST POLICY

Chair Borowy reported that the Board previously conducted an extensive review of the Conflict of Interest Policy at the RWA meeting earlier and, following discussion, approved the Policy by majority vote. He noted that the Conflict of Interest Policy is a living document and would be revisited and reviewed by all eleven (11) board members.

Ms. Sack stated that the Conflict of Interest Policy is detailed and procedural and noted that the AWA appointed members would vote on the policy as required under the PURA order.

On motion made by Ms. LaMarr and seconded by Mr. Curseaden, the AWA voted to adopt the Conflict of Interest Policy, as presented. The Chair called for the vote and the motion was adopted by majority.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Nay

6. CONSIDER AND ACT ON ADOPTION OF STRATEGIC PLAN

Chair Borowy reported that at the previous month's RWA Board meeting, the Authority reviewed and adopted its combined Strategic Plan ("Plan"). The Plan was developed through a series of RWA and AWA meetings, incorporating input from stakeholders throughout the process. Dr. Whiskeyman, the Board's Strategic Planning Advisor, compiled and facilitated the development of the Plan, which was unanimously adopted. He stated that the Strategic Plan is now being presented to the AWA Board for adoption.

On motion made by Ms. Sack and seconded by Ms. LaMarr, the AWA voted unanimously to adopt the Strategic Plan, as presented.

Borowy	Aye
Cort	Aye
Curseaden	Aye

Aquarion Water Authority
September 24, 2026

LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Chair Borowy stated that the additional five (5) board members will receive a review of the Plan as part of the orientation process.

7. FINANCE

Ms. Szabo, the AWA's Vice President of Finance, provided a financial update, which included:

- Scorecard metrics
- Income Statement
- Balance Sheet

8. BUSINESS UPDATES

8.1 AWA TRANSITION PLAN & PRESIDENT'S REPORT

Ms. Teixeira and Mr. LaChance provided highlights of August activities and provided a brief update on activities related to the transition of the AWA to an Authority, which included:

- Hiring update
- Meetings with Town Officials
- AWA Representative Policy Board ("RPB") update
- Financial results
- Employee safety
- Office of Consumer Affairs
- Change of Control Docket

Authority members discussed RPB inaugural meeting and logistics, including RPB committees and officer appointments and the Drinking Water State Revolving Fund approvals. There was also a discussion regarding storm preparedness.

8.2 UPDATE ON STATUS OF AWA REPRESENTATIVE POLICY BOARD

An update was provided as part of the transition plan as noted above.

At 3:36 p.m., on motion made by Ms. LaMarr and seconded by Ms. Sack, the AWA voted unanimously to adjourn the meeting.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Aquarion Water Authority
September 24, 2026

Catherine E. LaMarr, Secretary

(R) = Attended remotely.

UNAPPROVED

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

SAP SuccessFactors Cloud HR Platform and Related Services

AS REQUESTED BY CONNECTICUT PUBLIC ACT 24-1; SECTION 49

October 2026

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This is for a request for exemption from public bidding for the renewal of SAP SuccessFactors cloud-based Human Capital Management (HCM) software and related services for the period September 30, 2026 through September 29, 2027.

REASON FOR REQUEST

- SAP SuccessFactors is Aquarion's enterprise Human Resources platform supporting core HR, Benefits, Recruiting, Onboarding, Learning Management, Performance Management, Compensation, Time & Attendance, Leave Management and employee records.
- This is a renewal of existing subscriptions and services that Aquarion has invested in and maintained over multiple years.
- SAP SuccessFactors products are proprietary SAP solutions that can only be licensed, supported, and renewed through SAP.
- Replacing these services would require a major system migration effort involving data conversion, integration, testing, retraining and process redesign.
- Any disruption to these services would create significant operational risk for HR, payroll-related processes, recruiting, onboarding, benefits administration, and compliance training.

SAP SuccessFactors is a proprietary cloud-based software platform owned and licensed exclusively by SAP. The products identified in this renewal are not interchangeable commodities that can be competitively sourced from multiple vendors without substantial replacement costs and operational disruption. Aquarion has invested significant resources in implementation, configuration, integrations, security, reporting, training, and business process alignment.

Replacing these services would require reimplementing of the entire platform and create significant business disruption. Therefore, SAP is the only practical source for continuation of these services.

RENEWAL SERVICES AND COSTS

Product / Service	Annual Cost (\$)
Employee Central (CPI Option)	18,959.61
Employee Central Core HR	10,000.10
Recruiting (400 Users)	17,549.92
Recruiting (40 Users)	1,318.93
Onboarding (400 Users)	3,217.45
Onboarding (40 Users)	585.09
Learning (350 Users)	6,724.04
Learning (40 Users)	917.30
Performance & Goals	13,227.64
Compensation	7,495.66
Time & Attendance Management	18,783.25
Absence and Leave Management	23,351.18
Cloud Platform Integration	8,717.01
Signature Management by DocuSign	2,744.74
TOTAL ANNUAL RENEWAL COST	133,591.92

SUMMARY

Aquarion Human Resources and Information Technology jointly request an exemption from public bidding to renew SAP SuccessFactors subscriptions and associated services. The organization is operationally dependent upon these solutions for recruiting, onboarding, employee administration, benefits-related processes, learning management, performance management, compensation planning, time management, leave administration, integrations, and payroll-related HR operations. Because these are proprietary SAP services already implemented and integrated throughout the organization, a competitive procurement would not provide a practical alternative and would expose Aquarion to unnecessary operational and financial risk.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

Synagro / Ansonia WWTP Sludge Management

AS REQUESTED BY CONNECTICUT PUBLIC ACT 24-1; SECTION 49

October 2026

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract.

(Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This is for a request for exemption from public bidding for the renewal of Synagro Ansonia WWTP Sludge Management for the period of December 1, 2026 to November 30, 2029.

REASON FOR REQUEST

AWA's Ansonia wastewater operations require the need for a company to pump out, transport and deliver sludge for processing resulting as a byproduct from the WWTP operation. The bio-solid and sludge market has increasingly become more restricted due to stringent regulations, ultimately reducing the capacity at processing facilities to accept the byproduct. This is especially true in New England where AWA has inquired with processing facilities for direct pricing and being provided with unsatisfactory terms such as hours of operation and guaranteed capacity. Synagro is the incumbent provider and guarantees the removal, transportation and delivery to a processing facility which AWA has been unable to find elsewhere.

SUMMARY

The result of the exemption would benefit AWA by assuring a consistent and guaranteed sludge/byproduct removal, transportation and delivery to processing facilities that it otherwise is unable to secure with another vendor.

Aquarion Water Authority Scorecard - Three Months Ending September 30, 2026

Cat.	Measure	YTD Actual	YTD Target	YTD Rating	Comments
Employee Value	DART-OSHA Rate	0.00	0.80	B	No lost time incidents logged in September.
	# HPMVA Incidents	0	0		No incidents logged YTD.
	SIF-A (Internal)	0	0		No incidents logged YTD.
	% Safety Compliance Training Completed (AQ)	80%	80%	G	All scheduled compliance training was completed in September.
Customer & Community Impact	Service Quality Complaints (AQ)	504	455	R	Most complaints were due to high bill investigations, no water and pressure issues.
	Water Quality Complaints	301	281	Y	YTD higher than target from discolored water complaints in EFC, New Canaan, New Milford, Newtown, Mystic, Ridgefield, Darien, and Greenwich.
	Customer Satisfaction Index (AQ)	94.0%	90.0%	G	PCG Survey results came in. Customer satisfaction remains high across all regions. Key Strengths Include B illing and Customer Service.
	Water Quality Compliance	0	0	G	On target.
Operational Excellence	# Water Main Breaks	60	53	R	Expense 20A vs 22B; Capital 40A vs 31B.
	% Non-revenue Water	14.1%	15.5%	G	Significant improvement from prior year due to leak detection and other efforts.
	Environmental Compliance Index	100	100	G	On target.
	Average Daily Production (MGD)	98.9	101.0	G	High rainfall in August and September.
Financial	Operating Expenses (excl. Property Taxes) (\$000's)	\$24.5	\$24.4	Y	Slightly above budget due to insurance, pension, labor and purchased water, partially offset by regulatory commission, power, miscellaneous and IT.
	Capital (\$M)	\$46.3	\$55.2	R	Under budget due to the SWRP Delivery Improvements, Main Replacements, Lead and the Route 219 PS Improvements project.

