



**Town of Mansfield  
Agenda Item Summary**

**To:** Town Council  
**From:** Matt Hart, Town Manager *MH*  
**CC:** Maria Capriola, Assistant Town Manager; Linda Painter, Director of Planning and Development; Bruce Tobey, Esq.  
**Date:** December 9, 2013  
**Re:** Water Supply Project/Agreement between the Town of Mansfield and Connecticut Water Company (CWC)

---

**Subject Matter/Background**

Attached please find a proposed Definitive Agreement for Water Supply Services between the Town of Mansfield and the Connecticut Water Company (CWC). The Definitive Agreement is designed to replace the non-binding letter of intent (LOI) negotiated by the parties and approved by the Town Council on October 28, 2013, with a formal, binding agreement.

A summary of the provisions in the proposed Definitive Agreement is as follows:

- Recitals – this section provides the background and purpose of the Agreement.
- Section 1. Definitions and Adoption – this section defines key terms used in the Agreement and confirms the accuracy of the statements made in the preamble and recitals.
- Section 2. Water Supply – this section speaks to the CWC's commitment to provide water service and explains how new service connections will be handled.
- Section 3. Water Rates, Charges and Customers – this section addresses rates for existing and new customers, and water supply planning and information sharing.
- Section 4. Representations, Warranties and Covenants – this section details the various representations, warranties and covenants made by the CWC, including its authority to enter into the Agreement, its title to assets and licenses and permits.
- Section 5. Capital Improvements – this section covers the CWC's obligations to design and construct the system, the Town's rights to review the CWC's design and construction plans, the CWC's requirements to fund the infrastructure costs, the CWC's responsibilities for obtaining easements and rights of way, the Town's rights to observe and inspect

construction, and the parties' intent to coordinate the timing of water main construction and sewer line installation.

- Section 6. Water Supply Infrastructure Ownership and Management – this section explains how ownership of the Town-owned and UCONN off-campus infrastructure shall transfer to the CWC, the irrevocable license that the Town shall extend to the CWC for the use of Town-owned infrastructure and the CWC's liability for property taxes.
- Section 7. Insurance, Indemnification and Dispute Resolution Procedures – this section highlights the CWC's obligations to carry insurance and to indemnify the Town for liability associated with the Agreement, as well as the dispute resolution process.
- Section 8. Water Supply Permitting and Licensing – this section explains the CWC's obligations to obtain any necessary permits or licenses necessary to perform its obligations under the Agreement.
- Section 9. System Meter Reading and Billing – this section covers the CWC's responsibilities for water meters, its obligations to ensure that billing procedures confirm with company and state regulations, and its intent to assist the Town in complying with FOIA requirements. The section also sets out the basic framework of a Water System Advisory Committee, which is to be further refined in a memorandum of agreement to be completed within 120 days from the execution of the Agreement, and the CWC's intent to adhere to best management practices. In addition, the section details how the Town would seek to enforce the CWC's obligations (if necessary), the Town's obligation to reasonably support the designation of an exclusive service area to the CWC and how the sale or transfer of the CWC would be subject to PURA's approval.
- Section 10. Force Majeure Event and Special Notice – this section address how the parties would handle a force majeure event, where one party is prevented from performing its obligations under the Agreement for events beyond its control.
- Section 11. General Provisions – this section sets out a number of general provisions including notice, amendments and modifications, governing law, severability and assignment.

### **Financial Impact**

As stated in the draft Definitive Agreement, Connecticut Water will bear the cost to provide the pipeline and related infrastructure to distribute potable water to serve Mansfield. The CWC will also bear the financial responsibility associated with owning and operating this infrastructure.

With respect to ratepayers, the CWC has agreed to honor existing rates for existing customers, including municipal customers. In addition, the CWC has agreed that it will not assess any Mansfield customers with any "wheeling" charges resulting from the company's use of UCONN infrastructure.

### **Legal Review**

The Town's special legal counsel for this project, Attorney Bruce Tobey from the firm of Pannone, Lopes, Devereaux & West LLC, has assisted me in negotiating and drafting the Definitive Agreement with the CWC.

### **Recommendation**

At Monday's meeting, staff and Connecticut Water will review the highlights of the draft Definitive Agreement. (The CWC is finalizing some of the exhibits but I have attached the map of the route and the company's rules and regulations.) Once the Town Council is ready, I recommend that you refer the draft to the appropriate commissions and advisory committees for review, and direct me to schedule a public information session in collaboration with the CWC to discuss the draft with members of the public. Staff and Connecticut Water have tentatively identified December 18, 2013 as a date for the public information session.

If the Town Council supports this recommendation, the following motion would be in order:

*Move, effective December 9, 2013, to refer the proposed Definitive Agreement for Water Supply Services between the Town of Mansfield and the Connecticut Water Company to the Conservation Commission, the Planning and Zoning Commission/Inland Wetlands Agency, the Four Corners Water and Sewer Advisory Committee and the Sustainability Advisory Committee for review with a deadline to report back to the Town Council for its January 13, 2014 meeting, and to direct staff to conduct a public information session in collaboration with the Connecticut Water Company to review the proposed Definitive Agreement with members of the public.*

### **Attachments**

- 1) Proposed Definitive Agreement between the Town of Mansfield and the CWC
- 2) Letter of Intent between the Town of Mansfield and the CWC

**WATER SUPPLY DEFINITIVE AGREEMENT**

THIS AGREEMENT, is made and entered into as of the \_\_\_\_ day of \_\_\_\_, 2013, by and between the TOWN OF MANSFIELD, CONNECTICUT, a municipal corporation organized and existing under the laws of the State of Connecticut (“Town”), and CONNECTICUT WATER COMPANY, a Connecticut corporation having its principal offices at Clinton, Connecticut (together with its successors and assigns, “CWC”).

**RECITALS**

WHEREAS, the University of Connecticut, a non-profit state institution of higher education, organized under the laws of the State of Connecticut (“State”), with principal administrative offices at Storrs, Connecticut (together with its successors and assigns, “UConn”), operates and maintains a system of water distribution infrastructure located in Storrs, Connecticut, that provides potable water to the Town pursuant to that certain Sewer and Water Service Agreement dated as of January 27, 1989 by and between the Town and UConn; and

WHEREAS, the Town owns and operates certain other water distribution infrastructure that provides potable water to certain municipal and other users; and

WHEREAS, pursuant to the Connecticut Environmental Policy Act, C.G.S. §§ 22a-1 *et seq.*, and regulations promulgated thereunder (collectively “CEPA”), UConn completed an environmental impact evaluation and record of decision for potential sources of water supply; and

WHEREAS, consistent with the provisions of Section 92 of Public Act 11-57, UConn consulted with the Town throughout the development of the referenced environmental impact evaluation and record of decision, and the record of decision endorsed CWC as the proposed water utility supplier as detailed therein; and

WHEREAS, the Connecticut Office of Policy and Management has reviewed the referenced environmental impact evaluation, record of decision and related documentation, and determined that UConn satisfied the requirements of CEPA and rendered its approval of the record of decision; and

WHEREAS, UConn has expressed a desire to transfer the responsibility for serving off-campus customer to CWC; and

WHEREAS, the Town desires to receive water supply and utility service from CWC, thereby also securing a supplemental supply of potable water for proposed locally-approved future needs, including but not limited to the Four Corners area; and

WHEREAS, CWC, a public service company subject to the jurisdiction of the Public Utilities Regulatory Authority with public water supply infrastructure extending into Tolland, Connecticut, desires to provide water supply service to the Town as set forth in this Agreement; and

**12/09/13 Draft**

WHEREAS, CWC upon the receipt of required approvals from Governmental Authorities and construction of the proposed infrastructure, shall be ready, willing and able to provide the Town with the water supply service specified in this Agreement; and

WHEREAS, the Town and CWC negotiated a non-binding letter of intent to serve as the basis of this Agreement, which was approved on October 28, 2013 by the Town Council and executed October 29, 2013 in conformance with the laws of the State and the Mansfield Town Charter; and

WHEREAS, CWC has the authority pursuant to its charter and the laws of the State to enter into this Agreement, and its Board of Directors authorized the execution and delivery thereof on [\_\_\_\_\_, 2013].

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants, promises, obligations and undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and CWC (hereinafter, collectively "Parties" and individually a "Party") hereby agree as follows:

**SECTION 1. DEFINITIONS AND ADOPTION**

1.1 Definitions. As used in this Agreement, the following terms have the respective meanings set forth below:

"Advisory Committee" shall have the meaning set forth in Section 9.5 hereof.

"Billed Customers" shall mean those persons, associations, partnerships or corporations of record having a legal obligation to pay for Potable Water supply service as the owners of real property receiving water or tenants thereof having an obligation to pay for water pursuant to an agreement with the real property owner.

"Campus Connection Spur" shall mean the pipeline, valves and related appurtenances to interconnect from the CWC pipeline at Point of Delivery to other elements of the UConn System.

"Capital Improvements" shall mean the water supply pipeline, pumping stations, pumping station upgrades, pressure reducing valves and related appurtenances and work performed by CWC to interconnect the CWC system at Anthony Road and Merrill Road in Tolland to the UConn System, and the infrastructure on Middle Turnpike that would serve the Four Corners in Mansfield, as identified in Exhibit \_\_\_ attached hereto and hereby incorporated into this Agreement.

"Completion Date" shall mean the date of the Town's receipt of CWC's written notice of completion of construction and testing of Capital Improvements provided UConn has completed construction of the Campus Connection Spur to interconnect to the CWC system.

**12/09/13 Draft**

“Connecticut General Statutes” or “C.G.S.” shall mean the State of Connecticut General Statutes, Revision of 1958, revised to 2013, and as revised and amended from time to time.

“CTDEEP” shall mean the Connecticut Department of Energy and Environmental Protection, or its successor as established by Law.

“CTDPH” shall mean the Connecticut Department of Public Health, or its successor as established by Law.

“CWC” shall mean the Connecticut Water Company, its successors and assigns.

“CWC Emergency Contingency Plan” shall mean the Emergency Contingency Plan of the Connecticut Water Company as approved by PURA on [\_\_\_\_\_, 20\_\_], and revisions and amendments thereto, a copy which appears in Exhibit \_\_ attached hereto and is hereby incorporated into this Agreement.

“CWC Main Extension Agreement” shall mean the Main Extension Agreement used by the Connecticut Water Company for main extensions as approved by PURA on [\_\_\_\_\_, 20\_\_], and revisions and amendments thereto and referenced in Section 2.2 hereof, a copy which appears in Exhibit \_\_ attached hereto and is hereby incorporated into this Agreement.

“CWC Regulations” shall mean the Rules and Regulations of the Connecticut Water Company as approved by PURA on July 14, 2010, and revisions and amendments thereto as approved by PURA, a copy which appears in Exhibit \_\_ attached hereto and is hereby incorporated into this Agreement.

“CWC System” shall include the Capital Improvements and the Existing Infrastructure that is used to provide water service to customers in the Town of Mansfield

“CWC Water Supply Plan” shall mean the Water and Supply Plan of the Connecticut Water Company required pursuant to C.G.S. Section 25-xxx, and revisions and amendments thereto, a copy which appears in Exhibit \_\_ attached hereto and is hereby incorporated into this Agreement.

“Customer” shall mean any Existing Customer and New Customer as defined herein.

“Diversion Permit” shall mean an authorization issued by the CTDEEP pursuant to the Water Diversion Policy Act, C.G.S. §§22a-365 *et seq.*, as amended, in such form as required by CTDEEP for the purpose of authorizing CWC to provide water to the Town as required by this Agreement.

“Exclusive Service Area” shall mean an area where public water is supplied by one system as established by the CTDPH pursuant to C.G.S. §§25-33c *et seq.*, as amended.

## 12/09/13 Draft

“Existing Customers” shall mean all Billed Customers receiving water supplied by UConn on Existing Infrastructure as of the Completion Date, including any Town Facilities and fire hydrants.

“Existing Infrastructure” shall mean the Town Infrastructure and UConn Off Campus Infrastructure as defined herein.

“Fire Protection Charges” shall mean the PURA approved charges authorized to recover the costs of infrastructure such as increased sizes of water mains, increased pump capacity, and increased storage capacity necessary for the utility to supply the volume and pressure of water for fighting fires while, at the same time, supplying daily water needs.

“Freedom of Information Act” or “FOIA” shall mean the Freedom of Information Act as set forth in C.G.S. §§1-200 *et seq.* and amendments thereto.

“Fully Depreciated” shall mean the time at which pipes owned by the Town and the University at the time of the agreement have reached the age of 60 years at which time the asset is deemed to have a salvage value of zero and would be transferred to CWC ownership.

“Governmental Approval” means any authorization, consent, approval, license, franchise, lease, ruling, permit, tariff, rate, certification, exemption, filing or registration by or with any Governmental Authority having jurisdiction on matters covered by this Agreement (including, but not limited to, zoning variances, special exceptions and non-conforming uses).

“Governmental Authority” means any federal, state, departmental or municipal government or any political subdivision thereof, and any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any other governmental entity but excluding in all cases UConn.

“Law” or “Laws” shall mean federal, state, local, foreign or other laws, regulations, orders, injunctions, building and other codes, ordinances, permits, licenses, judgments, decrees of federal, state, local, foreign or other authorities, and all orders, writs, decrees and consents of any Governmental Authority, or any court or similar Person established by any such governmental or political subdivision or agency thereof but excluding in all cases UConn. A summary of principal Laws applicable to this Agreement is attached as Exhibit \_\_\_ attached hereto and hereby incorporated into this Agreement.

“Licenses and Permits” shall mean any license, permit, registration, certificate, order, approval, franchise, variance and similar right issued by or obtained from any Governmental Authority or any third party that is required in connection with the operation of a Party’s water supply system, the Capital Improvements or the Supply System Improvements.

“Meter” shall mean a water volume measuring device, meeting design, type and specification per industry standards and PURA regulations, that is used for the purpose of measuring water volumes as provided in this Agreement.

## **12/09/13 Draft**

“New Customer Rate” shall mean the rate charged by CWC to New Customers which shall be equal to the water commodity charge and basic service charge as approved by PURA for similarly defined categories of CWC customers.

“New Customers” shall mean all Billed Customers after the Completion Date who shall be direct customers of CWC that are not Existing Customers, and shall be charged by CWC at the New Customers Rate.

“Notice of Completion” shall mean a written notice from CWC confirming the completion of all necessary or appropriate construction and testing of Capital Improvements in conformance with the requirements of the Agreement.

“Person” shall mean any natural person, estate, partnership, corporation, trust, unincorporated association, limited liability company, joint venture, organization, business, individual, municipality, government or any agency or political subdivision thereof, tribal nation, tribe or any other entity.

“Potable Water” shall mean water of a quality meeting or exceeding those standards for quality of drinking water established by the CTDPH pursuant to C.G.S. § 19a-36, including R.C.S.A. § 19-13-B102, and as such standards may be revised or amended from time to time.

“Public Authority Rate” shall mean the PURA-approved rates and charges as specified in CWC’s rate schedule to be paid for water provided at a public facility in the Town of Mansfield or a successor charge established by PURA to replace the Public Authority rate in effect at the time of the agreement.

“Public Facility” shall mean any real or personal property owned, leased, operated, maintained, or occupied by the Town, including, but not limited to, the Mansfield Housing Authority, Regional School District #19, and the Mansfield Public Schools, including fixtures and appurtenances thereto.

“PURA” shall mean the Public Utilities Regulatory Authority presently within the CTDEEP, or its successor as established by Law.

“R.C.S.A.” shall mean the Regulations of Connecticut State Agencies, and as revised and amended from time to time.

“Reasonable Efforts” shall mean the taking of any and all actions which are commercially reasonable under the circumstances and reasonably required to accomplish the desired task or achieve the desired result.

“Record of Decision” or “ROD” shall mean the Final Record of Decision and Environmental Impact Evaluation (EIE) for Potential Sources of Water Supply, University of Connecticut, Storrs, CT, University Project #901662, dated July 30, 2013.

**12/09/13 Draft**

“Storrs Customer Rate” shall mean the rate for water service to be charged by CWC for Existing Customers at the Completion Date which shall be equal to the rates and charges applied by UConn at that time. The rates and charges of UConn as of the Effective Date of this Agreement are as set forth in Exhibit XX.

“System” shall collectively mean the CWC system, and any capacity upgrades made by CWC to meet the demands pursuant to the CWC Water Supply Plan.

“System Improvements” shall mean equipment, modifications and all work or actions to be taken by CWC in connection with the CWC System to meet all CWC obligations under this Agreement.

“Town” shall mean the Town of Mansfield, Connecticut.

“Town Infrastructure” shall mean the Town owned water distribution infrastructure as more fully described in Exhibit \_\_\_\_ attached hereto and hereby incorporated into this Agreement.

“UConn” shall mean the University of Connecticut, its successors and assigns.

“UConn/CWC Agreement” shall mean that certain Water Supply and Development Agreement by and between UConn and CWC and dated as of [\_\_\_\_\_, 2013], a copy of which appears in Exhibit \_\_ attached hereto.

“UConn Infrastructure” shall mean the UConn water distribution infrastructure on campus as more fully described in Exhibit \_\_\_\_ attached hereto and hereby incorporated into this Agreement.

“UConn Off Campus Infrastructure” shall include the UConn off campus water distribution system, that provides the water supply for the customers in Mansfield as depicted on Exhibit xx that is attached hereto and hereby incorporated into this Agreement.

“Water System Advisory Group” or “Advisory Group” shall mean the group of representatives that will provide local input to CWC and ensure communication and collaboration relating to the water system as described in Section 9.5 of this Agreement.

1.2 Adoption of Preamble and Recitals. The Parties each adopt and certify that each of those respective statements concerning such Party as stated in the preamble and recital of this Agreement are true and correct, and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein, provided that in cases of conflict, the provisions stated in the body of the Agreement shall control over statements in the preamble and recital.

SECTION 2. WATER SUPPLY

2.1 Water Supply Service

(a) Subject to the terms and condition of this Agreement, beginning on the Completion Date, CWC shall have and agrees to sell and supply to Customers in Mansfield on a 24 hour per day and 365 day per year basis all Potable Water required to meet their demands. CWC shall fulfill its obligation set forth in this Section in strict conformance with the Law.

(b) CWC shall be authorized and obligated to provide water service for current and future customers on the CWC System in the Town of Mansfield in accordance with all applicable Laws. CWC shall be responsible to meet the current and future public water supply needs for customers in Mansfield, meeting the PURA standards for service at PURA approved rates and all DPH requirements or other applicable laws regarding the purity and adequacy of the water supply.

(c) CWC shall provide Potable Water at the pressure necessary to ensure proper service to Customers in accordance with the Law.

(d) CWC shall supply and deliver Potable Water to Customers using the System in strict conformity with the Law. CWC shall be responsible for ensuring that all water delivered pursuant to this Agreement meets the quality standards for Potable Water set forth in the Law.

(e) In the event that there is a water quality violation in the CWC System in the Town of Mansfield, CWC shall provide notice to customers as required by Law and shall advise the local health official and Town Manager in Mansfield of such violation.

2.2 New Service Connections

(a) CWC shall not permit customer connections to the System that would violate any connection restriction set forth in the ROD except as ordered or directed by PURA pursuant to C.G.S. §16-20 and with timely notice of initiation of such PURA proceeding being given by CWC to the Connecticut Office of Policy and Management, UConn and the Town.

(b) CWC shall notify an applicant, upon request, of the availability of water supply but shall not permit any connection to the CWC System unless the New Customer to be served by such connection first obtains any required Governmental Approvals.

(c) CWC shall notify the Town Director of Planning and Development of any Person seeking to connect to the System and shall allow the connections as authorized by this Agreement.

(i) Connection to the CWC System in Mansfield for properties that do not require a main extension shall be permitted, where such uses are consistent with zoning regulations in effect at the time of the request, after providing notice to the Director of Planning and Development, and the applicant has demonstrated that

any required local approvals for building or public health or as otherwise required are secured.

- (ii) Connection to the CWC System in Mansfield for properties that do not require a main extension shall be permitted to allow for the existing use of properties, after providing notice to the Director of Planning and Development.
- (iii) Connections to the CWC System in Mansfield, whether a new use or change to existing use that require a change in zoning or approval by a local land use commission shall be permitted after (a) providing notice to the Director of Planning and Development, (b) allowing for review by the Advisory Group, and (c) demonstration by the applicant to CWC that all required approvals are secured.
- (iv) Any extension of the CWC System in Mansfield after the Completion Date shall be undertaken in consultation with the Advisory Board established pursuant to Section 9.5 hereof and permitted if the applicant has demonstrated to CWC that all required approvals have been secured and such extension complies with the CWC Main Extension Agreement as applicable.

## SECTION 3. WATER RATES, CHARGES AND CUSTOMERS

### 3.1 Customer Water Rates

(a) Customers served by UConn after the Effective Date of this Agreement shall continue to be served by and billed by UConn until the Completion Date.

(b) As of the Completion Date all Existing Customers, including any Town Facilities and fire hydrants, shall become direct customers of CWC and shall be charged the Storrs Customer Rate by CWC. After the Completion Date, the Storrs Customer Rate shall be subject to adjustment by the same dollar amount change approved by PURA for similarly defined categories of CWC customers.

(b) After the Completion Date, all Billed Customers that are not Existing Customers shall be direct customers of CWC ("New Customers") and shall be charged by CWC at a rate equal to the rates and charges as approved by PURA for similarly defined categories of CWC customers as may be amended from time to time subject to PURA approval.

(c) Notwithstanding Section 3.1(b), any Public Facility that qualifies as a New Customer shall be charged by CWC at a rate equal to the Public Authority rates and charges as approved by PURA for similarly defined categories of customers. The Town shall be charged the PURA approved CWC Fire Protection Charges for any fire hydrants in service after the Completion Date.

## 12/09/13 Draft

(d) Customers in Mansfield, including any Public Facility, shall be subject to applicable PURA approved surcharges or surcredits at the same percentage basis as other CWC customers.

(e) Customers shall pay PURA-approved rates and charges, including any applicable surcharges for the Potable Water received by the Customer. Customers, including the Town, shall not be subject to any form of “take or pay” charges.

### 3.2 Water Supply Planning and Information Sharing

(a) The Parties agree to cooperate in the timely exchange of reasonably available information including projected water supply and demand data, and related operations information to facilitate required water supply planning efforts, and to minimize over-estimation or under-estimation of infrastructure capacity needs by either Party.

(b) The Parties agree to reasonably cooperate to provide information to facilitate the periodic revision of applicable water supply plans, to give timely notice and information concerning anticipated capital projects likely to affect water supply or demand volumes, and to timely provide other information regarding identified changes to the water supply or demand characteristics that may affect the operations that are the subject of this Agreement.

(c) The Parties shall use all reasonable efforts to advocate to PURA for its approval of the rates set forth in this Section 3, a schedule of which appears as Exhibit \_\_ attached hereto and is hereby incorporated into this Agreement. In the event that the rates set forth in this Agreement are not approved by PURA as proposed, CWC shall notify the Town and advise them of the process for approval of alternate rates and opportunities to provide comment on the record to PURA on the revised request.

## SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations, Warranties and Covenants of CWC. CWC represents and warrants as follows:

(a) Authorization; No Restrictions; Consents or Approvals. CWC has full power and authority to enter into and perform this Agreement, and all action necessary to authorize the execution and delivery of this Agreement and the performance by CWC of its obligations hereunder has been taken. This Agreement has been duly executed by CWC and constitutes the legal, valid, binding and enforceable obligation of CWC, enforceable against CWC in accordance with its terms subject to bankruptcy laws affecting creditors’ rights generally. The execution and delivery of this Agreement and the consummation by CWC of the transactions contemplated herein or hereby, do not (i) conflict with or violate any of the terms of CWC’s charter or by-laws or other constituent documents or governing instruments, or, to CWC’s knowledge, any applicable Laws, (ii) conflict with, or result in a breach of any of the terms of, or result in the acceleration of any indebtedness or obligations under, any agreement, obligation or instrument by which CWC is bound or to which any property of CWC is subject, or constitute a default thereunder or (iii) conflict with, or result in or constitute a default under or breach or

## 12/09/13 Draft

violation of or grounds for termination of any Licenses and Permits or other Governmental Approval to which CWC is a party or by which CWC may be bound, or result in the violation by CWC of any Laws to which CWC or any assets of CWC may be subject, except for any such conflict, violation, breach, default or acceleration which would not have a material adverse effect on the ability of CWC to fulfill its obligations under this Agreement or materially and adversely affect the consummation of the transactions contemplated herein.

(b) Technical Knowledge. CWC has at the time of execution of this Agreement, or will have secured in a manner necessary to timely perform under this Agreement, adequate capacity, technical knowledge and employees to fulfill its obligations under this Agreement.

(c) Title to Assets. CWC has at the time of execution of this Agreement, or will have secured in a manner necessary to timely perform under this Agreement, sufficient right, title and interest in and to its assets to be able to carry out its obligations under this Agreement. CWC has not granted any liens, security interests and other encumbrances against its assets, and such assets have or will have as of the Completion Date and during the Term sufficient capacity for CWC to fulfill its obligations under this Agreement.

(d) Licenses and Permits. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby will not result in the revocation, cancellation, suspension, modification, or limitation of any of CWC's Licenses and Permits and will not give to any Person any right to revoke, cancel, suspend, modify, or limit any of CWC's Licenses and Permits. Renewal of each of CWC's Licenses and Permits has been or shall be timely applied for to the extent required under all Laws, and to the extent appropriate to protect renewal rights thereunder. To the CWC's knowledge, there is no fact or event which is likely to prevent the renewal of any of CWC's Licenses and Permits under existing Laws or which, with the passage of time or the giving of notice or both, is likely to constitute a violation of the terms of any of CWC's Licenses and Permits or of any applications or agreements made in connection therewith. No action or proceeding is pending or, to the CWC's knowledge threatened, which could result in the revocation, cancellation, suspension, modification, or limitation of any of CWC's Licenses and Permits.

(e) Compliance with Law. CWC is presently in compliance with all applicable Laws with respect to matters relevant to the subject of this Agreement, and to CWC's knowledge no event has occurred which would constitute reasonable grounds for a claim that non-compliance has occurred or is occurring.

(f) Real Estate Interests. CWC has at the time of execution of this Agreement, or will have secured in a manner necessary to timely perform under this Agreement, and will maintain, protect and defend sufficient right, title and interest in all real estate, easements, rights of way and any other interests in real estate to enable CWC to fulfill its obligations, covenants and agreements pursuant to this Agreement.

(g) Pending Litigation. There are no actions, suits, claims, enforcement actions, or proceedings pending against CWC or any Person by reason of CWC being an official or officer of CWC, whether at law or in equity or before or by any federal, state, municipal or other

governmental department, commission, board, bureau, agency or instrumentality which, if adversely determined, would have a material adverse effect on the business, financial position, or results of operations of CWC; nor is there outstanding any writ, order, decree, or injunction applicable to CWC that (i) calls into question CWC's authority or right to enter into this Agreement and consummate the transactions contemplated hereby, or (ii) would otherwise prevent or delay the transactions contemplated by this Agreement.

4.2 Covenants of CWC. CWC covenants not to impose upon the Town or any Customer in Mansfield any special charge, fee or assessment, including, but not limited to, so-called "wheeling charges," resulting from CWC's use of UConn Infrastructure to serve customers in Mansfield.

## SECTION 5. CAPITAL IMPROVEMENTS AND SYSTEM DEVELOPMENT

5.1 Design and Construction by CWC. Except as otherwise specifically provided in this Agreement, all matters relating to the design, engineering, permitting, construction, start-up, inspection and testing of the System Improvements, including but not limited to the hiring of contractors and engineers, shall be the sole responsibility, cost and expense of CWC.

5.2 Design Standards. CWC agrees that all Capital Improvements shall be designed, constructed and tested in compliance with (i) prudent industry practices, (ii) the environmental mitigation measures and best construction management practices outlined in the ROD, (iii) all applicable requirements of Governmental Authorities and Laws, including CTDPH "Guidelines for the Design and Operation of Public Water System Treatment, Works and Sources", and (iv) in accordance with the UConn/CWC Agreement.

5.3 Right of Review and Approval. The Town, its employees, agents, representatives and contractors (which may be selected in the Town's sole discretion) shall have the right, but no obligation, to review and approve those aspects of the design, engineering, materials and construction plans and specifications proposed by CWC for the Capital Improvements that relate to design, standards and conditions outlined in the ROD, provided that any such Town review and approval shall not be unreasonably delayed or withheld, and provided further that the Town will timely advise CWC if the Town intends not to undertake such review and/or such approval process.

5.4 Infrastructure Development Costs. CWC shall be solely responsible for all fees, capital costs and expenses related to the performance of the Capital Improvements obligations under the terms of this Agreement except the UCONN Campus Spur without imposing an assessment on the Town or any Customer in Mansfield for the construction of that infrastructure. The Town shall be solely responsible for its own legal and professional costs and expenses related to its opportunity for review of System Improvements under this Section 5.

5.5 Easements and Rights of Way. CWC shall be solely responsible, at its cost and expense, for obtaining and maintaining all easements, rights-of-way or other access and entry authorizations required for CWC to perform its System Improvement obligations under this

Agreement. The Town shall grant CWC such easements at no cost as are reasonably necessary for CWC to perform its obligations under this Agreement at locations accessed through land owned by the Town.

5.6 Construction Activities Review and Meetings. The Town shall have the right but no obligation to observe and inspect all construction, start-up, inspection and testing activities related to the System Improvements at any reasonable time to confirm CWC's compliance with this Agreement. The Parties agree to establish a mutually acceptable schedule no less frequently than monthly for CWC to present progress reports to the Town. CWC shall reasonably address any good faith comments or concerns presented orally by the Town in the course of Town observation periods, inspections, progress report meetings, or in writing from the Town to CWC at any time.

5.7. Coordination with Sewer Construction. The Parties agree to use Reasonable Efforts to coordinate the planning and timing of new water main construction with sewer installation or other Town road work planned for the same area.

## SECTION 6. WATER SUPPLY INFRASTRUCTURE OWNERSHIP AND MANAGEMENT

6.1 System Ownership. The Parties agree that title to any Existing Infrastructure and off-campus UConn Infrastructure (as contemplated by the UConn/CWC Agreement) shall be transferred to and accepted by CWC upon either its being fully depreciated by the Town or UConn, as applicable, or upon the date of its replacement by CWC, whichever first occurs. Moreover, the Parties agree that CWC takes immediate title to Capital Improvements.

### 6.2 License to CWC.

(a) The Town shall provide to CWC on the Completion Date, and prior to the transfer of ownership pursuant to Section 6.1 hereof, an irrevocable license authorizing CWC to use, maintain, repair and replace Town Infrastructure as required to serve Existing Customers and New Customers.

(b) Prior to the Completion Date, and prior to the transfer of ownership pursuant to Section 6.1 hereof, CWC shall obtain an irrevocable license from UConn authorizing CWC to use, maintain, repair and replace University owned infrastructure as required to serve Existing Customers and New Customers.

6.3 Infrastructure Operation and Maintenance. As of the Completion Date and thereafter, CWC shall have responsibility at its sole cost and expense to operate, maintain, repair and replace the System in accordance with Law.

6.4 Property Taxes. CWC shall be solely liable for real property, personal property or any other tax with respect to any portion of the System owned by CWC.