Aquarion Water Authority
Financial Results
September 30, 2026
(Dollars in thousands)

Month*					Three Months Ending Sept 30, 2026*			
2026	Budget	2025	Budget Variance		2026	Budget	2025	Budget Variance
13,689	13,409	19,431	280	Residential	49,625	43,022	52,937	6,603
2,813	3,028	3,560	(215)	Commercial	9,542	9,719	10,042	(177)
346	357	360	(11)	Industrial	1,053	1,146	1,069	(93)
561	544	830	17	Public Authorities	1,993	1,749	2,189	244
1,658	1,696	1,683	(38)	Public Fire	4,987	5,452	4,883	(465)
618	685	773	(67)	Private Fire	2,037	2,202	2,059	(165)
835	(469)	(7,963)	1,304	Other Revenues	2,599	1,395	(10,151)	1,204
20,520	19,250	18,674	1,270	Revenue	71,836	64,685	63,028	7,151
				Operating Expenses				
2,480	2,476	2,511	(4)	Labor	7,675	7,426	7,404	(249)
2,014	2,115	1,888	101	Other Taxes	6,109	6,361	5,684	252
859	1,013	993	154	Purchased Power	2,753	3,163	3,250	410
(77)	(231)	(216)	(154)	Pension	(231)	(696)	(649)	(465)
(13)	(11)	(34)	2	Retiree Medical	(41)	(31)	(101)	10
641	652	594	11	Medical	1,870	1,958	1,777	88
697	768	734	71	Chemicals	2,308	2,393	2,246	85
134	92	40	(42)	Main Breaks	311	280	160	(31)
499	433	362	(66)	Operating Expenses	1,248	1,418	1,341	170
237	327	301	90	Maintenance	1,025	980	1,189	(45)
181	175	202	(6)	Sludge Disposal	568	636	632	68
502	485	394	(17)	Information Technology	1,230	1,435	1,130	205
-	54	71	54	Management Allocation	-	161	255	161
1,890	1,691	2,229	(199)	All Other	5,216	5,170	5,817	(46)
10,044	10,039	10,069	(5)	Total Expenses, net of other income	30,041	30,654	30,135	613
10,476	9,211	8,605	1,265	EBITDA	41,795	34,031	32,893	7,764
4,475	4,359	3,280	(116)	Depreciation and Amortization	13,421	13,079	10,649	(342)
-	-	-	-	Amortization of Transaction Costs	-	-	-	-
-	(700)	(701)	(700)	AFUDC	-	(1,966)	(2,057)	(1,966)
6,001	5,552	6,026	449	Operating Income	28,374	22,918	24,301	5,456
				Nonoperating Income (Expense)				
-	-	-	-	Gain (Loss) on Disposal of Assets	26	-	-	26
809	-	-	809	Interest Income	1,842	-	-	1,842
(7,917)	(2,519)	(2,283)	(5,398)	Interest Expense - Outside	(17,960)	(7,557)	(6,783)	(10,403)
-	(154)	(380)	154	Interest Expense - Intercompany	-	(525)	(1,166)	525
1,523	(45)	(42)	1,568	Amort of Bond Disc, Prem, Iss Costs	3,454	(135)	(127)	3,589
-	-	-	-	Amortization of Goodwill	-	-	-	-
-	-	-	-	Intergovernmental Revenue	-	-	-	-
-	338	(168)	(338)	Income Taxes	-	2,197	740	(2,197)
(5,585)	(2,380)	(2,873)	(3,205)	Total Nonoperating Income (Expense)	(12,638)	(6,020)	(7,336)	(6,618)
416	3,172	3,153	(2,756)	Income Before Contributions	15,736	16,898	16,965	(1,162)
-	-	-	-	Capital Contributions	-	-	-	-
\$416	\$3,172	\$3,153	(\$2,756)	Change in Net Position	\$15,736	\$16,898	\$16,965	(\$1,162)

* MTD and YTD results indicate three months of operations under AWA. Budget reflects pre-change of control.

Revenues

- MTD and YTD are favorable \$1,270K and \$7,151K, respectively, due to higher residential and assumed decoupled assumption in budget, which is no longer applicable under the authority model. YTD is partially offset by public fire.

Expenses

- YTD Labor is unfavorable \$249K due to less time charged to capital projects and higher overtime.
- MTD and YTD Other Taxes are favorable \$101K and \$252K, respectively, due to property taxes (lower mill rates) – PILOT reserve recorded.
- MTD and YTD Purchased Power are favorable \$154K and \$410K, respectively, due to lower delivery rates, lower public benefit charges and lower production.
- MTD and YTD Pension are unfavorable \$154K and \$465K, respectively - monthly entry based on the latest actuarial reports.
- MTD Chemicals is favorable \$71K due to favorable chemical pricing (particularly caustic soda) in CT and less-than-expected usage in WW.
- MTD Operating Expenses is unfavorable \$66K due to SOS (aquatic survey and Aspetuck reservoir weed removal), building services (fire monitoring/testing at treatment plants) and T&D (timing of leak survey and backflow inspection). YTD Operating Expenses is favorable \$170K due to SOS and meter.
- MTD Maintenance is favorable \$90K, due to confined space (no activity in September - in bidding process for new contractor) and timing of dams and tanks projects.
- YTD IT is favorable \$205K due to the budget spread for S/4HANA program (more allocated in the second half of the year).
- MTD and YTD Management Allocation are favorable \$57K and \$161K, respectively, due to no management allocation from Eversource – excludes charges from RWA (pending finalization of cost allocation policy).
- MTD All Other is unfavorable \$199K due to insurance and purchased water (more water purchased from City of Groton due to Lantern Hill treatment plant offline and price increase with purchases from City of Danbury - tiered billing structure used, effective 7/1), partially offset by regulatory commission.

Depreciation and Amortization

- MTD and YTD Depreciation is on target (does not reflect FMV adjustment associated with conversion to AWA). MTD and YTD Amortization are unfavorable \$116K and \$342K, respectively, due to budgeted income related to amortization of EADIT (no longer applicable under AWA) and budgeted expenses related to amortization of tank painting (to be included in depreciation expense under AWA).

AFUDC

- MTD and YTD are unfavorable \$700K and \$1,966K, respectively - no longer applicable under the authority model.

Nonoperating Income (Expense)

- MTD and YTD are unfavorable \$3,205K and \$6,618K, respectively, due to interest on the new AWA debt and income taxes (no longer applicable under AWA), amortization of issuance costs, partially offset by interest income from STIF accounts and amortization of bond premium.