**SECTION 7. INSURANCE, INDEMNIFICATION AND DISPUTE RESOLUTION PROCEDURES**

7.1 Insurance. CWC shall carry and maintain during the period of time it is using Town Infrastructure pursuant to the irrevocable license provided by the Town pursuant to subsection 6.2(a), at its sole cost and expense, such insurance as CWC and the Town reasonably agree to be satisfactory to protect both CWC and the Town adequately against any and all loss, damage or liability arising out of or in connection with the transactions contemplated by this Agreement and the development and operation and maintenance of the System. Such insurance policies shall contain such terms, shall be in such form, shall be with such insurers, and shall be for such periods as may be reasonably satisfactory to CWC and the Town, including the following specific provisions: i) Comprehensive General Liability including Premises and Operations, Contractual Liability, Products and Completed Operations on an occurrence basis with a combined limit of at least \$1,000,000, and, ii) Umbrella Liability with a limit of \$5,000,000 over primary limits for Employer Liability, General Liability and Automobile Liability. A certificate of insurance reflecting the coverage required herein and naming the Town as an additional insured shall be provided to the Town to confirm the coverage, maintenance and extension of insurance required by this Agreement including a thirty (30) day prior notice of cancellation provision.

7.2 Indemnification. CWC shall indemnify, defend and hold the Town, its trustees, officers, employees and agents harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damage of third parties that may arise out of or are in any manner connected with the performance of this Agreement by CWC. CWC's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by CWC which is intended to respond to such events. This indemnification obligation shall include, but is not limited to, all claims against the Town by an employee or former employee of the CWC or any subcontractor and CWC expressly waives all immunity and limitation on liability under any Industrial Insurance Act, other workers' compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such a claim. The provisions of this Section 7.2 shall survive termination of this Agreement.

7.3 Informal Resolution of Disputes. The Parties agree that if a dispute arises between the Parties relating to the rights, duties, or obligations arising out of this Agreement, then the Parties shall first meet informally in a good faith effort to negotiate a resolution of the dispute. If the Parties do not resolve a dispute in the informal process described herein, then either Party may propose, and the other Party shall agree, to undertake good faith efforts to settle the dispute by the then current non-administered Mediation Rules of the American Arbitration Association. Nothing in this provision of the Agreement shall affect the participation or intervention rights of the Town under Section 9 of this Agreement.

**SECTION 8. WATER SUPPLY PERMITTING AND LICENSING**

**8.1 Regulatory Permits and Approvals.**

(a) CWC shall be solely responsible, at its sole cost, for securing all Licenses and Permits or other Governmental Approvals, including modifications or renewals thereof, necessary or appropriate to construct or operate infrastructure or equipment to supply and deliver Potable Water or otherwise necessary for CWC to perform its obligations under this Agreement including PURA approval of water rates as set forth in this Agreement.

(b) The Parties agree to cooperate and use Reasonable Efforts to secure Licenses and Permits or other Governmental Approvals, including modifications and renewals thereof, as necessary and appropriate and in conformance with applicable Law. Notwithstanding the foregoing, the Town shall have no responsibility or liability regarding such activities of CWC.

(c) CWC shall be solely responsible for legal, engineering, and consulting and expert witness costs, administrative fees and other expenses arising in connection with CWC efforts to secure the Diversion Permit, Permits and Licenses or Governmental Approvals, including modifications or renewals thereof, and all other state agency proceedings and court proceedings related to the matters that are the subject of this Agreement or CWC's efforts to perform its obligations under this Agreement. The Town shall have no responsibilities or cost obligations in connection with such efforts, proceedings or matters.

**SECTION 9. SYSTEM METER READING AND BILLING**

**9.1 Water Meters.**

(a) CWC shall own, install, maintain, repair, replace and operate Meters serving Customers, at its sole cost and expense.

(b) CWC metering procedures shall conform to the CWC Regulations,. Procedures for reading Meters, conducting investigations of Meter accuracy or performance, Meter testing and the resolution of Meter discrepancies shall be those set forth in applicable Law.

**9.2 Billing.**

(a) CWC billing procedures shall conform to the CWC Regulations, as approved by PURA.

(b) The Customer as defined by CWC Regulations shall mean the Billed Customers as specified by this Agreement.

**9.3 Freedom of Information Act Requirements.** Although CWC is not subject to the Freedom of Information Act, it will use Reasonable Efforts to assist the Town in complying with its obligations under the Freedom of Information Act, as applicable to information that may be

## 12/09/13 Draft

created or maintained under the terms of this Agreement. CWC is not a Public Agency as defined by FOIA, and nothing in this agreement is intended to cause CWC to function as a Public Agency.

9.4 Water System Advisory Committee CWC shall commit to the establishment of a Water System Advisory Committee ("Advisory Committee") to provide local input and ensure communication and collaboration relating to the water system.

(a) The Advisory Committee shall be comprised of representatives of the Town, UConn, local health officials, representatives of adjacent towns including Coventry, Tolland and Windham, and other stakeholders as agreed upon by the Parties to this Agreement.

(b) The Advisory Committee shall advise CWC in connection with the supply of Potable Water and the operation, expansion and integration of the CWC System. The Advisory Committee shall provide information regarding plans and regulations of local land use commissions, consistency of proposals with the Plan of Conservation and Development, and future water supply needs that should be considered in the CWC Water Supply Plan.

(c) The Advisory Committee shall also make recommendations of best management practices, including but not limited to water conservation programs, and CWC shall work cooperatively with the Advisory Committee in the implementation thereof.

(d) The Committee shall serve in an advisory role and shall not approve or deny specific projects or otherwise limit CWC's ability to perform their obligations under the Agreement with the Town or the University or to comply with other statutes or regulations.

(e) The Parties shall establish the Advisory Committee with provisions governing membership and identifying the stakeholders to be represented through a Memorandum of Agreement to be completed and executed within one hundred and twenty (120) days from the execution of this Agreement.

9.5 Best Management Practices. In addition to any recommendations of the Advisory Committee, the Parties agree to the following best management practices:

(a) During non-emergency phases of the CWC Emergency Contingency Plan, such as a water supply advisory, watch or warning, the Town would work cooperatively with CWC to encourage Customers to reduce water use consistent with the CWC Emergency Contingency Plan.

(b) CWC shall support and assist the Town in implementing any zoning, wetland and other similar development plans to mitigate development pressures in areas identified by the Town and consistent with the ROD, provided that such support and assistance can be harmonized with CWC's obligation under C.G.S. §16-20.

## 12/09/13 Draft

(c) CWC shall support efforts to employ water conservation practices using water flow reducers and aerators, shutoff valves, leak detection systems, water reuse and reclamation and other practices.

(d) In consultation with the Advisory Committee, CWC shall make recommendations in connection with the provision of customer education programs and related financial incentives to encourage water consumption reduction.

9.6 Enforcement of CWC Obligations. CWC shall be responsible to meet with current and future public water supply needs in Mansfield in strict compliance with PURA regulations and at the PURA-approved rates as set forth herein. In the event it fails to meet the foregoing requirements, CWC shall be subject to any applicable enforcement actions by a Governmental Authority and the Town may petition PURA pursuant to C.G.S. §1-10a or §16-20. The Parties Agree that in the event PURA finds that CWC failed to provide water supply service which is adequate to serve the public convenience and necessity, PURA may make such orders as may be within its statutory authority including, if consistent with existing Laws, revocation of CWC's franchise to serve Customers in the Town of Mansfield, or any portion thereof.

9.7 Exclusive Service Area. On or after the convening of a water utility coordinating committee pursuant to C.G.S. §§25-32c through 25-32j, CWC would seek and the Town would reasonably support the designation of an Exclusive Service area in the Town to CWC, except for those areas served at that time or more appropriately served by other regulated public water systems. The Town's obligation as set forth in this Section 9.9 is subject to CWC's fulfillment of its obligations pursuant to this Agreement.

9.8 CWC Sale. Any proposed sale or transfer of CWC would be subject to the approval of PURA and any successor thereto shall be obligated to meet or exceed any and all obligations of CWC pursuant to this Agreement. The Town and any Customers shall have the right to participate in any such PURA proceeding, including seeking intervener status, provision of input and may request any specific terms or conditions of such sale or transfer to protect its interests.

## SECTION 10. FORCE MAJEURE EVENT AND SPECIAL NOTICE

10.1 Force Majeure Event. If any Party is prevented from performing any of its obligations hereunder, for reasons beyond its reasonable control, including, but not limited to, the shortage (whether actual or threatened) of, or the failure of common carriers, suppliers or subcontractors to deliver, necessary raw materials or supplies; embargoes, epidemics, quarantines; unusually severe weather conditions; fires, explosions, floods or other acts of God or the elements; water main breaks; acts of terrorism, war (declared or undeclared) or of a public enemy or other acts of hostility; civil disturbances, insurrections, riots or labor unrest; the threat or actual existence of a condition that may affect the integrity of the supply of any service; the necessity of making repairs to or reconditioning or periodic flushing or cleaning wells, pipelines, transmission lines and other equipment; or the legal requirement or order of any Governmental Authority; provided, however, that any Party subject to the legal requirement or order of any Governmental Authority shall use Reasonable Efforts to defend and take all appeals in opposition to such actions (each of

**12/09/13 Draft**

the foregoing, a “Force Majeure Event”), such non-performing party shall not be liable for breach of this Agreement with respect to such non-performance to the extent any such non-performance is due to a Force Majeure Event. Such non-performing party shall exercise all Reasonable Efforts to eliminate the Force Majeure Event and to resume performance of its obligations as soon as practicable.

10.2 Special Notice. Upon the occurrence of a Force Majeure Event, the Party prevented from performing its obligations hereunder shall contact the other Party by telephone as soon as practicable with information available at that time so that the Parties may identify timely and mutually acceptable measures that may be taken to mitigate the effects of the Force Majeure Event. For purposes of this section, the Parties will provide telephone contact information to each other and ensure that such information is kept current and maintained in the documentation referenced in Section 9.7 hereof. Any further notices of a less time-sensitive nature shall be delivered as provided by Section 14.1 hereof.

**SECTION 11. GENERAL PROVISIONS**

11.1 Notice. Except as provided in Section 10.2, any notice, report, demand, waiver, consent or other communication given by a Party under this Agreement (each a “notice”) shall be in writing, may be given by a Party or its legal counsel, and shall deemed to be duly given: (i) when personally delivered, or (ii) upon delivery by United States Express Mail or similar overnight courier service which provides evidence of delivery, or (iii) when five days have elapsed after its transmittal by registered or certified mail, postage prepaid, return receipt requested, addressed to the Party to whom directed at that Party’s address as it appears below or another address of which that Party has given notice, or (iv) when delivered by facsimile transmission if a copy thereof is also delivered in person or by overnight courier within two days of such facsimile transmission. Notices of address change shall be effective only upon compliance with the provisions of the foregoing sentence.

Notice to the Town shall be sufficient if given to:

- Town of Mansfield, Connecticut
- X
- X
- X
- X

with a copy to:

- x
- x
- x
- x
- x

Notice to CWC shall be sufficient if given to:

Connecticut Water Company

X  
X  
X  
X

with a copy to: x  
x  
x  
x  
x

The Parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other Party hereto.

11.2 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitutes the entire agreement between the Parties pertaining to its subject matter, and it supersedes any and all written or oral agreements previously existing between the Parties with respect to such subject matter.

11.3 Amendment and Modification. No amendment or modification of any provision of this Agreement shall be valid unless the same shall be in writing and signed by both Parties.

11.4 Waiver. Any Party's failure to insist on strict performance of any provision of this Agreement shall not be deemed a waiver of any of its rights or remedies, nor shall it relieve any other Party from performing any subsequent obligation strictly in accordance with the terms of this Agreement. No waiver shall be effective unless it is in writing and signed by the Party against whom enforcement is sought. Such waiver shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a waiver of any other provision. No waiver shall constitute a continuing waiver unless the writing states otherwise.

11.5 Governing Law. This Agreement and matters arising out of or related to this Agreement (including tort claims) shall be construed in accordance with and governed by the laws of the State of Connecticut without giving effect to the conflict of laws principles thereof.

11.6 Severability. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof, and this Agreement shall be construed as if such invalid or unenforceable term or provisions had not been contained herein.

11.7 Relationship between the Parties. Neither of the Parties and none of the agents, employees, representatives, or independent contractors of either Party shall (i) be considered an agent, employee or representative of the other Party for any purpose whatsoever; (ii) have any authority to make any agreement or commitment for the other Party or to incur any liability or obligation in the other Party's name or on its behalf; or (iii) represent to any other Person that it

**12/09/13 Draft**

has any right so to bind the other Party hereto. Nothing contained in this Agreement shall be construed or interpreted as creating an agency, partnership, or joint venture relationship between the Parties.

11.8 Parties in Interest. Except as specifically contemplated hereby, nothing in this Agreement is intended to confer any benefits, rights or remedies on any Persons other than the Parties. This Agreement shall not be construed to relieve or discharge any obligations or liabilities of third persons, nor shall it be construed to give third persons any right of subrogation or action over or against any Party. Nothing in this Agreement creates an obligation or liability of the Town to supply or deliver water to third parties.

11.9 Assignment; Successors and Assigns. This Agreement may not be assigned by CWC without the prior written consent of the Town. This Agreement shall not inure to the benefit of any CWC successor without the prior written consent of the Town.

11.10 Interpretation. For purposes of interpretation of this Agreement, the Parties agree that neither party shall be deemed to have been the drafter of the Agreement. The Parties further acknowledge that this Agreement has been arrived at through negotiation, and that each Party has been represented by legal counsel and has had a full and fair opportunity to revise the terms of this Agreement.

11.11 Miscellaneous. The Section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret, or construe the intentions of the Parties. This Agreement may be executed in two or more counterparts and all such counterparts shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission or electronic mail attachment shall be as effective as delivery of a manually signed counterpart of this Agreement. The term "including" is by way of example and not limitation.

IN WITNESS of the foregoing, the Parties have executed this Agreement by their duly authorized officers as of the date first set forth above.

TOWN OF MANSFIELD, CONNECTICUT

By: \_\_\_\_\_

Name:

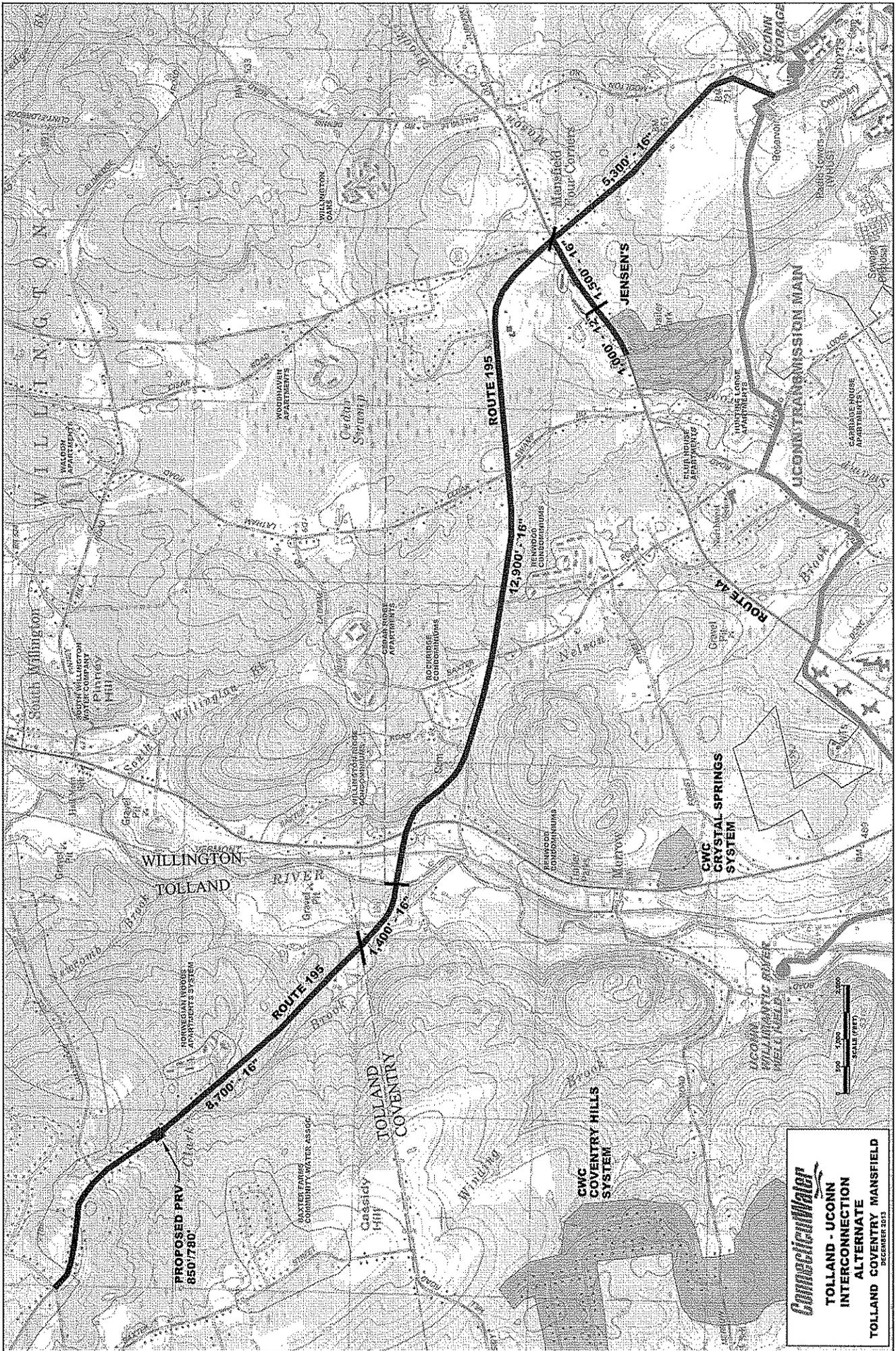
Title:

CONNECTICUT WATER COMPANY

By: \_\_\_\_\_

Name:

Title:



**ConnecticutWater**  
**TOLLAND - UCONN**  
**INTERCONNECTION**  
**ALTERNATE**  
**TOLLAND COVENTRY MANSFIELD**  
 DECEMBER 2013



# **RULES AND REGULATIONS**



**Connecticut Water Division  
Crystal Water Division  
Unionville Water Division**

**AS APPROVED BY DPUC ON JULY 14, 2010**

***For Customer Service Call:***

**Connecticut Water - 1-800-286-5700**

**Unionville Office - 860-673-0079**

**RULES AND REGULATIONS**  
**OF**  
**THE CONNECTICUT WATER COMPANY**

Dear Customer:

Providing high quality water and service to all our customers requires us to have uniform practices. The following Rules and Regulations, which cover our Company's policies and procedures, have been approved by the Department of Public Utility Control. We urge you to read them and keep them for reference.

This booklet focuses on frequently asked questions. It is impossible to anticipate every situation that may arise, so if you have questions that require further explanation, please write or call our Customer Service Center at 1-800-286-5700. If you have further questions or need assistance, you may ask for our Manager of Service Delivery in the office nearest you.

These policies and procedures help us provide you with quality water and service while ensuring fair and equitable treatment for all of our customers. We appreciate your cooperation and compliance with these provisions.

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly "R. J. ...".

President & CEO

**RULES AND REGULATIONS  
OF  
THE CONNECTICUT WATER COMPANY**

**TABLE OF CONTENTS**

	<u>Page</u>
About Your Water Service	1
I. Contract	2
II. Definitions	2
III. General Rules	5
IV. Applications and Transfers	7
V. Services	8
VI. Meters	12
VII. Billing and Collection	15
VIII. Denial or Termination of Service	17
IX. Private Fire Service	20
X. Fire Protection Charges	21
XI. Company Responsibilities	22
XII. Notes	23
XIII. Appendix	24

## ABOUT YOUR WATER SERVICE

The Connecticut Water Company is your water utility serving residential, commercial, industrial and municipal customers throughout the state. More than one quarter million people rely on us every day for their drinking water and to provide for public health and safety needs.

We at Connecticut Water are eager to serve you and are committed to providing you with a reliable supply of quality water. We value your business and want you to know that your complete satisfaction is our first concern. Meeting this objective calls for a special service commitment on our part, one which is provided through the efforts of a caring, well trained staff, dedicated to meeting the needs of our customers. At Connecticut Water we are proud of the high quality water and customer service we provide.

Please call our Customer Service Center Monday through Friday, 8:00 A.M. to 4:30 P.M., except holidays, at 1-800-286-5700 if you need assistance for a routine matter such as:

- Account information
- To schedule a service appointment
- A billing question
- A special payment arrangement
- A pending property sale

If you ever need emergency service, call our Customer Service Center anytime, 24 hours a day, at 1-800-286-5700.

Rate schedules and other customer information are available upon request at our offices. The Company maintains service connection records, including service or curb box locations. This information is available to customers upon request.

The Company assists customers whenever possible to locate or mark out existing underground pipes. The Company has equipment available that can locate a leak, thus reducing the cost of repairs, in the event of a leak in a customer's service pipe. The Company will, upon request, send a service person to turn off a curb stop if the customer's main valve is not holding, so that necessary repairs can be made.

If a customer is planning excavation on their property, they need to utilize Connecticut's one-call system, Call Before You Dig, Inc., at 1-800-922-4455 to ensure the identification and proper marking of underground utilities are done prior to the excavation.

We hope these Rules and Regulations will clarify any questions you may have about your water service. If you have further questions or suggestions for improved service, call us at 1-800-286-5700. We will be glad to hear from you.

**RULES AND REGULATIONS**  
(Subject to change without notice)

**I. CONTRACT**

These Rules and Regulations and all subsequent changes hereto constitute a part of the contract with every customer supplied by Connecticut Water and its operating divisions, and every customer shall be considered to have expressed consent to be bound hereby. These Rules and Regulations are subject to change without notice upon approval of the Department of Public Utility Control.

The Company's regulations regarding water main extensions, as approved by the Department of Public Utility Control, are available as a separate document.

**II. DEFINITIONS**

**Auxiliary Sources:** A water supply which is not approved for potable use such as a pond, river, open storage tank, or large swimming pool; or potable water which has become nonpotable, such as by the addition of chemicals or from contamination while the water is being stored or held in reserve; or a private well unless safe sanitary quality and the interconnection is approved.

**Company:** The Connecticut Water Company and/or any of its operating subsidiaries including Connecticut Water, Crystal Water and Unionville Water.

**Cross Connection Control Device:** A Department of Public Health approved device for preventing backflow, also known as back pressure or back siphonage device. These devices are required to be installed and tested, in accordance with the requirements of the Public Health Code, at the customer's expense.

**Curb Box:** Cylindrical iron box with a cover that provides access to curb valve.

**Curb Stop:** A shut off valve on water service connection generally located at the curb or property line (also referred to as a curb valve).

**Customer:** Any person, firm, corporation, company, association, governmental unit, lessee who, by the terms of a written lease or agreement, is responsible for the water bill, or owner of property furnished water service by the Company.

**Delinquent Account:** A water service bill rendered on a monthly basis which has remained unpaid for a period of more than 33 days after the date of mailing of a bill, or a water service bill rendered on a quarterly basis or for a seasonal account which has remained unpaid for a period of more than 63 days after the date of mailing,

**DPH:** State of Connecticut Department of Public Health.

**DPUC:** State of Connecticut Department of Public Utility Control.

**Family:** Individuals living as a single housekeeping unit.

**Fire Service Line:** A service pipe used exclusively for fire protection purposes.

**Main:** A water pipe owned, operated and maintained by the Company, which is used for the purpose of transmission or distribution of water but is not a water service pipe.

**Meter:** A device for measuring the quantity of water, used as a basis for determining charges for water service to a customer. A meter is owned by the Company.

**Meter Vault or Meter Pit:** An outdoor pit or vault used to house a water meter when no suitable location is available within the premises or if the distance from the curb valve to the premise is greater than 150 feet. Meter pits and vaults, including their covers, shall be owned and maintained by the property owner, and must be constructed in accordance with Company specifications.

**Meter Yoke:** Piping and valve arrangement approved by the Company used for installing a Company meter. The meter yoke is owned and maintained by the customer.

**Premises:** Shall include but is not restricted to the following:

- a.) A building or combination of buildings owned or leased by one customer, in one common enclosure, occupied by one family as a residence or one corporation or firm as a place of business.
- b.) Each unit of a multiple house or building separated by a solid vertical partition wall occupied by one family as a residence or one corporation or firm as a place of business.
- c.) A building owned or leased by one customer and having a number of apartments, offices or lofts which are rented to tenants using in common one hall and one or more means of entrance.

- d.) A building two or more stories high under one roof owned or leased by one customer and having an individual entrance for the ground floor occupants and one for the occupants of the upper floors.
- e.) A combination of buildings owned by one customer, in one common enclosure, none of the individual buildings of which is adapted to separate ownership.
- f.) A public building.
- g.) A single plot used as a park, recreational area, or for other purposes.

**Reasonable Amortization Agreement:** A mutually agreed upon promise of a customer to pay an account balance over a reasonable period of time.

**Receipt or Received:** Three days after the date of mailing, or, if a bill notice or other document is delivered rather than mailed, the date of delivery, unless another date can be shown.

**Remote Reading Receptacle:** A device installed on the outside of a structure or in an are easily accessible that allow access for meter reading with electronic meter reading equipment.

**Seasonal:** Water service provided from no earlier than April 1 to no later than November 30 of the same year (dates may vary for individual seasonal systems).

**Service Connection:** The service pipe, including corporation stop (tap), from the main to and including the curb stop adjacent to the street line or the customer's property line, and such other valves and fittings as the Company may require between the main and curb stop, which are owned and maintained by the Company.

**Tap:** The fittings installed at the main to which the service pipe is connected.

**Termination:** The voluntary or involuntary discontinuance of water service to an individual customer.

### III. GENERAL RULES

- a) Water service and use, and any special charges are charged in accordance with the DPUC approved rate schedules. All metered water, whether used or lost, shall be paid for by the customer.
- b) The piping and plumbing on all premises supplied from the Company's water system shall conform to the State of Connecticut Public Health Regulations and Building Code and Sanitary Codes, if any, of the town in which the premises are located.
- c) No customer shall supply water to other persons or permit any connection to be made on his/her premises for supply to other premises, without approval of the Company for "temporary service".
- d) No pipe or fixture connected with the mains of the Company may be connected with pipes or fixtures supplied with water from any other auxiliary source.

Such cross connections are in violation of the Connecticut Department of Public Health regulations. The customer shall be responsible for the installation of cross connection control devices. Such installation shall be approved and inspected by Company personnel and must be in conformance with the applicable provisions of the Public Health Code. All devices shall be easily accessible for inspection and testing. The customer shall be responsible to have any devices tested that are so required by the public health code and shall provide a written copy of the test results to the company for annual reporting to the Department of Public Health. Any customer who fails to provide the test results to the Company may be charged a Cross Connection Second Notice Fee, as approved in the company miscellaneous charges.

- e) Authorized employees of the Company shall have reasonable access to customers' premises for the purpose of reading, testing, repairing, installing or replacing meters and meter appurtenances; inspecting plumbing connections, fixtures or pipes, or discontinuing service. Services rendered after hours or on weekends or holidays are subject to special charges.
- f) Customers are responsible for keeping their service pipe, house pipes and fixtures in good order and protected from freezing. Failure to do so may result in interruption of service and costly repairs, for which the Company is not liable.
- g) Whenever possible, work requiring the interruption of service will be scheduled to provide the least inconvenience to the customer. The Company will make a reasonable effort to give notice in advance of work requiring the interruption of service. To safeguard against possible damage due to interruption of service, customers are advised to regulate their installations connected with the water

supply system, (i.e. check valves on water heaters) so that damage will not occur if water is shut off without notice.

- h) Whenever the public interest so requires, the Company reserves the right to curtail or suspend entirely the use of water for non-essential purposes. Such limitation of use shall be without liability on the part of the Company.
- i) Filling of tank trucks for any purpose shall only be done at company designated locations with approved backflow prevention under the direction of company personnel.
- j) Customers who plan to install air conditioning or refrigeration equipment totaling over three tons in capacity shall provide water conserving equipment.

k) WATER PRESSURE

- i. The Company will undertake to provide an adequate supply of potable water at adequate pressure throughout its system, but cannot assume responsibility or liability, direct, indirect or consequential, for any damage from failure to do so.
- ii. In areas where pressure is low, the Company may recommend and/or require that customers install, operate and maintain a booster pump and tank of a combined capacity approved by the Company. In such cases, customers will enter into a written agreement with the Company in which they hold the Company blameless for possible damages and inconvenience resulting from the low pressure.
- iii. In areas where pressure is high, the Company may recommend and/or require that customers install and maintain pressure-reducing valves (PRV). In such cases, the Company shall not be responsible for any possible damages or inconvenience resulting from the high pressure or failure of the PRV.
- iv. If there is not sufficient pressure or flow in a particular system of the Company to permit a customer to qualify for preferred risk insurance, the expense for any improvement in the system for this specific purpose shall be borne by the customer.
- v. In the event that any customer shall use water at rates of flow that cause noticeable pressure variations in the water system, the Company may require that the customer control their flow rates or install equipment to minimize such variations to an acceptable level.

#### IV. APPLICATIONS AND TRANSFERS

- a.) Applications for the installation of new water service shall be made on forms provided by the Company and signed by the applicant, or a duly authorized representative, for service of the premises to be supplied. Service connection fees are payable in advance. The Company may require appropriate identification such as a Social Security number, a driver's license, or a state issued identification card.
- b.) The Company will not accept an application for service from a customer having a delinquent water account, until the account has been paid in full.
- c.) Transfers may be authorized in writing or by verbal request through the Company's Customer Service Department.
- d.) Customers shall notify the Company when premises are to be vacated so that the water may be turned off, the meters read and/or removed, or the account transferred. If the premises are to be permanently abandoned, owners shall notify the Company in writing immediately so that the service connection can be closed. Closure will be made at the Company's expense.
- e.) Water for construction purposes shall be applied for on forms provided by the Company. All such water used must be metered, and charged in accordance with DPUC approved rate schedule.
- f.) When the Company renders temporary or intermittent service to a customer, it may require that the customer bear the costs in excess of any salvage realized of installing and removing the service.
- g.) Applicants desiring to connect to a main already under contract may be required to pay the Company an amount which, in its judgment, represents their equitable share of the original costs of the main.
- h.) Applicants taking service from an extension of main under special contract, as approved by DPUC, may be required to pay the Company an equitable share of the original cost of a pump station, storage tank or other facility.
- i.) Payments to the Company as share of original costs for a main extension will be refunded to the original depositors.

**V. SERVICES** - (See Appendices A-D for typical service installation diagrams)

- a) A single service may not supply more than a single premise. If a premises presently served by a single pipe is divided and no longer under the ownership of a single owner, it shall require installation of corresponding additional service pipes.
- b) When an applicant applies for service, except in conjunction with new main extensions, the Company will furnish, install, own and maintain such new service connections and will bear the cost of the service pipe from the main to the curb stop. The Company shall install and own the corporation and the curb stop and the applicant will be charged for furnishing and installing the curb box. The applicant will bear the costs of excavation, backfill removal and replacement of paving, walks, curbs, etc., necessarily incurred with respect to new services, and will be responsible for obtaining necessary permits and complying with safety requirements including shoring and all other trenching safety requirements. Services installed in conjunction with new main extensions shall be paid for by the customer or applicant based on the Company's approved service connection fees, during the life of the main extension contract.
- c) All services, new or renewed, for year round use shall typically be laid at a minimum invert depth of five feet below ground surface.
- d) All services, except those for private fire protection, shall be metered. The Company may meter private fire lines if it so desires.
- e) All new and renewed service connections with meters up to 1" in diameter are required to have installed, at the customer's expense, a meter yoke which meets Company standards.
- f) All new and renewed services shall be sized and constructed to comply with the Company's current design criteria and shall be a minimum of 1" in diameter. Service pipes normally shall be Type K Copper with no soldered joints underground, or cement-lined ductile iron.