Aquarion Water Authority
Statement of Net Position
September 30, 2026
(In thousands of dollars)

	<u>AWA</u>
<u>Assets and Deferred Outflows of Resources</u>	
<u>Property, Plant and Equipment</u>	
Utility plant	\$ 2,985,231
Less: accumulated depreciation	(13,429)
Net utility plant	<u>2,971,802</u>
SBITA, net	<u>-</u>
Leased assets, net	<u>-</u>
Non-utility property and equipment	8,266
Less: accumulated depreciation	(25)
Net non-utility property and equipment	<u>8,241</u>
<u>Current Assets</u>	
Cash	19,349
Restricted cash	9,455
Accounts receivable	15,548
Miscellaneous receivables	805
Reserve for uncollectibles	(2,198)
Accrued revenues	11,678
Materials and supplies, at cost	5,030
Prepayments	11,790
Total current assets	<u>71,457</u>
<u>Other Assets</u>	
Net pension asset	26,268
Other post retirement benefits	3,255
Lease receivable	482
Regulatory asset / capitalized interest	69,835
Total other assets	<u>99,840</u>
<u>Restricted Assets</u>	
Rate stabilization fund	15,846
Construction fund	206,673
Debt service	36,952
PILOT fund	5,027
Total restricted assets	<u>264,498</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows related to pensions	-
Deferred outflows related to PRM	-
Total deferred outflows of resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,415,838</u>
<u>Liabilities, Deferred Inflows, and Net Position</u>	
<u>Long-Term Debt</u>	
Revenue bonds payable	\$ 2,352,651
Premium	186,092
Taxable bond payable	96,433
DWSRF loans	7,151
Total long-term debt	<u>2,642,327</u>
<u>Current Liabilities</u>	
Current maturities of bonds payable	3,082
Current maturities of DWSRF	338
Accounts payable and accrued liabilities	18,514
Short-term lease obligation	146
Accrued bond interest	19,700
Total current liabilities	<u>41,780</u>
<u>Payables from Restricted Assets</u>	<u>14,748</u>
<u>Other Liabilities</u>	
Customers' advances for construction	29,796
Accrued pension liability	-
Other post retirement benefits	-
Long-term lease obligation	45
Other deferred credits	9,715
Total other liabilities	<u>39,556</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflow - governmental acquisition	661,690
Deferred inflows related to pensions	-
Deferred inflows related to PRM	-
Total deferred inflows of resources	<u>661,690</u>
<u>Net Position</u>	<u>15,737</u>
Total Liabilities, Deferred Inflows, Net Position	<u>\$ 3,415,838</u>

Aquarion Water Authority
Investment Earnings
September 30, 2026

Fund Type	Balance @ 9/30	Rate of Return @ 9/30	Interest Income as of 9/30	Interest receivable @ 9/30	Interest Received
2026 Cap Improv Acct ¹	\$ 204,086,621	3.91%	\$ 1,578,081	\$ 668,379	\$ 909,702
Acquisition Account ¹	1,887,491	3.91%	14,037	5,758	8,279
Cost of Issuance Account ^{1,2}	448,971	3.91%	1,324	1,324	-
Taxable Acq Acct ^{1,2}	250,000	3.91%	609	609	-
PILOT Fund Account ¹	5,027,251	3.91%	13,621	10,915	2,706
Cap Int Acct - A-2 ¹	22,178,028	3.91%	146,992	69,949	77,043
Sr Bond Int Acct ^{1,2}	12,217,034	3.91%	24,087	24,087	-
Subord Bond Int Acct ^{1,2}	2,556,763	3.91%	6,205	6,205	-
Subord Bond Principal Acct ^{1,2}	-	3.91%	341	341	-
Rate Stabilization Fund ³	15,845,896	0.745%	30,764	9,703	21,061
Total Restricted Investments	\$ 264,498,054		\$ 1,816,060	\$ 797,269	\$ 1,018,791
Cash ⁴	\$ 18,528,165		\$ -	\$ -	\$ -
General Fund - AWA ¹	820,999	3.91%	2,674	2,589	85
Unrestricted Cash & Investments	\$ 19,349,164		\$ 2,674	\$ 2,589	\$ 85
Restricted cash^{4,5}	\$ 9,455,277	1.08%	\$ 23,347	\$ -	\$ 23,347
Total	\$ 293,302,494		\$ 1,842,081	\$ 799,858	\$ 1,042,223

¹ Invested in the Connecticut Short Term Investment Fund ("STIF").

² Interest reflects funds invested in the CT STIF during September.

³ At September 30, invested in money market fund. During October, \$10M invested in CT STIF

⁴ These accounts will be invested in the Authority managed CT STIF by October month end.

⁵ At September 30, invested in the JP Morgan commercial checking account with interest.

**Capital Expenditures
Comparison to Budget
September 30, 2026
(Dollars in thousands)**

Month				Three Months Ending Sept 30, 2026		
2026	Budget	Variance		2026	Budget	Variance
\$ 1,960	\$ 1,758	\$ 202	Dams	\$ 6,253	\$ 2,362	\$ 3,891
688	711	(23)	General Plant and Others	1,333	2,155	(822)
835	2,582	(1,747)	IT	4,460	5,514	(1,054)
2,441	5,285	(2,844)	Mains	10,623	15,308	(4,685)
185	438	(253)	Meters	696	1,493	(797)
1,583	671	912	Pumping	2,743	2,969	(226)
257	1,177	(920)	Source of Supply	386	2,579	(2,193)
2,568	1,678	890	Transmission & Distribution	8,195	4,205	3,990
(202)	46	(248)	Treatment	1,170	843	327
43	749	(706)	Lead	72	1,969	(1,897)
162	120	42	Putnam WTP Improvements	355	159	196
1,015	616	399	PFAS	1,716	1,623	93
2,160	2,747	(587)	SWRP Delivery Improvements	3,383	8,017	(4,634)
1,984	1,025	959	Housatonic WTP Improvements	2,669	2,058	611
15,679	19,603	(3,924)		44,054	51,254	(7,200)

- Dams – The variance is due to the Easton Reservoir Dam & Gatehouse Rehabilitation. Year-end actuals are expected to be higher than targets.
- General & Other – The variance is due to Transfer Act compliance costs incurred as a result of the change of control and Boiler Replacement at Lindley Street projects. Year-end actuals are expected to slightly below budget.
- IT – The variance is due to the S4 Hana project. Year-end actuals are expected to exceed targets.
- Mains – Mains are slightly below targets through September. Year-end actuals are expected to meet targets.
- Meters – Lower than target through September. Year-end actuals are expected to meet targets.
- Pumping – On target through September . Year-end actuals are expected to meet targets.
- Source of Supply – The variance is due to the Brook Acres Wells & PS Improv., Canal & Coleytown Improv. and Simsbury New Source of Supply projects. Year-end actuals to be slightly lower than target.
- Transmission & Distribution – The variance is due to the Stamford WTP Tank 2, Twin Oaks Tank painting projects, which were reclassified from Deferred Debit accounts to capital. Year-end actuals are expected to be higher than targets.
- Treatment – The variance is due to the Brook Acres Well & PS Improvements project. Year-end actuals are expected to meet targets.
- Lead – Lower than target through September. Year-end actuals are expected to meet targets.
- Putnam WTP Improvements - Higher than target through September. Year-end actuals are expected to meet targets.
- Putnam WTP Improvements - Higher than target through September. Year-end actuals are expected to meet targets.
- SWRP Delivery Improvements – Slightly higher than target through September. Year-end actuals are expected to meet targets.
- Housatonic WTP Improvements – Slightly higher than target through September. Year-end actuals are expected to meet targets.

2026	Budget	Variance	WASTEWATER	2026	Budget	Variance
9	1	8	General & Other	88	2	86
-	24	(24)	IT	-	81	(81)
(1)	45	(46)	Mains	(3)	267	(270)
(91)	(156)	65	Meters	-	-	-
112	301	(189)	Pumping	130	728	(598)
(135)	(59)	(76)	Source of Supply	-	-	-
-	16	(16)	Transmission & Distribution	4	27	(23)
98	231	(133)	Treatment	98	264	(166)
(8)	403	(411)		317	1,369	(1,052)

- General & Other – The variance is due to the Collection System Improvement. Master Plan project. Year-end actuals are expected to meet targets.
- Mains – The variance is due to Sewer Collection Improvements and TV/Inspection Sewer Lining & Improvements - Ansonia and New Hartford. Year-end actuals are expected to be higher than targets.
- Meters - Meters are lower than targets through September. Year-end actuals are expected to be higher than targets.
- Pumping – The variance is due to the Route 219 PS Improvements, and other various Pump Station improvement projects. Year-end actuals are expected to be higher than targets.
- Transmission & Distribution – The variance is due to the Manhole Lining Improvements - Church St project. Year-end actuals are Year-end actuals are expected to meet targets.
- Treatment – The variance is due to the SBR Improvements and Primary Sludge, Piping & Control Improvement projects. Year-end actuals are expected to meet targets.

**Capital Expenditures
Comparison to Budget
September 30, 2026**
(Dollars in thousands)

Month			TWC	Three Months Ending Sept 30, 2026		
<u>2026</u>	<u>Budget</u>	<u>Variance</u>		<u>2026</u>	<u>Budget</u>	<u>Variance</u>
3	6	(3)	Dams	7	19	(12)
4	7	(3)	General & Other	4	20	(16)
10	-	10	IT	11	-	11
(180)	471	(651)	Mains	(37)	1,684	(1,721)
4	24	(20)	Meters	8	74	(66)
177	80	97	Pumping	349	444	(95)
15	2	13	Source of Supply	15	6	9
120	69	51	Transmission & Distribution	967	203	764
49	5	44	Treatment	172	15	157
197	15	182	Lead	454	165	289
399	679	(280)		1,950	2,630	(680)

- Dams – The variance is due to the Ruben Hart dam improvements. Year-end actuals are expected to meet targets.
- General & Other – Year-end actuals are expected to meet targets.
- IT – The variance is due to the Squire Hill PS - Replace Tanks/Add VFD's project. Year-end actuals are expected to meet targets.
- Mains – The variance is due to Oak Ave and Franklin Drive (reversal of over accruals). Year-end actuals are expected to be slightly lower than targets.
- Meters – Lower than target through September. Year-end actuals are expected to meet targets.
- Pumping – The variance is due to the Harwinton Chlorine Booster Station & PRV project. Year-end actuals are expected to meet targets.
- Source of Supply – Year-end actuals are expected to meet targets.
- Transmission & Distribution – The variance is due to the Tarringford West and West Torrington tank painting projects that were reclassified from Deferred Debit to capital. Year-end actuals are expected to exceed targets.
- Treatment – The variance is due to the Harwinton Chlorine Booster Station & PRV project. Year-end actuals are expected to be slightly higher than targets.

\$ 16,070 \$ 20,685 \$ (4,615)

\$ 46,321 \$ 55,253 \$ (8,932)

Aquarion Water Authority
Total Debt Outstanding
September 30, 2026
(Dollars in thousands)

Series	Coupon Rate	All-In TIC	Issuance Date	Call Date	Maturity Date	09/30/26 Balance
<u>Senior Bonds</u>						
Water System Revenue Bonds, 2026 Series A	5.00% / 5.25% *	4.230879%	07/23/26	08/01/36	Various **	\$ 1,044,515
Water System Revenue Bonds, 2026 Series B	5.25%	3.393665%	07/23/26	Not Callable	02/01/33	600,000
Water System Revenue Capital Appreciation Bonds, 2026 Series C	N/A	5.250012%	07/23/26	08/01/36	08/01/55	144,385
						<u>1,788,900</u>
<u>Subordinate Bonds</u>						
Subordinate Water System Rev Bonds, 2026 Series D	5.00% / 5.25% *	4.180334%	07/23/26	08/01/36	08/01/42	283,130
Subordinate Water System Rev Capital Appreciation Bonds, 2026 Series E	N/A	5.210628%	07/23/26	08/01/36	08/01/53	280,620
Subordinate Water System Rev Notes, Series 2026 (Taxable)	10.00%		07/23/26	Not Callable	08/01/41	99,516
						<u>663,266</u>
<u>DWSRF Loans</u>						
DWSRF - 2024-4003 Craigmoor Interconnection	2.00%	03/19/25	03/19/25	03/19/25	09/30/44	1,317
DWSRF - 2024-4004 Pleasant View Interconnection	2.00%	05/30/25	05/30/25	05/30/25	11/30/44	1,679
DWSRF - 2024-4001 Cedar Heights Interconnection	2.00%	07/18/25	07/18/25	07/18/25	01/31/45	1,908
DWSRF - 2024-4002 New Fairfield PFAS Treatment	2.00%	01/31/26	01/31/26	01/31/26	07/31/45	730
DWSRF - 2024-5009 Lead Service Line Replacements	2.00%	02/28/26	02/28/26	02/28/26	07/31/45	433
DWSRF - 2024-5008 Lead Service Line Inventory	2.00%	08/31/26	08/31/26	08/31/26	01/31/46	1,422
						<u>7,489</u>
Total Debt						
Add: Unamortized debt premiums						\$ 2,459,655
Debt, net of unamortized debt premiums						186,092
						<u>\$ 2,645,747</u>

* Starting 08/01/37, coupon rate will increase to 5.25%.

** The maturity date for Series 2026 A-1 Bonds is 08/01/43 and for Series 2026 A-2 is 08/01/46.

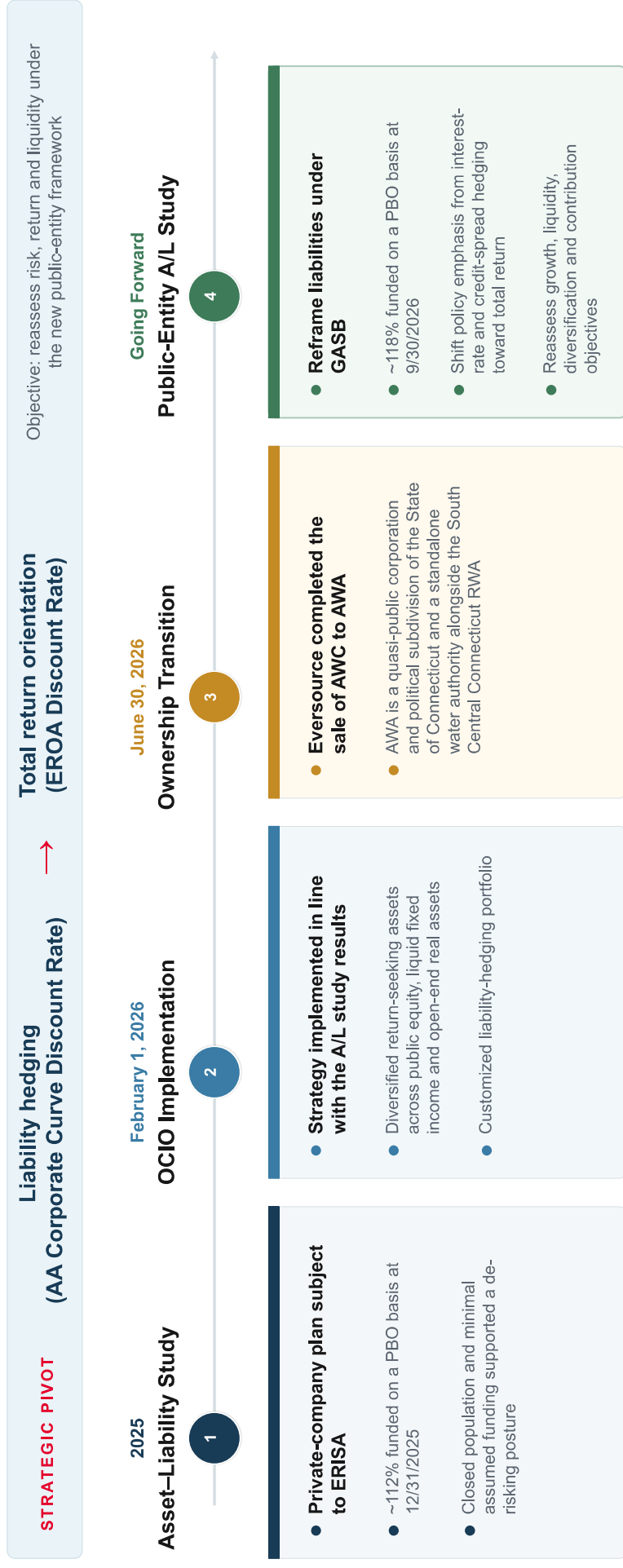
AON

Aquarion Pension Plan 3Q2026 Discussion Guide



Aquarion Water Authority | Relationship Evolution and Strategic Pivot

Aon's OCIO management strategy is evolving alongside Aquarion's corporate transition