In some instances the Company may approve the use of plastic pipe. Service piping of any material except Type K Copper shall conform to the specifications and installation standards of The Connecticut Water Company. Such pipe shall be PE 3408 SDR 9 CTS polyethylene, rated from 200 psi working pressure, or PE 3406 SDR 9 polyethylene, rated from 160 psi working pressure, with this information and the NSF seal appearing on the pipe. A 12-gauge tracer wire will be placed directly above each service line for the full length of the installation for ease in locating. Its use must have advance approval of the Company, be acceptable under the requirements of the town building codes, and be inspected prior to burying the service line.

The Company will not allow any plastic service within 500 feet of any commercial or industrial zoned area or any area with underground fuel tanks.

- g) Installation of new or renewed services is not allowed in easements or right of ways, without prior DPUC approval.
- h) All services shall be provided with a curb valve and curb box at the curb or at a convenient point prescribed by the Company between the curb and property line.
  - i) Seasonal service lines with a vertical rise shall be equipped with a stop and waste valve with an operating rod and valve box outside the building between the Company's curb valve and the building, regardless of meter location.
  - ii) Where more than one building on the premises is supplied by a single service, the branch line to each building shall have an underground shutoff valve box and operating rod outside the building.
- i). When replacement of a service connection is made at a customer's request for change in location or size of the service, the customer shall bear the full expense of relocation or enlargement. Maintenance of water piping installed within a private development and supplied from one service connection to the Company's main, shall be the responsibility of the private development, unless the water piping is owned by the Company with suitable easement rights by previous negotiation. Repairs may be made and billed for by the Company by pre-arrangement with the owners.
- j) The customer, at their own expense, shall furnish, install, own and maintain the service pipe from the curb stop to the interior of the building and shall assume ownership of a Company approved curb box, keeping service pipe and box in good repair and keeping the curb box readily accessible. If the curb box is not accessible for Company use, the Company has the right to make it accessible and/or operable and bill any cost to the customer. Installation of this section of the service line should be performed by a licensed plumber or in accordance with those provisions defined in Section 20-340 of the Connecticut General Statutes.
- k) The customer shall inform the Company prior to backfill in order that the Company may make an inspection and test to assure that the service pipe and installation complies with Company requirements. Testing is to include pressurizing the service pipe and a visual inspection of all joints for leakage. After inspection and approval of the trench, the depth of invert of the service may not be reduced to less than 5'-0", nor may any connection be made to the service pipe between the street shutoff and the meter. If the customer does not schedule the inspection prior to backfill, the Company may require that the pipe be re-excavated at the customer's expense to allow the Company to perform

the necessary inspection. No service pipe shall be turned on without prior approval by the Company.

- l) The customer shall assume the responsibility and expense of maintenance of customer's portion of the service pipe. Such service pipe shall be protected from freezing. Thawing of metallic service pipe, when required, may be done by the Company and the customer charged a special fee in accordance with the DPUC approved rates and charges. Such services shall be lowered at the customer's expense to prevent repetition of freezing. The Company cannot thaw freeze-ups in plastic service pipes or in service pipes located entirely within a private development served through one service connection.
- m) The customer is responsible for repairing all leaks and for other repairs, renovations and maintenance to all customer owned pipe, fixtures and equipment. If a leak develops in a customer service line or a customer owned service connection, the customer shall repair it without delay. When there is a leak in any service pipe from the curb box to the customer's premises and the owner cannot be readily found or shall refuse to make immediate repairs, the Company shall have the right, but not the duty, to make the necessary repairs and charge the customer for the same. If such repair work is not completed within a reasonable period specified by the Company (by telephone, in person or in writing to the customer), the Company may discontinue service until the leak is repaired, or repair the leak itself.
- n) The service pipe shall extend through that point on the customer's property line or the street line easiest of access to the utility from its existing distribution system and from a point at right angles to the existing or proposed distribution line in front of the premises to be served. If a multiple premises building is positioned at right angles to the existing distribution line, a new distribution line placed in an easement shall be necessary to permit right angle services to each premises. New or reconstructed service pipes shall not cross intervening properties. The approval of the Company shall be secured as to the proper location for the service pipe.
- o) Water service may not be laid in the same trench with other underground utility facilities. Separation distances of at least ten feet (measured horizontally) shall be maintained between any existing or proposed sanitary sewer piping, sewer manholes, septic tanks or any portion of a subsurface sewage disposal system.
- p) No service pipe shall cross any portion of a septic system or be installed less than 10 feet from any portion of a septic system.
- q) All underground lawn sprinkling systems shall be equipped with proper backflow prevention devices. Plans for such a system shall be approved by the Company before the installation is made, and the Company's final on-site inspection and approval is required before backfilling.

r) If an existing multiple family house is being served by a single service and meter, and a part of the house changes ownership, the new owner shall be required to install a separate service and meter.

s) Restoration of an abandoned service will be considered a new service installation.

t) SEASONAL CUSTOMERS

i) Customers who wish to convert from seasonal to year round service shall obtain prior approval from the appropriate town officials and make the installation in conformance with Company specifications. The customer shall be responsible for lowering service to a minimum invert depth of five feet below ground level.

ii) Seasonal services of less than five feet in depth shall be pitched toward the customer's stop and waste valve which shall be located between the house and curb shutoff, and depending on soil conditions, the Company may require that it have a permanently installed extension operating rod. Such services shall be drained when not in use. The Company will not be responsible for damages done to services which have not been properly drained. Services for building without cellars shall have underground stop and waste valves between building and curb shutoff.

iii) Customers who wish to convert from seasonal to year round or vice versa may make the conversion only once.

u) FIRE SERVICES

i) The installation of combined fire and domestic services will not be permitted without special approval of the Company. Prior to installation of fire sprinklers on any domestic service less than 2", the Company shall be notified in accordance with Section 19a-37a-1 of the Connecticut Public Health Code. Such sprinklers may only be installed on piping that is metered. No meter bypasses are permitted for such installations. It is the customer's responsibility to have the system designed and installed in accordance with all applicable state and local regulations. The Company makes no claim of reliability or adequacy of such system for fire protection. Such installation will not prevent the Company from pursuing normal termination procedures.

ii) If a fire pump is desired at a customer's location, the pump curve data must be provided to the Company for review and approval prior to installation to determine if the location is suitable for a pump.

## VI. METERS

- a) The Company shall determine the type, size and installation of the meter to be installed. All premises must be separately metered.
- b) The customer will provide, at their expense, an accessible and protected location for the meter, which location shall be subject to the approval of the Company at the time of service pipe installation.

The meter may be located inside a building when, in the opinion of the Company, an inside setting will provide adequate accessibility, protection against freezing or other damage to the meter, and when the service pipe from street line to place of use does not exceed 150 feet in length. A setting within a building shall be located just inside the cellar wall at a point which will control the entire supply, exclusive of fire lines, to the premises.

When no suitable place inside the building is available, or the service pipe exceeds 150 feet in length, the Company may require that the meter be set near the street shutoff with suitable valve in a pit at least five feet deep, with a cover. Pit and cover shall be approved by the Company. Meter pits or vaults, including the meter vault cover, become the property of the customer upon installation, and the customer is responsible for the maintenance and repair of the vaults as needed from time to time. Meter pits or vaults should be kept accessible and free of debris, which will help prevent the meter from freezing or being otherwise damaged.

- c) Meters will be owned, installed, tested and removed by the Company. Damage due to freezing, hot water, faulty connections, or customer's negligence shall be paid for by the customer.
- d) The customer is requested to notify the Company promptly of any defect in or damage to the meter or its connections.
- e) The Company may, at its discretion, install remote meter reading devices on its customers' meters. Customer requests for these installations will be reviewed on the basis of necessity.
- f) The Company may not be required to install a meter until all the requirements for a new service installation have been met, including the installation of a meter yoke.
- g) In order to assure accuracy, the Company may at any time remove a meter for tests, repairs or replacement. At a minimum, meters will be tested periodically in accordance with the regulations of the Department of Public Utility Control. Customers shall allow the Company access to their property for such periodic meter tests.

- h) Upon written request of a customer, the Company will test without charge to the customer, the accuracy of a meter in use at his premises provided the meter has not been tested by the Company or the DPUC within one year prior to such request.

Upon a request by a customer or an order by the DPUC, the Company shall notify the customer in writing within one week of the request that he/she, or his/her authorized representative, has the right to be present during the test. If the customer wishes to be present for the meter test, he shall notify the Company within 10 (ten) days of the written notification to arrange to be present for the test. The Company shall schedule a convenient time for all parties as its meter testing facility as soon as possible. A written report of the results of the test shall be furnished to the customer. The customer shall agree to abide by the results of such test as the basis for any adjustment of disputed charges. If the customer prefers, the DPUC can witness a test of the meter at a location other than the Company's own testing facility. The customer is responsible for all DPUC fees associated with witnessing a test.

- i) Submetering shall be permitted only with the approval of the Company and the Department of Public Utility Control.
- j) If a service cannot be shut down for periodic testing and removal of the meter, a second meter will be required.
- k) No person, other than a Company employee, shall break seals or disconnect meters unless specifically authorized in writing by the Company to do so. If any person takes such action without authorization from the Company, that person will be liable for any damages which may result therefrom, and shall be billed on the basis of water used in a similar period.
- l) The Customer is responsible for maintaining piping on either side of the meter in good condition and valved on both sides of the meter so that the meter may be removed or replaced conveniently and without damaging such piping. If a problem should develop subsequent to meter removal or replacement due to poor condition or the piping or hand valve, the customer shall be responsible for any necessary repairs and damage.
- m) Seasonal meters will be removed by the Company at the time service is shut off, tested, stored and replaced in the spring. Some seasonal meters are equipped with drain cocks and can be drained for the winter by the customer or its agent without removal. Seasonal activations and deactivations are done on a schedule determined by the Company. Customers are notified in advance by mail of the seasonal schedules. Customer requests to activate or deactivate their account on alternate dates shall be made to the Company with at least three days notice. Only Company personnel are authorized to operate the curb valve.

- n) Customers who satisfy all the requirements of the Company and their town officials for converting from seasonal to year round service will become metered customers subject to the Company's effective metered rates.
- o) Swimming pools or other facilities, which might require considerable quantities of water, may be required to be separately metered and to have separate services. Customers are not permitted to fill pools with water directly from hydrants. The Company may pursue appropriate enforcement action and may assess a usage fee based on estimated metered consumption.
- p) The Company can assume no responsibility for the clogging of interior house plumbing or flooding which may occur during or after interruption of service or repairs to services, meters or mains.

## VII. BILLING AND COLLECTION

- a) Separate premises shall be separately billed.
- b) Customer billing, including fire protection charges, is monthly or quarterly with the frequency for an account determined by the Company based on the days of service, classification and consumption.
- c) When a meter reading is not available, an estimated bill will be rendered.
- d) Bills are payable when rendered. Failure of the customer to receive the bill or notice does not relieve him/her from the obligation of payment or from the consequences of its non-payment.
- e) The property owner is generally the customer of record and is responsible for payment of water bills. However, if the property is rented or leased, the tenant may be the customer if a written lease or agreement specifies that the tenant is responsible for the water bill. The Company's usual procedures for applying for water service should be followed in either case.
- f) The Customer shall be liable for all charges for water service until such service has been disconnected by the Company pursuant to instruction from the customer or until the Company receives a notice of change in ownership or change in lessee.
- g) Meters still in place will continue to be billed for a minimum meter charge unless customer requests water be turned off and meter removed. If the customer requests the water be turned off and the meter removed before the end of the billing period, the meter charge will be prorated to reflect the actual number of days in service during the billing period.
- h) Bills for seasonal service shall be rendered at the time the meter is installed or a connection is made and the minimum charge payable in advance for the seasonal period. Prorated charges will be made in cases where premises are occupied for the first time after July 1.
- i) Where a premise is supplied by two or more meters connected to a single service, the minimum charge for each meter shall be applied and the registrations combined in the computation of consumption charges. Where a premise is supplied through more than one service, the minimum charge shall be applied to each meter and the registrations shall not be combined. Combined billing will not be allowed except where approved by the DPUC.
- j) Guarantee contracts are billed semi-annually in advance with semi-annual adjustment for actual revenue received.

- k) Water for construction purposes, or for tank trucks, will be metered in accordance with the Company's approved rates and charges.
- l) Miscellaneous sales are billed as the service is rendered.
- m) Bills that are incorrect due to meter or billing errors will be adjusted based upon Section 16-11-71 of the Regulations of Connecticut State Agencies. Whenever a meter in service is tested and found to have over-registered more than two percent, the Company will adjust the customer's bill for the excess amount paid determined as follows:
  - i) If the time at which the error first developed can be definitely determined, the amount of overcharge shall be based thereon.
  - ii) If the time at which the error first developed cannot be definitely determined, it shall be assumed that the over-registration existed for a period equal to one-half of the time since the meter was last tested. If more than one customer received service through the meter during the period for which the refund is due, a refund will be paid to the present customer only for the time during which they received service through the meter.
  - iii) Whenever a meter in service is found not to register or meter reading is not available, the Company may render an estimated bill. The Company will estimate the charge for the water used by averaging the amount registered over a similar period preceding or subsequent to the period of non-registration or for corresponding periods in previous years, adjusting for any changes in the customer's usage.
  - iv) Billing adjustments due to fast meters will be calculated on the basis that the meter should be 100% accurate. For the purpose of billing adjustment, the meter error shall be one-half of the algebraic sum of the error at a maximum test flow plus the error at intermediate test flow.
  - v) When a customer has been overcharged as a result of incorrect reading of the meter, incorrect calculation of the bill, incorrect connection of the meter, or other similar reasons, the amount of the overcharge will be refunded or credited to the customer.
  - vi) When a customer has been undercharged as a result of incorrect reading of the meter, incorrect calculation of the bill, incorrect connection of the meter, or other similar reasons, the Company may bill or otherwise hold the customer financially liable for no more than one year after the customer receive such service per State Statute 16-259(a).

### VIII. DENIAL OR TERMINATION OF SERVICE

- a) Refusal or discontinuation of service by a water company is restricted by certain provisions of Connecticut General Statutes and of the regulations of the DPUC. Copies of the applicable statutes and regulations are available for inspection at all of our offices.
- b) Notices regarding termination of service shall:
  - i) Be sent via first class mail at least 15 days before the termination.
  - ii) Contain the grounds for termination.
  - iii) Contain explanation of customers' rights.
- c) New service may be denied or termination proceedings may be started by the Company for any of the following reasons and carried out subject to the aforementioned restrictions.
- d) Service may be terminated without notice, again subject to certain restrictions, for:
  - i) A condition determined by the Company to be hazardous.
  - ii) In the event of illegal or unauthorized provision of service.
- e) Service may be terminated with notice, for:
  - i) Non-payment of a delinquent account, provided the Company notified the customer and is in compliance with all of the procedures prescribed in Section 16-3-100 (c) through (h) of the Regulations of Connecticut State Agencies.
  - ii) Failure by a customer to comply with the terms of any agreement where under they are permitted to amortize the unpaid balance of an account over a reasonable period of time, or any failure for such a customer to simultaneously keep their account for utility service current as charges accrue in each subsequent billing period. Except where the customer has made a payment or payments amounting to 20% of the balance due, in which case the Company shall not terminate service until further notice of the conditions the customer must meet to avoid termination is sent to the customer. Such notice shall not entitle the customer to further review as provided by Subsection VII e-1 of these regulations or to additional notice upon subsequent payment of 20% of the balance due.