Takeaway

The Asset-liability study establishes a durable total-return policy for AWA while preserving the funded-status gains and risk controls embedded in the current OCIO structure.

1

Pension Plan Overview

Aquarion Water Authority Pension Plan Overview

OPENING BALANCE SHEET | 06/30/26

\$148M

Assets

\$122M

Liability

121%

Estimated funded ratio

PLAN DESIGN

Closed plan

Final Average Pay
Benefit formula

No lump sums paid

PLAN POPULATION

452 participants

98 Actives

58 Terminated vested

296 Retirees

65% of participants are retirees

KEY ASSUMPTIONS

Return and salary inputs

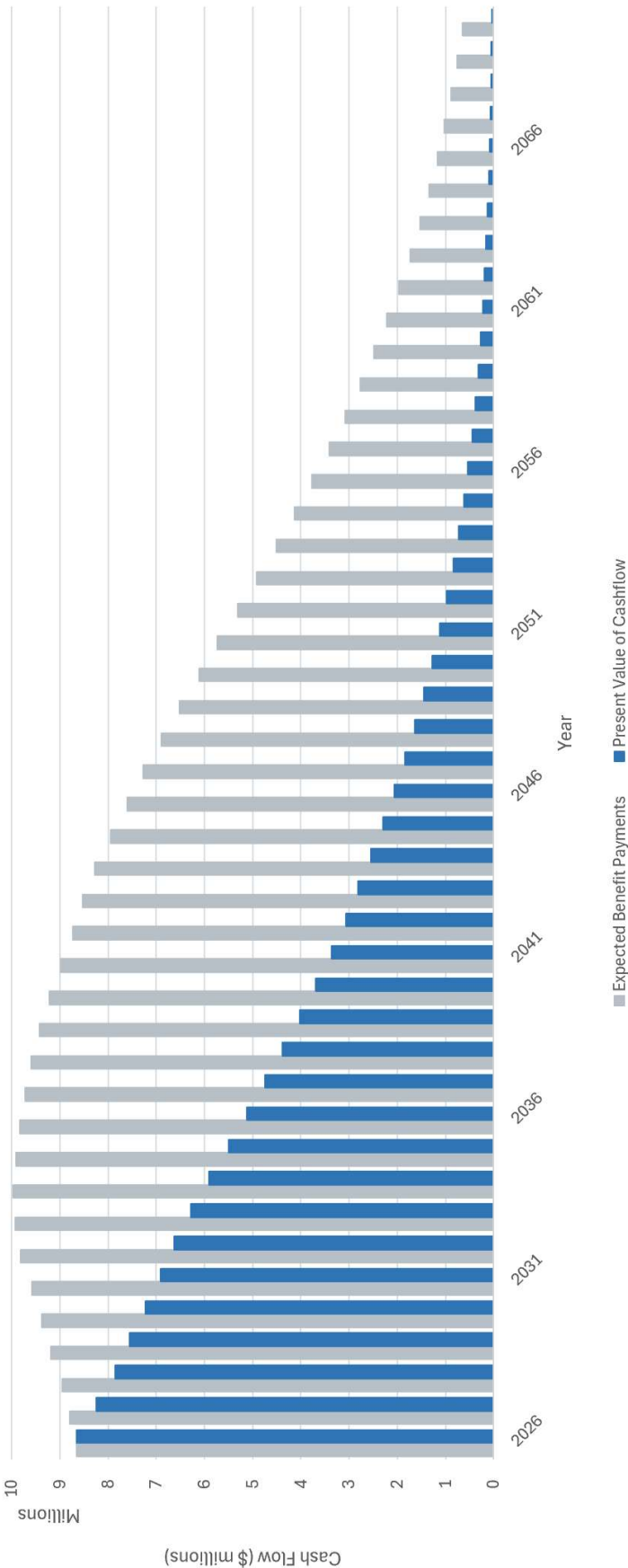
6.75%
Discount rate / investment return

4.00%
Salary scale

PLAN PROFILE The plan is closed and retiree-heavy, while the opening balance sheet shows assets approximately \$26M above the stated liability.

Aquarion Pension Cashflows

GASB 68 Basis as of July 1, 2026 Discounted at 6.75%



2

Asset – Liability Study

Aon's approach to public pension Asset-liability studies

We evaluate the pension plan as a holistic pension framework rather than a collection of liability buckets.

AON APPROACH

Optimizes policy against funded status, contributions, liquidity and risk



01

Optimizes the whole plan

Evaluates return-seeking and risk-reducing assets together across thousands of economic scenarios, capturing interactions that stand-alone duration buckets can miss.

Better reflects funded-status volatility and the plan's true risk trade-offs.



02

Links strategy to sponsor outcomes

Tests policy choices against public-plan objectives such as contribution stability, benefit security, liquidity and the probability of achieving funding targets.

Turns ALM into a governance decision, not simply a cash-flow matching exercise.



03

Preserves flexibility over time

Separates strategic asset-mix decisions from implementation, allowing the portfolio to adapt as funded status, market conditions, cash flows and constraints evolve.

Avoids locking each liability segment into a rigid asset-class prescription.

BOTTOM LINE

A dynamic, objective-based framework produces a more resilient policy and clearer result-oriented decisions for the Board.

Executive Summary

Key findings from the AWA asset/liability study

Aquarion Goals: Remain fully funded, minimize future contributions and achieve the actuarial rate of return

Current/Future Trends

- Using a 6.75% actuarial assumed rate of return, AWA has an estimated funded ratio of 121% as of 6/30/2026 using a market-based funded ratio
- Assets are expected to keep pace with the plan liabilities, growing the funded ratio over time and minimizing the need for future contributions

Investment Strategy

- Asset Allocation
 - 60% return-seeking assets is expected to achieve the actuarial assumed rate of return (6.75%) with the most downside risk protection
- Return-Seeking Assets
 - Diversify with public equity, liquidity return-seeking fixed income, and open-end real assets funds
- Risk-Reducing/Safety Assets
 - Diversify with core fixed income and enhanced core (“eCore”) — eCore includes investment grade private credit and multi-sector securitized funds
- Re-assess the asset allocation as part of a regular cadence of asset/liability studies

¹ Expected returns are using Aon's Q3 2026 30-Year Capital Market Assumptions as of 6/30/2026. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Analysis includes \$0.14 million in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

Est. Current State Asset-Liability Profile (as of June 30, 2026)

Using a 6.75% actuarial rate of return, the asset hurdle rate is 6.13%

Asset-Liability Snapshot				
Metric (\$, Millions)	As of 1/1/2026		Est. 6/30/2026	
	Value	Fund %	Value	Fund %
Market Value of Assets	\$144.4	118.7%	\$147.7	121.1%
Actuarial Value of Assets	\$144.4	118.7%		
Liability Metrics				
Actuarial Liability (AL) – Funding ¹	\$121.7		\$121.9	

Key Takeaways:

- Pension plan is estimated to be **121.1%** funded on a market value of assets basis as of June 30, 2026
- Asset hurdle rate of **6.13%**, via cash funding and investment returns, needed to maintain or improve funded status
 - If contributions are intended to be minimized, this return would need to be generated by investments only

Asset-Liability Growth Metrics as of 6/30/2026				
Metric (\$, Millions)	Value	% Liability	% Assets	
AL Discount Cost	\$8.23	6.75%	5.57%	
AL Normal Cost	\$0.68	0.56%	0.46%	
Plan Expenses ²	\$0.14	0.12%	0.10%	
Total Liability Hurdle Rate	\$9.05	7.43%	6.13%	
Est. Benefit Payments	\$8.49	6.97%	5.75%	

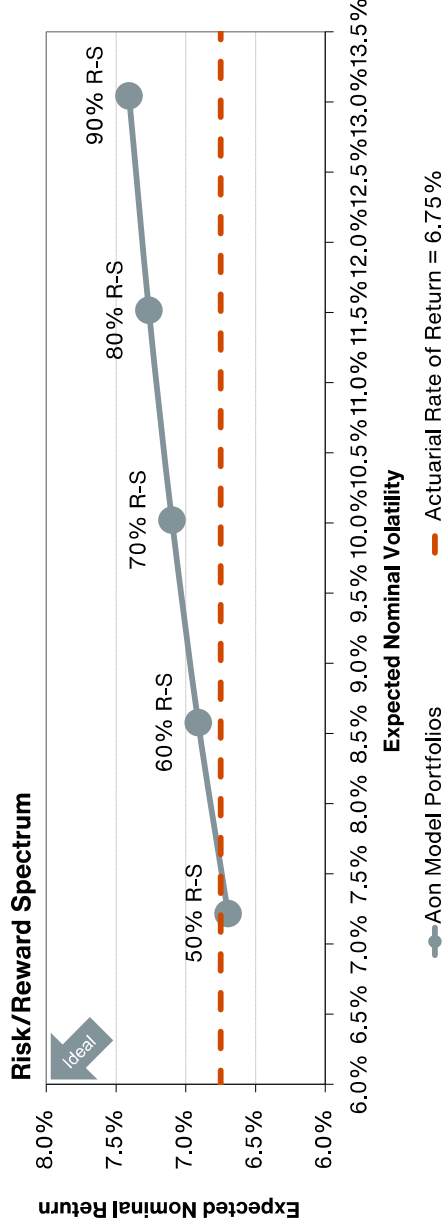
¹ Based on a 6.75% discount rate.

² Analysis includes \$140,000 in expenses, assumed to be inclusive of investment consulting fees, paid from trust assets.

³ Expected returns are using Aon's Q3 2026 10-Year Capital Market Assumptions as of 6/30/2026. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages. Percentages may not sum to 100% due to rounding.

Portfolio Analysis

Investment strategy should consider the Plan's goals/objectives, overall asset allocation intended to meet those goals, and portfolio diversification where desired



Considerations for investment strategy:

- Aquarion's goals/objectives
- Achieve the actuarial rate of return with the minimal level of risk
- Portfolio diversification

Aon Model Portfolios	Expected Nominal Return ¹	Expected Nominal Volatility	Sharpe Ratio	Return-Seeking (R-S) Assets				Risk-Reducing / Safety Assets		
				Public Equity	Liquid Fixed Income	Open-End Real Assets		Core Bonds	Enhanced Core ("eCore")	
50% Return-Seeking	6.70%	7.22%	0.39	35%	10%	5%		30%	20%	
60% Return-Seeking	6.91%	8.58%	0.35	45%	10%	5%		24%	16%	
70% Return-Seeking	7.10%	10.02%	0.32	55%	10%	5%		18%	12%	
80% Return-Seeking	7.26%	11.52%	0.29	65%	10%	5%		12%	8%	
90% Return-Seeking	7.41%	13.05%	0.27	75%	10%	5%		6%	4%	

¹ Expected returns are using Aon's 10-Year Capital Market Assumptions as of 6/30/2026. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term) compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns will be reduced by your advisory fees and other expenses you may incur as a client. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results.

Asset-Liability Projection Analysis

Summary of Results – 6.75% actuarial assumed rate of return

Portfolios	Portfolio Metrics (10-year CMAs)			Financial Results (10-Year Figures)			
	Exp. Nominal Return ¹	Exp. Nominal Volatility	Sharpe Ratio	Prob. of achieving 6.75%	Ending Funded Ratio (MVA / AL)		Present Value of Contributions (in \$ millions)
					Expected ²	Downside ³	Expected ² Downside ⁴
50% Return-Seeking	6.70%	7.22%	0.39	49%	133%	87%	\$0.0 \$4.2
60% Return-Seeking	6.91%	8.58%	0.35	52%	136%	82%	\$0.0 \$6.6
70% Return-Seeking	7.10%	10.02%	0.32	54%	140%	77%	\$0.0 \$9.2
80% Return-Seeking	7.26%	11.52%	0.29	56%	143%	73%	\$0.0 \$11.9
90% Return-Seeking	7.41%	13.05%	0.27	56%	145%	68%	\$0.0 \$14.7

¹ Expected returns are using Aon's Q3 2026 10-Year Capital Market Assumptions (CMAs) as of 6/30/2026, which are projections about the future returns of asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages.

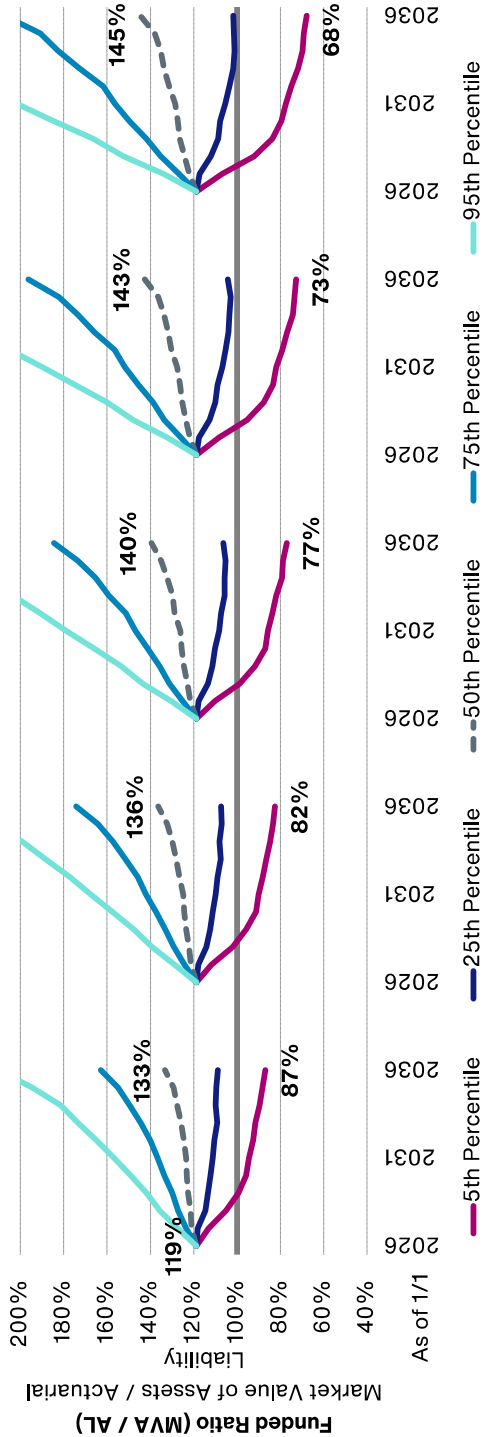
² Expected = 50th percentile outcome or central expectation across all 1,000 simulations