- iii) Violation of or non-compliance with the Company's Rules and Regulations.
  - iv) When the Company has discovered that a customer has obtained unauthorized water service by fraudulent means or material misrepresentation or has diverted the water service for unauthorized use or has obtained water service without same being properly registered upon the Company's meter.
  - v) Tampering with the equipment furnished and owned by the Company.
  - vi) Failure of the customer to permit the Company reasonable access to its equipment during normal working hours.
  - vii) Failure of the customer to make necessary service line repairs after reasonable notice to avoid the wasting of water.
  - viii) Failure of the customer to furnish such service, equipment, permits, certificates or rights of way as shall have been specified by the Company as a condition to obtaining service, or if such equipment or permissions are withdrawn or terminated.
  - ix) Failure of non-residential customer to fulfill their contractual obligations for service or facilities subject to regulation by the DPUC.
  - x) Customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
  - xi) Failure or refusal of the customer to reimburse the utility for repairs to or loss of utility property on the customer's property when such repairs are necessitated or loss is occasioned by the intentional or negligent acts of the customer or their agents.
  - xii) Failure to comply with the Public Health Code of the State of Connecticut pertaining to cross connection control requirements at the premises.
  - xiii) When the Company has determined that the furnishing of water service would be contrary to any orders, ordinances or laws of the federal or state government or any political subdivision thereof.
  - xiv) Failure of the customer to provide identification within 15 days of opening an account.
- f) Termination proceedings may be started by the Company for non-payment of a delinquent account, provided that the Company has notified the customer of the

delinquency and has made a diligent effort to have the customer pay the delinquent account. A termination notice to a customer whose account is delinquent will be mailed no earlier than 63 days after mailing the original quarterly bill or 33 days after mailing the original monthly bill. Actual termination of the service will not occur earlier than 13 days after mailing the termination notice.

- g) The Company will not terminate service to a customer if:
- i) The customer has filed an unresolved complaint or dispute with the Company and/or the DPUC. Such complaints must be made to the Company within seven days of receipt of a termination notice. Such complaint shall be reviewed by the Company as prescribed by Section 16-3-100 (g) of the Regulations of Connecticut State Agencies;
  - ii) There is known to be serious illness in the home of a residential customer. The Company must be notified by a doctor within 13 days of a customer's receipt of a termination notice, and such notice must be confirmed by letter within a week after the verbal notification. The notice must be renewed every 15 days or the last day of the period specified by the physician as to the length of the illness. The customer is required to make a reasonable arrangement with the Company to pay the delinquent part of his/her bill, and to pay all future bills on a current basis while the illness continues;
  - iii) The customer of record is a landlord or agent for an individually metered occupied residential rental property, and the delinquent bill is for water service to that property. If practicable, arrangements may be made with the tenant for payment of bills for future service, and appropriate legal action may be taken against the customer for the delinquent and current amounts. However, if reasonable arrangements have been made with the tenant and the tenant refused to cooperate, the Company may terminate service to the tenant upon proper notice;
  - iv) The customer of record is a landlord or agent for an occupied residential rental property, and for water service to that property where the meter services multiple units/tenants. In the event such account is delinquent bill, the Company may pursue payment through the rent receivership process or other appropriate collection methods.
  - v) The day immediately prior to a weekend or holiday except under conditions as set forth in sub-paragraph (d)(i) of this section where there is determined to be a condition that is hazardous.

## IX. PRIVATE FIRE SERVICE

- a) Fire hydrants and sprinkler systems shall be installed and maintained at the expense of the customer. The size, material and locations of piping, and plans and specifications for any tanks and pumps that may be required, shall be submitted in writing to the Company for approval. The Company must inspect the installation before backfill and must witness the pressure test and all flow tests for compliance with the approved plans and specifications. The Company may meter private fire lines where there is demonstrated justification such as unauthorized use of the service and/or where unusual circumstances prevail in the customer's premises.
- b) Prior to the installation of any fire sprinkler system, the Company shall be notified in accordance with Section 19a-37a-1 of the Connecticut Public Health Code.
- c) A backflow prevention device shall be required on a line to a fire sprinkler system with any siamese connection in accordance with the Connecticut Public Health Code.
- d) Operating tests of private fire hydrants and sprinkler systems shall be made only after notification to and approval by the Company.
- e) No water shall be taken from a private fire hydrant except for use on the property in which it is located, nor for any purpose other than to extinguish fires or to test fire fighting equipment. Such uses of water for purposes other than fire fighting shall be made only after notification to and approval by the Company.
- f) The Company shall not be held liable or responsible for any losses or damage resulting from fire or water which may occur due to the installation of a private fire service system or any leakage or flow of water therefrom.
- g) In cases where a private development is to be served by a single service connection and ownership of the single service pipe or distribution main is not held by the Company, a separate fire service main may be required to accommodate private fire hydrant service.
- h) With Company approval, a single fire service may service more than a single premise.
- i) The customer shall provide the Company with approval from the local fire marshal and a letter from their insurance carrier acknowledging that the fire service is being disconnected before a customer's request for discontinuance of a private fire service can be processed by the Company. The owner is responsible for billings until terminated.

## **X. FIRE PROTECTION CHARGES**

- a) All public fire hydrants, except certain town owned hydrants, shall be owned and maintained by the Company.
- b) Any hydrants and mains located on public property, easement, or a public right of way are subject to public fire charges and billed to the municipality.
- c) Any mains located on private property, easement, or private right of way that are installed at the expense of a private property owner and any hydrants installed by the company on such mains shall be owned and maintained by the Company and are subject to the Fire in Private Rights of Way charges and billed to the property owner.
- d) Fire departments desiring to use water from hydrants for testing equipment or for any purpose other than that of extinguishing fires, must notify the Company in advance of such usage.
- e) Persons who desire to use water from public hydrants for purposes other than fire fighting must first obtain permission from the Company. Persons using water without permission of the Company shall be prosecuted to the full extent of the law.

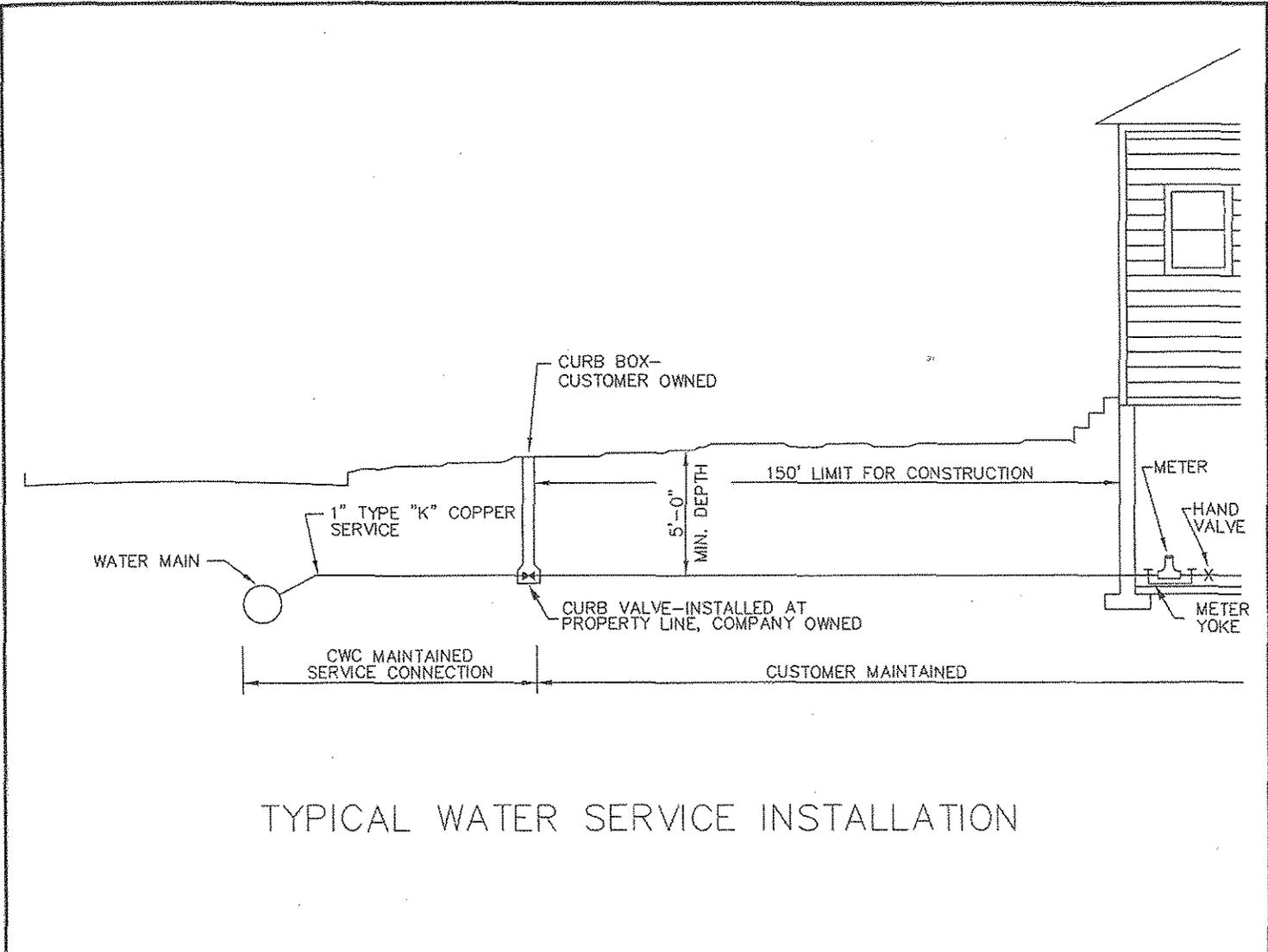
## **XI. COMPANY RESPONSIBILITIES**

- a.) The Company undertakes to supply its customers with water which meets the requirements of the State of Connecticut Department of Public Health, and which has such physical and chemical properties as to make it acceptable for domestic use. However, the Company does not undertake to render any special service, to maintain any fixed pressure, to deliver any fixed quantity of water, or special quality water.
  
- b.) The Company shall not be liable for any damage to person or property, sustained as a result of any break, failure or accident in or to its system or any part thereof, which is not due to the Company's negligence, or which, being known to the customer, was not reported by that customer in time to avoid or mitigate such damage.
  
- c.) Company employees performing work at a customer's premises, shall wear a company uniform or carry a badge or other identification card identifying him/her as a company employee.

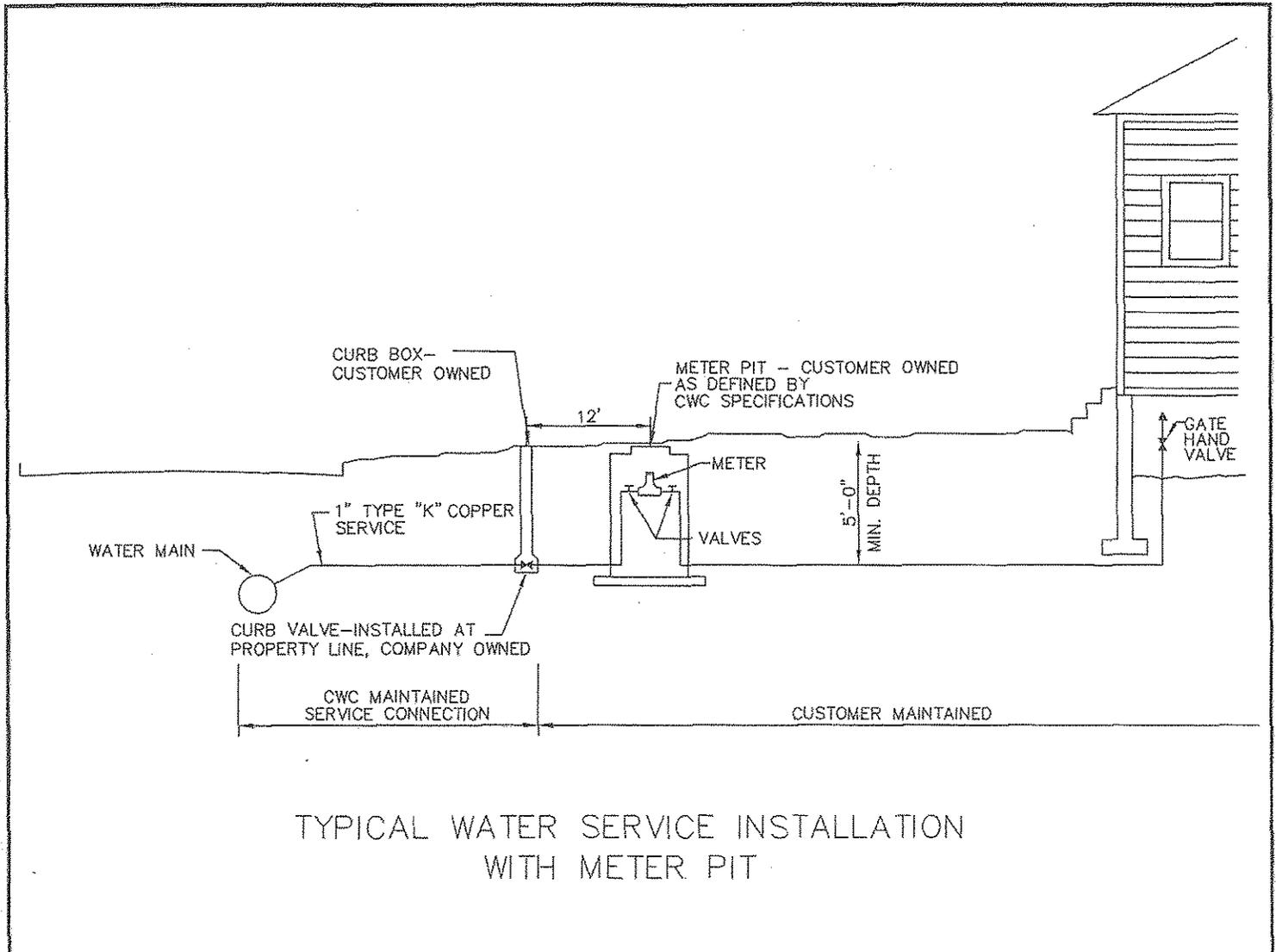
## XII. NOTES

### **XIII. APPENDIX**

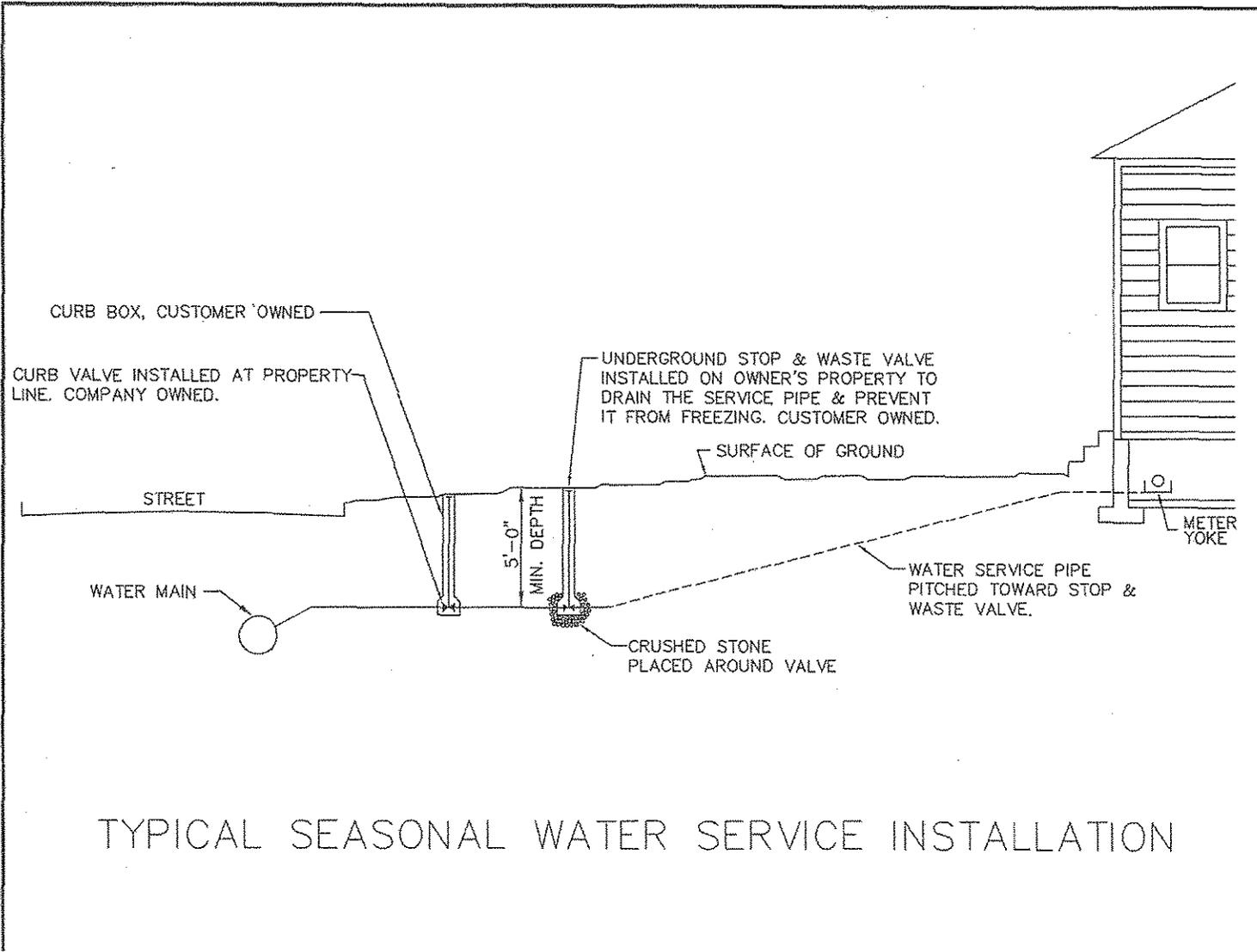
- a.) Diagram - Typical Water Service Installation
- b.) Diagram - Typical Water Service Installation with a Meter Pit
- c.) Diagram - Typical Seasonal Water Service Installation
- d.) Diagram - Typical Meter Yoke Installation
- e.) Diagram - Typical Meter Yoke Installation with PRV
- f.) Customer Information – Your Water Service



TYPICAL WATER SERVICE INSTALLATION

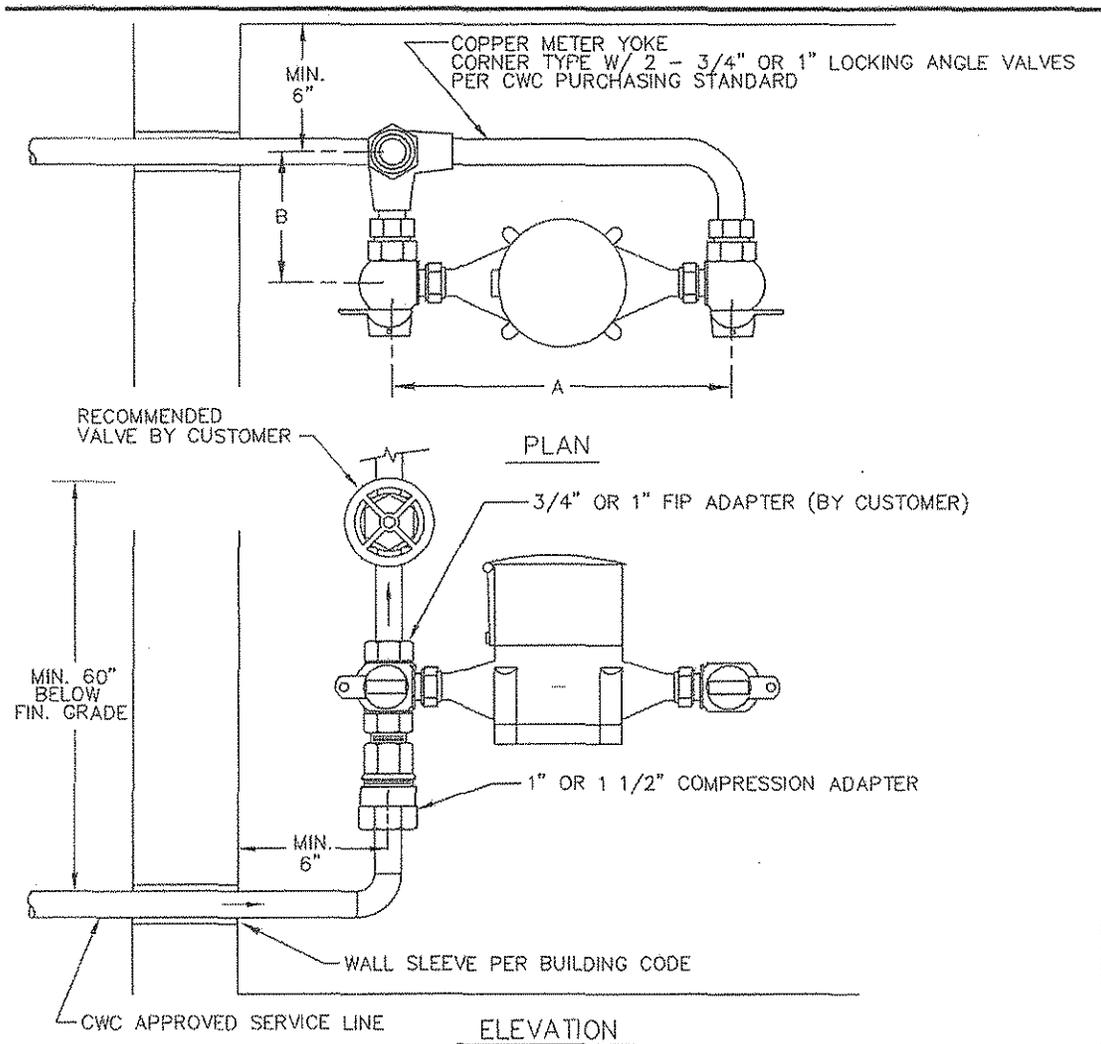


TYPICAL WATER SERVICE INSTALLATION WITH METER PIT



TYPICAL SEASONAL WATER SERVICE INSTALLATION

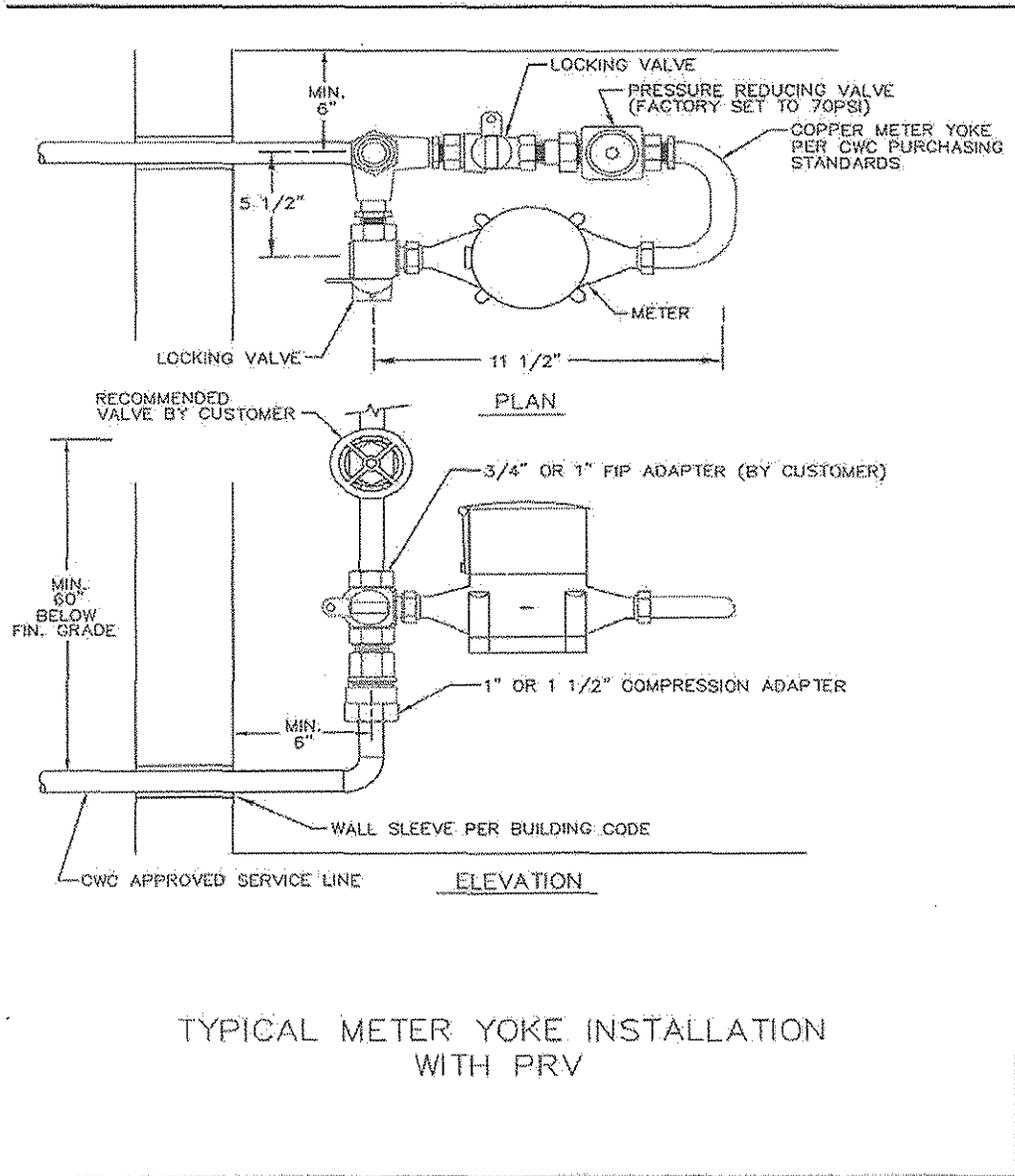
APPENDIX D



METER SIZE	DIM "A"	DIM "B"
5/8" X 3/4"	11 1/4"	4 1/2"
3/4"	12 3/4"	4 1/2"
1"	15"	5 1/2"

TYPICAL METER YOKE INSTALLATION

APPENDIX E



TYPICAL METER YOKE INSTALLATION WITH PRV

## APPENDIX F

### Your Water Service

There are many components necessary to provide water service to your home. This illustration identifies the components of a typical residential water service and the responsibility of the water company and the customer for these components.

1 Water Mains: Miles of water mains carry treated water from our reservoirs and wells to your premises. They are Company owned.

2 Tap: This is the connection at the water main for the service line to your building. Company owned.

3 Service Line: This is the pipe that goes from the water main to your building. The Company owns the portion from the water main to the curb valve. The Customer owns the remaining portion after the curb valve to and into the building.

4 Curb Valve: The valve that controls the flow of water to your building. Company owned.

5 Curb Box: A cylindrical iron box with a cover, at the curb line, that provides access to the curb valve. Customer owned.

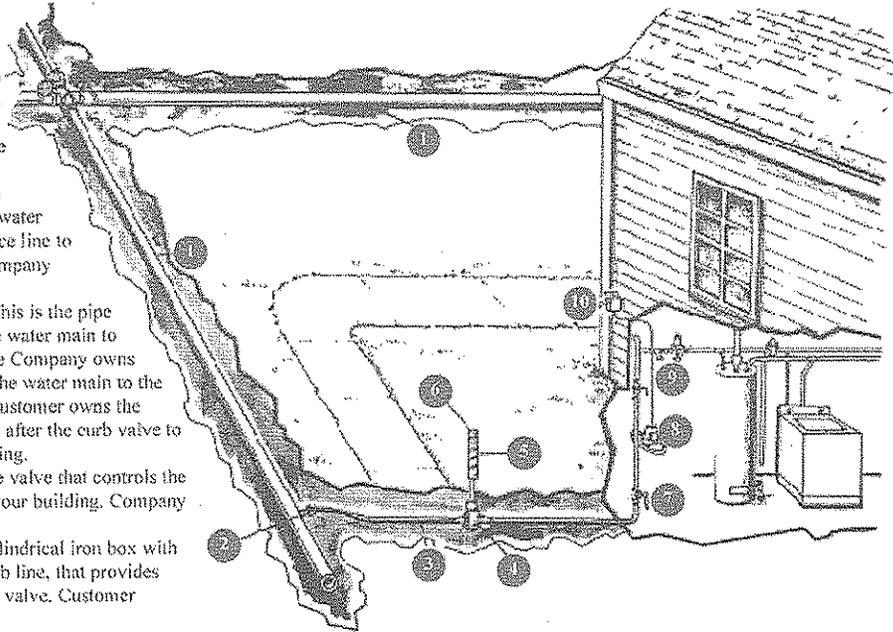
6 Curb Box Cover: Protects the valve and keeps the box free of dirt and foreign matter. Customer owned.

7 Collar Valve (may be part of a meter horn assembly): Controls the flow of all water coming into the premises. Valve and meter horn are Customer owned.

8 Water Meter (usually located inside the building): Records how much water is used. It is Company owned, but the customer is responsible for any damages (freezing, vandalism, external causes, etc.) and may be charged for repairs or replacement.

9 Pressure Reducing Valve (only in high pressure areas): Controls and regulates the pressure of water coming into the building. Customer owned.

10 Remote Meter Reading Receptacle: Permits us to obtain meter readings without entering the premises. Company owned.



**TOWN OF MANSFIELD  
OFFICE OF THE TOWN MANAGER**



Matthew W. Hart, Town Manager

AUDREY P. BECK BUILDING  
FOUR SOUTH EAGLEVILLE ROAD  
MANSFIELD, CT 06268-2599  
(860) 429-3336  
Fax: (860) 429-6863

October 29, 2013

Eric W. Thornburg  
President and CEO  
Connecticut Water Company  
93 West Main Street  
Clinton, Connecticut 06413

**Re: Town of Mansfield Water Supply Project**

Dear Mr. Thornburg:

The Town of Mansfield, Connecticut, acting by and through its Town Council ("Town"), submits this non-binding letter of intent ("LOI") to provide water utility service to the Town of Mansfield (the "Project") from the Connecticut Water Company ("CWC"). The Town and CWC are individually referred to as "Party" and collectively referred to as "Parties."

In making this submittal, the Parties rely upon the following assumptions:

1. The Parties desire to enter into this LOI to serve as the basis for commencing negotiation of a definitive agreement for the provision of water utility service to the Town of Mansfield (the "Definitive Agreement");
2. The Parties agree to work cooperatively to prepare an initial draft of the Definitive Agreement;
3. The execution of any Definitive Agreement would be subject to the approval of the Town Council; and
4. The Parties intend not to be bound by this LOI (except for paragraphs 17 and 18) or any Definitive Agreement unless and until it is executed by both Parties; and

Subject to those assumptions and reservations and based on the information now available to it, the Town therefore proposes that the Parties agree that the negotiated Definitive Agreement would include the following terms:

1. The System

- a. The System shall be comprised of existing Town water distribution infrastructure set forth in "Schedule A" attached hereto ("Existing Infrastructure"), existing University of Connecticut ("UCONN") water distribution infrastructure ("UCONN System"), new water supply infrastructure contemplated by the EIE ("EIE Infrastructure") and any future capacity upgrades made by Connecticut Water to meet system demands pursuant to CWC's Water Supply plan, as amended to reflect service to the Town of Mansfield and the University.
- b. The EIE Infrastructure consists of the following:
  - i. *Town Connection* - Subject to routing decisions based upon considerations such as the EIE, land use, and hydraulics, CWC shall be responsible, at its sole cost, to provide the infrastructure necessary to distribute potable water as described in this LOI. Such connection shall ensure flow to meet immediate public health and redevelopment needs of the Town of Mansfield.
  - ii. *Western System Improvements* - Source of supply enhancements anticipated by CWC's Water Supply Plan, as revised to reflect the projected demands for the Town of Mansfield and UCONN, as appropriate.
- c. The Parties shall define within the Definitive Agreement the initial areas to be served by CWC. Subsequent expansions of the service area will be undertaken in consultation with the Advisory Committee referred to in paragraph 8 of this LOI. The Definitive Agreement will harmonize any limitations on service areas with CWC's obligations under Section 16-20 of the General Statutes.
- d. CWC will be required to provide an adequate supply of Water to address demands in the community consistent with the EIE, Town's Water Supply Plan, Town's Plan of Conservation and Development, Town's zoning regulations, fire suppression needs and in strict conformance with applicable requirements of the state Department of Public Health ("DPH") and the Public Utilities Regulatory Authority ("PURA"). There would be no "take or pay" obligation in a Definitive Agreement.
- e. The Definitive Agreement would provide a process for the Parties to regularly apprise each other of anticipated changes in water supply or demand volumes in order to minimize over-estimation or under-estimation of infrastructure capacity needs. The parties would agree to cooperate to ensure that margin of safety quantities are not required to be duplicated in water supply plans of the Parties or under any other DPH regulatory obligations.