³ Downside = 5th percentile outcome across all 1,000 simulations

⁴ Downside = 95th percentile outcome across all 1,000 simulations

Asset-Liability Projection Analysis – Funded Ratio (MVA)

Higher (lower) return-seeking allocations are assumed to have higher (lower) central expectations and a wider (narrower) range of outcomes



Strategy	50% Return-Seeking			60% Return-Seeking			70% Return-Seeking			80% Return-Seeking			90% Return-Seeking		
Year	2026	2031	2036	2026	2031	2036	2026	2031	2036	2026	2031	2036	2026	2031	2036
5th Percentile	119%	94%	87%	119%	90%	82%	119%	86%	77%	119%	82%	73%	119%	78%	68%
25th Percentile	119%	111%	109%	119%	110%	107%	119%	108%	106%	119%	107%	104%	119%	105%	102%
50th Percentile	119%	124%	133%	119%	125%	136%	119%	126%	140%	119%	128%	143%	119%	129%	145%
75th Percentile	119%	137%	163%	119%	142%	174%	119%	147%	184%	119%	152%	196%	119%	156%	>200%
95th Percentile	119%	157%	>200%	119%	167%	>200%	119%	179%	>200%	119%	190%	>200%	119%	>200%	>200%
Probability > 100%	>99%	88%	83%	>99%	85%	81%	>99%	82%	79%	>99%	80%	78%	>99%	79%	76%

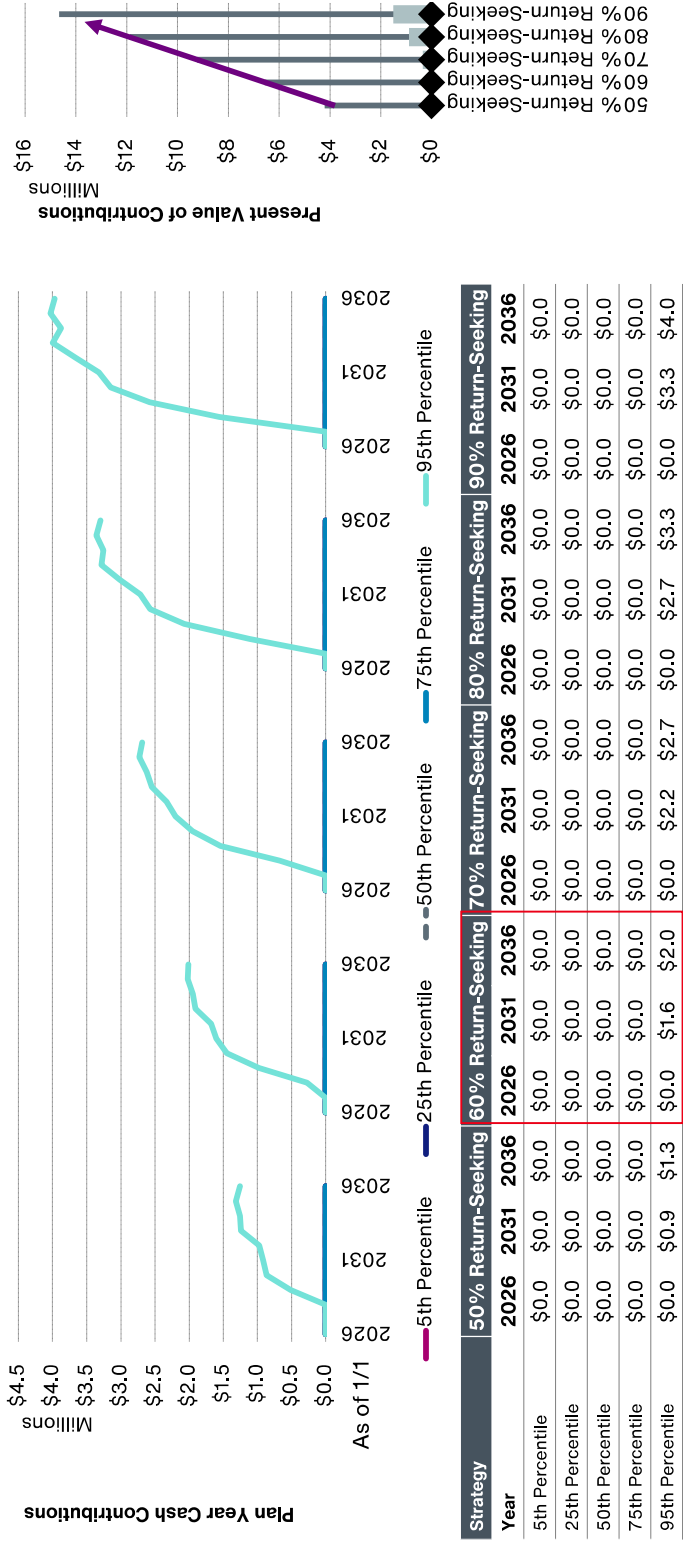
Projections assume a constant 6.75% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through 6/30/2026. Projections in this material include estimated expenses paid from plan assets which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- A 50-60% return-seeking allocation is expected to have incremental funded ratio growth over the next 5 years in our central expectation (50th percentile outcome)
- Higher (lower) return-seeking allocations are expected to have
 - Higher (lower) central expectation
 - Wider (narrower) range of outcomes

Asset-Liability Projection Analysis – Contributions

No contributions in the median scenarios across investment strategies; higher return-seeking assets carry increased downside risk



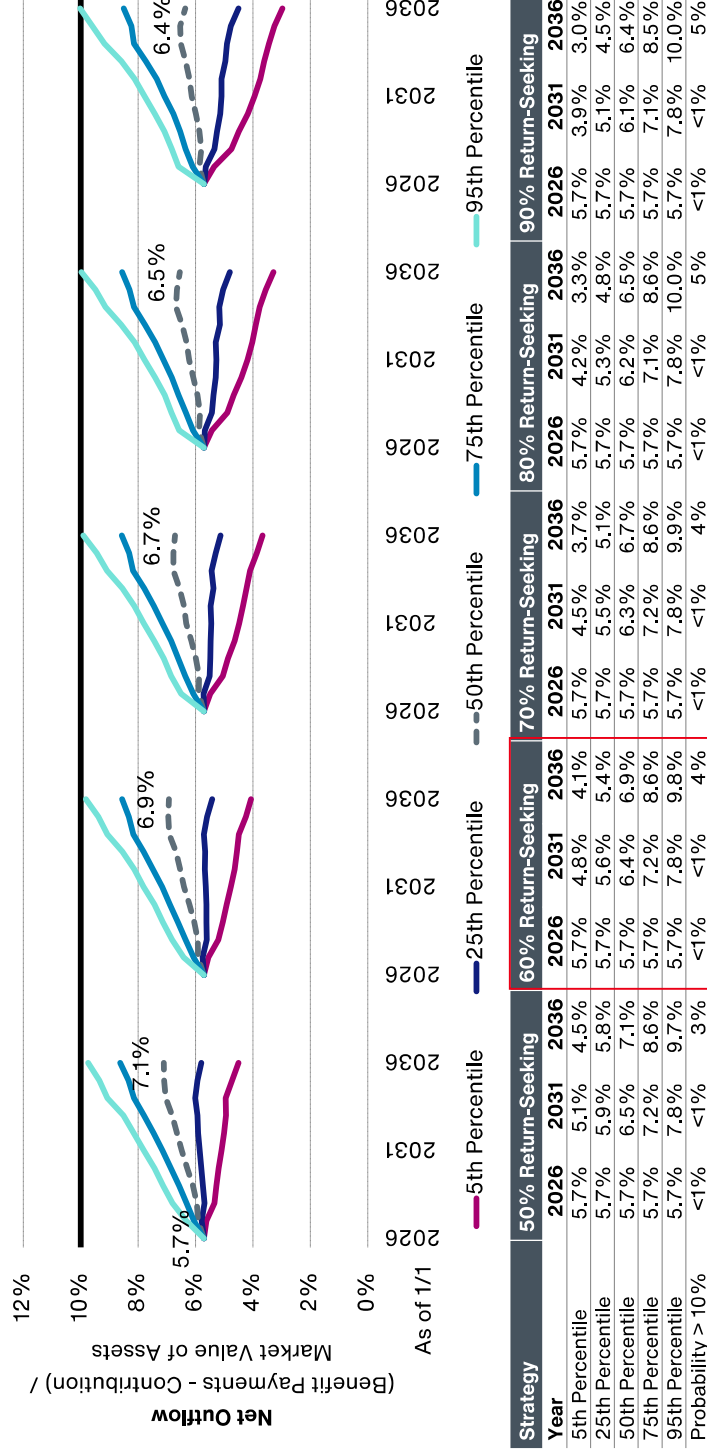
Key Observation

- Higher return-seeking allocations carry additional risk of contributions in the future

Projections assume a constant 6.75% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through 6/30/2026. Projections in this material include estimated expenses paid from plan assets which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented. Present value calculated at 6.75%.

Asset-Liability Projection Analysis – Net Outflow

Net outflow is consistent across investment strategies; higher risk portfolios have slightly lower expected outcomes



Projections assume a constant 6.75% discount rate for pension liabilities for all investment policies studied and reflect actual investment experience through 6/30/2026. Projections in this material include estimated expenses paid from plan assets which are assumed to be inclusive of investment management fees. Actual fees and expenses may differ from those presented.

Key Observations

- Net outflows of 10%+ can put stress on fund liquidity over time
- Net outflow rises due to a combination of the following
 - Increasing benefit payments
 - Minimal projected contributions
- Higher return-seeking allocations have slightly lower net outflows due to projected asset growth

Actuarial Attestation

This document is intended to provide to the management of Aquarion Water a summary of the funded status of the Retirement Plan for Employees of Aquarion Company as of 9/30/26.

This report is intended to assist Aquarion Water with a review of the associated issues and options, and its use may not be appropriate for other purposes. This analysis has been prepared solely for the benefit of Aquarion Water. Any further dissemination of this report is not allowed without the written consent of Aon.

In conducting the analysis, we have relied on plan design, demographic and financial information provided by other parties, including the plan sponsor. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

Funded status measurements shown in this report are determined using plan assets measured at market value. Most recent plan liabilities are measured based on the census data, actuarial assumptions and methods, and plan provisions documented in the 12/31/2025 actuarial valuation report. These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for company disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions. The actuarial assumptions and methods and plan provisions are the same as those used for the 12/31/25 actuarial valuation for the Retirement Plan for Employees of Aquarion Company as noted in the actuarial report(s) referenced above, except where noted herein. Unless specifically noted, our calculations do not reflect any other changes or events after 12/31/25.

Experience different than anticipated could have a material impact on the ultimate costs of the benefits. In addition, changes in plan provisions or applicable laws could have a substantial impact on cost. Actual experience may differ from our modeling assumptions.

Our calculations have been conducted in accordance with generally accepted actuarial principles and practices, including applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. The undersigned actuary is familiar with the near-term and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained therein. To our knowledge, no colleague of Aon providing services to Aquarion Water has any material direct or indirect financial interest in Aquarion Water. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this report for Aquarion Water.

Retirement Risk Analyzer's daily tracking model is used to estimate the actuarial liabilities at the measurement date. The model uses actuarial valuation information along with market index information and periodic updates of trust activity to approximate and attribute daily changes in the plan's future cash flows, interest discount basis, and asset returns. The model was developed by experts within Aon and determined as appropriate for interim funded status updates. The liability used in this report is calculated using the Aon AA Above Median yield curve. An economic model developed by experts within Aon is used to produce daily yield curves for calculating liabilities.

Also note the following regarding the results presented herein:

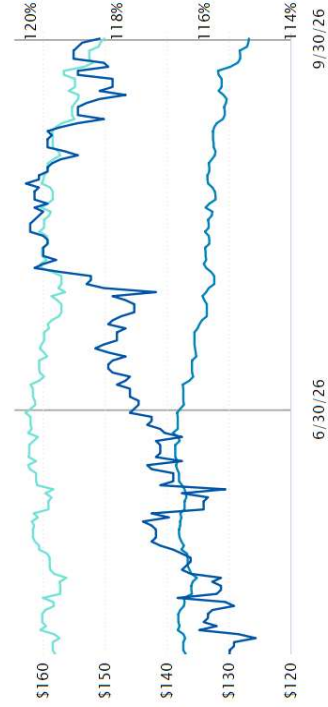
- Actual investment performance is reflected as of 9/30/26. Benchmark investment performance is reflected for periods in which actual performance is unavailable.
- Investment performance is shown net of fees.
- Past performance is no guarantee of future results.
- Most recent liabilities are based on census data as of 1/01/25.

Aon
October 08, 2026

Appendix

Executive Summary

Funded Status



Highlights for the Period 4/30/26 - 9/30/26

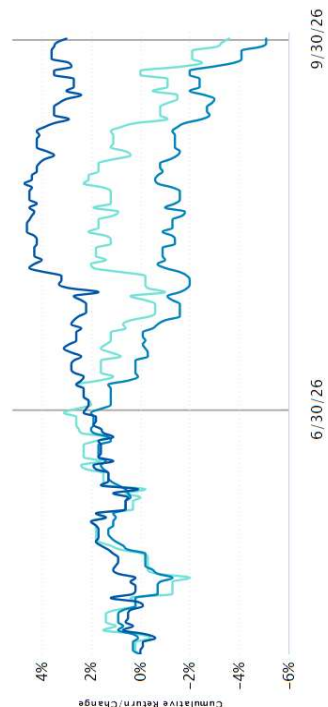
The plan's funded ratio increased to 118.4% at 9/30/26. This result was primarily due to the combined effects of:

- Higher than expected returns from return-seeking assets;
- Contributions of \$1.5 million, and
- A decrease in liabilities.

Values in \$ Millions (USD)

	4/30/26	6/30/26	9/30/26
Market Value of Assets	\$ 158.0	\$ 162.0	\$ 150.1
PBO	\$ 136.9	\$ 137.8	\$ 126.7
Surplus/(Deficit)	\$ 21.1	\$ 24.2	\$ 23.4
Discount Rate			
Periodic Contributions	\$ 5.75%	\$ 5.68%	\$ 6.55%
Funded Ratio:			
Assets/PBO	115.4%	117.6%	118.4%

Asset-Liability Return



Asset Liability Return for Period 4/30/26 - 9/30/26

Assets returned -3.6% during the period while liabilities returned -5.1%, resulting in a funded status increase of 3.0%.

In order to fully satisfy accrued benefits and future interest cost over the plan's horizon, the plan's Required Growth on Assets (investment performance and contributions) is 4.8%.

Periodic Return/Change	Cumulative	6/30/26	9/30/26
Market Value of Assets Return	-3.6%	2.6%	-6.0%
PBO:			
Return	-5.1%	1.6%	-6.6%
Funded Ratio Change	3.0%	2.2%	0.8%

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