2. Design and Construction of EIE Infrastructure

- a. The Parties would confer with each other and UCONN to establish the water supply pipeline route, and prepare a drawing of such route as an exhibit to the Definitive Agreement.
- b. CWC would design and construct the pipeline and any system improvements in compliance with all applicable requirements of state and federal law and CTDPH

Guidelines for the Design and Operation of Public Water System Treatment, Works, and Sources, and standards incorporated therein by reference.

- c. CWC, at its sole cost, shall design, permit, construct, start-up, test, operate and maintain the EIE Infrastructure in conformity with applicable law and regulations (including Town development laws), prudent industry practices and the requirements of the Agreement between CWC and UCONN.
- d. CWC shall hold monthly progress meetings at which the Town can participate and receive access to information regarding the design and construction of EIE Infrastructure and its consistency with the EIE. CWC will respond to comments and concerns made by Town.
- e. The Town shall have the right, but not the obligation, to observe and inspect construction of the EIE Infrastructure at any reasonable time. The Definitive Agreement will detail the Town's inspection rights and requirements, and CWC's obligations during construction of the EIE Infrastructure.
- f. The Town shall have the right to review information regarding the construction of the EIE Infrastructure to the extent reasonably necessary to confirm the Company's compliance with the Definitive Agreement's requirements.
- g. CWC will comply with testing standards, and the Town shall have the right to observe such testing, in the construction of the EIE Infrastructure in conformance with DPH and PURA requirements.
- h. Upon achievement of the date upon which CWC serves the Town written notice of completion of construction and testing of the EIE Infrastructure ("Completion Date"), CWC shall provide Water service to non-UCONN water customers ("Customers") in accordance with the Definitive Agreement.

### 3. Regulatory Oversight

- a. CWC is subject to regulatory oversight by state and federal agencies including but not limited to the DPH with regard to the purity and adequacy of its supplies; by the Department of Energy and Environmental Protection (DEEP) regarding water resources and environmental permitting, and PURA with respect to rates and quality of service. Customers in the Town of Mansfield shall be afforded all the rights and protections available to all Connecticut Water customers as a result of such oversight. A summary of applicable laws and statutory references shall be included as an exhibit in the Definitive Agreement.
- b. CWC has in effect "Rules and Regulations" as approved and may be amended subject to PURA approval that provide information for customers including but not limited to the general rules; applications and transfers of service; rules for meters, services, equipment, as well as details regarding billing, collection and denial or termination of service. The current Rules and Regulations will be included as an exhibit in the Definitive Agreement.
- c. CWC has a Main Extension Agreement, as approved by PURA, that stipulates the construction standards and financial terms and conditions for any customer funded main extensions, a copy of which shall be included as an exhibit in the Definitive Agreement.

4. Ownership, Operation and Maintenance of the System
  - a. CWC will operate, maintain, service and repair ("OM") all Existing Infrastructure and any EIE Infrastructure lying within the Town beginning as of the Completion Date of capital improvements for supplying water to the point of delivery specified in the UCONN Definitive Agreement.
  - b. CWC shall OM the System at its sole cost in accordance with applicable laws and regulations.
  - c. CWC shall take title to Existing Town and University Infrastructure upon it being fully depreciated, or its repair or replacement by CWC, whichever first occurred.
  - d. CWC shall immediately take title to all EIE Infrastructure.
  - e. On and after the Completion Date and before the transfer of ownership, the Town will grant CWC an irrevocable license to use the Existing Infrastructure to serve Existing and New Customers in Mansfield.
  
5. System Capacity and Expansion
  - a. CWC would agree not to permit customer connections in Mansfield unless that Customer first obtains any required Town approvals, including those required pursuant to local zoning and planning ordinances.
  - b. CWC would agree not to permit customer connections to EIE infrastructure that would violate any connection restriction or conflict with the 2013 State Plan of Conservation and Development as set forth in the University's Record of Decision under CEPA as approved by the Office of Policy and Management (OPM) except as directed by PURA when such connection would conflict with the company's obligations under section 16-20 of the CGS with timely notice of initiation of such proceedings to OPM, the University, and the Town.
  - c. CWC shall notify the Director of Planning and Development and the Water System Advisory Committee of any new service requests.
  - d. CWC shall provide the capital for the pipeline infrastructure for the route indicated in the Definitive Agreement with no assessment to the Town or customers in Town for such pipeline infrastructure.
  
6. Water Quantity, Quality and Pressure
  - a. Subject to the Force Majeure provision of the Definitive Agreement, CWC shall provide water of a quality meeting or exceeding those standards for quality of drinking water established by the Connecticut Department of Public Health pursuant to Section 19a-36 of the Connecticut General Statutes, as amended, as currently set forth in Section 19-13-B102 of the Regulations of Connecticut State Agencies ("Potable Water").
  
7. Water Rates and Charges
  - a. CWC would charge any existing billed customer of record served by the University as of the Completion Date ("Existing Customers") at a rate equal to the water commodity charge and basic service charge then charged to those Existing Customers by the University for the applicable customer class until those rates are

- adjusted by the same dollar amount thereafter approved at any future CWC rate cases before the Public Utilities Regulatory Authority ("PURA").
- b. CWC would charge any new billed customer of record and any customer requesting an initial service connection made after the Completion Date ("New Customers") at a rate equal to the water commodity charge and basic service charge for similarly defined CWC customers as approved by PURA.
  - c. CWC would charge the Town for any facilities it owns and operates at the Public Authority Rate plus applicable Public Fire Protection charges. Existing Town facilities would be charged based on the charges for Existing Customers of the University and any new Town facilities would be charged at the CWC approved rate for its Public Authority customers.
  - d. Existing and New customers in Mansfield shall be subject to applicable PURA-approved surcharges or surcredits at the same percentage basis as other CWC customers.
  - e. CWC rates and charges established under a Definitive Agreement would be subject to PURA approval. A schedule of the charges defined in this agreement will be included as an exhibit in the Definitive Agreement.
  - f. Parties shall use all reasonable efforts to advocate to the PURA the rate treatment contemplated by the Definitive Agreement.
8. Water System Advisory Committee
- a. CWC shall commit to the establishment of a Water System Advisory Committee ("Committee") comprised of representatives of the Town, UCONN, regional representatives and other key stakeholders that would advise regarding Water service and the System's operation, expansion or integration.
  - b. CWC is obligated to consult with the Committee in regards to any System expansion or improvement within the Town. The Committee shall also make recommendations of Best Management Practices (as defined herein), including water conservation programs and CWC shall work cooperatively with the Committee in the implementation thereof.
9. Best Management Practices
- a. During non-emergency phases of the CWC Emergency Contingency Plan, such as a water supply advisory, watch or warning, the Town would work cooperatively with CWC to encourage customers in the community to reduce water use consistent with the Plan.
  - b. CWC shall support and assist the Town in implementing zoning, wetland and similar plans of development to mitigate development pressures in targeted areas consistent with the OPM approval of the EIE, provided that such support and assistance can be harmonized with CWC's obligations under section 16-20 of the General Statutes.
  - c. CWC shall install, at its sole expense, meters for any new Connecticut Water customers requesting water service.
  - d. CWC shall support efforts to employ water conservation practices using flow reducers and aerators, shutoff valves, leak detection systems and water reuse and

reclamation. In consultation with its advisory committee, CWC shall explore the provision of customer education programs and related financial incentives to encourage customers to reduce water consumption.

10. Record Keeping, Reporting

- a. CWC shall comply with applicable statutes and regulations regarding maintaining records, reporting and meter testing. Although CWC is not subject to the Connecticut Freedom of Information Act, it will use reasonable efforts to assist the Town in complying with its obligations under that law, as applicable to records created under the terms of the Definitive Agreement.

11. Regulatory Permits, Licenses and Approvals

- a. CWC shall, at its sole cost, be responsible for all filings, applications and reports necessary to obtain the permits, licenses and approvals required to be made, obtained and maintained by CWC for the construction and operation of the system.
- b. CWC shall apply for and be solely responsible for legal, engineering, consulting, administrative fees and other costs and expenses arising in connection with securing required authorizations, approvals, and permits from governmental authorities, including but not limited to PURA, DPH, DEEP, state Department of Transportation and other applicable agencies for all required regulatory approvals.
- c. CWC would obtain the necessary easements and rights-of-way for construction and operation of the Project all at its sole cost and expense. The Town would provide CWC with the necessary easements and rights-of-way for CWC's construction and operation of Project on Town property.
- d. With respect to permitting, zoning approvals, right-of-way access and public information, the Town shall cooperate with CWC, as necessary, appropriate and in conformance with federal, state and local law and regulation. This condition notwithstanding, the Town shall have no responsibility or liability regarding such activities of CWC.

12. Property Taxes

- a. CWC shall be liable for property or any other tax with respect to any portion of the System owned by CWC.

13. Protections for the Town Regarding Continuous Provision of Water Service

- a. Subject to the terms of the Definitive Agreement, CWC shall be authorized and obligated to provide water service for current and future customers in the Town of Mansfield in accordance with all applicable state and local regulatory provisions.
- b. CWC shall be responsible to meet the current and future public water supply needs for Mansfield meeting the PURA standards for service at PURA approved rates. If the company fails to meet its regulatory obligations, they would be subject to any applicable enforcement actions by the agencies and the Town may petition PURA under Sections 16-10a or 16-20 of the CT General Statutes. If following their investigation, the Authority finds that the company has failed to

provide service which is adequate to serve the public convenience and necessity of any town, it may revoke the Company's franchise in the town, or any portion thereof, or make such other order as may be necessary to provide such service.

- c. ~~At the time a Water Utility Coordinating Committee is convened pursuant to Section 25-32c through 25-32j of the CGS, CWC would seek and the Town would support the designation of the Exclusive Service Area in Mansfield to CWC, except for those areas served at that time by other regulated public water supply systems subject to CWC's fulfillment of its obligations to be performed under the Definitive Agreement and pursuant to the terms to be set forth therein.~~
- d. The agreement between CWC and UCONN provides that at the time of the University's acceptance of CWC's Completion Date notice, the University will deliver to CWC an irrevocable license for CWC to use, maintain, repair or replace off-campus infrastructure as required to serve the Town of Mansfield. There would be no fee associated with such use of the infrastructure except that the Parties agree to confer and identify those costs, expenses and operational requirements that may result to the University system relating to any proposed extension of the infrastructure to serve customers outside of the Town of Mansfield after the Point of Connection.
- e. Any proposed sale or transfer of CWC would be subject to approval by PURA and the successor would be obligated to meet any and all obligations regarding service to the Town and its customers. The Town and any customers therein would have the right to participate in the proceeding, including seeking intervenor status, providing input at the hearings on the matter, and requesting any specific terms or conditions of such sale or transfer to protect the interests of the customers.

#### 14. Definitive Agreement Approval Requirements

- a. CWC and Town would agree that the execution of any Definitive Agreement would be subject to the approval of the Town Council.
- b. CWC and Town would agree that the obligations of the Definitive Agreement would be subject to specified conditions precedent including but not limited to receipt of all required regulatory permits and approvals.

#### 15. Dispute Resolution

- a. The Parties shall commit to establish an alternative dispute resolution process, provided that such process shall be consistent with PURA's jurisdiction under state law.

#### 16. Definitive Agreement Assignment

- a. Neither Party can assign the Definitive Agreement without the prior written approval of the other Party, such approval not to be unreasonably withheld.

#### 17. Non-Binding Effect of LOI

- a. The proposed elements and terms of the Definitive Agreement outlined herein are not intended to be legally binding on either Party. The Parties shall only be bound

if and when a Definitive Agreement has been negotiated, approved and executed by the Parties. No past or future action, course of conduct, or failure to act relating to the possible transaction or relating to the negotiation of any Definitive Agreement will give rise to or serve as a basis for any obligation or other liability on the part of either of the Parties.

18. Miscellaneous Provisions:

- a. Entire Agreement. The binding paragraphs of this LOI, Paragraph 17 (Non-Binding Effect of LOI) and Paragraph 18 (Miscellaneous Provisions), shall supersede all prior agreements, whether written or oral, between the Parties with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter.
- b. Modification. This LOI may only be amended, supplemented or otherwise modified by a writing executed by the Parties.
- c. Governing Law. All matters relating to or arising out of this LOI and the rights of the Parties (sounding in contract, tort or otherwise) will be governed by and construed and interpreted under the laws of the State of Connecticut, without regard to conflicts of laws principles that would require application of any other law.
- d. Counterparts. This LOI may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. A manual signature on this letter whose image shall have been transmitted electronically will constitute an original signature for all purposes.
- e. LOI Termination. The binding paragraphs of this LOI, Paragraph 17 (Non-Binding Effect of LOI) and Paragraph 18 (Miscellaneous Provisions), will automatically terminate upon the earliest of the following (the "LOI Termination Date"): (i) December 31, 2013, or (ii) execution of the Definitive Agreement by both of the Parties unless otherwise extended by mutual agreement by both of the Parties; provided, however, that the termination of the binding provisions will not affect the liability of a party for breach of any of the binding provisions prior to the termination. Upon termination of the binding provisions, the Parties will have no further obligations under this letter, except Paragraph 18 (Miscellaneous Provisions) will survive such termination.
- f. Expenses. It is agreed that each Party shall bear its own legal, accounting, engineering, consulting, and other expenses in connection with the negotiation, documentation, and execution of a Definitive Agreement whether or not such an agreement is executed.

This LOI is intended to be a non-binding letter of intent providing a basis for negotiating the Definitive Agreement, excepting Paragraph 17 (Effect of Letter) and Paragraph 18 (Miscellaneous Provisions) which shall be binding on the Parties.

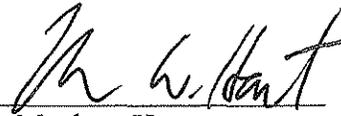
Eric W. Thornburg  
October 29, 2013  
Page 9

If you are in agreement with the foregoing, please sign and return one copy of this letter, which thereupon will constitute our understanding with respect to its subject matter.

Very truly yours;

Agreed to on behalf of Connecticut Water Company as to Paragraphs 17 (Non-Binding Effect of LOI) and 18 (Miscellaneous Provisions).

By:   
Name: Eric W. Thornburg  
Title: President and CEO  
Connecticut Water Company

By:   
Name: Matthew Hart  
Title: Town Manager  
Town of Mansfield

Town of Mansfield, Connecticut – Connecticut Water Company  
Non-binding Letter of Intent  
..... SCHEDULE A .....  
Town Existing Infrastructure

A. Water lines installed in 1979 to connect to the Senior Center and Senior Housing area on Maple Road:

1. Approximately 2242 feet of 6 inch ductile iron water main running along the south side of South Eagleville Road (CT Route 275) from the meter pit installation near Separatist Road to the intersection of Westwood Road and South Eagleville Road, including valves and other appurtenances.

B. Water lines installed in 2013 for the Storrs Center development:

1. Approximately 536 feet of 12 inch ductile iron water main running in the Town's road (Royce Circle) from the intersection of Bolton Road Extension and Royce Circle south and east to a point in Royce Circle near the entrance to the parking garage at 33 Royce Circle, including hydrants, valves and other appurtenances.
2. Approximately 1120 feet of 12 inch ductile iron water main running in the Town's road (Wilbur Cross Way) from the intersection of Royce Circle and Wilbur Cross Way south to a water main owned by UConn in Charles Smith Way, including hydrants, valves and other appurtenances.