

Connecticut Water Company
93 West Main Street
Clinton, CT 06413-1600
Customer Service: 800.286.57

Packet #3
9-15-2020
PSS-7



April 3, 2020

Invitation for State, Municipal, and Registered Land Conservation Organizations to Identify Interest in Acquiring Properties No Longer Needed by the Connecticut Water Company

The Connecticut Water Company (the "Company") has long shown a commitment to the environment through policies of land ownership, forest management, and source protection. The Company owns approximately 6,500 acres of land, most of which is maintained in its natural state for watershed and aquifer protection.

We are also deeply committed to protecting land as open space. The company has worked with local communities to permanently protect more than 1,000 acres of open space that are no longer needed for water supply purposes.

In light of that culture, the Company has entered into a Memorandum of Agreement (the "Agreement") with the Connecticut Fund for the Environment/Save the Sound to provide a unique opportunity for state, municipal, and registered land conservation organizations in the community where the land is located which are identified in section 16-50c of the CGS, (the "Entities") to potentially acquire lands owned by the Company that are no longer needed for public water supply purposes and to evaluate additional recreational opportunities on water company lands. A list of Entities notified on this date is in Attachment A. The Agreement is one of many commitments the Company made as it combined with San Jose Water Group in October of 2019.

We contact you today to initiate the process regarding specific properties identified in the Agreement (the "Subject Properties"). We want to use this process to promote a dialogue between the Company and eligible Entities and allow time for any interested Entity to develop a plan to acquire the properties.

The Agreement details steps for organizations to evaluate their interest and capacity to acquire any of the Subject Properties. It does not necessarily indicate a desire for the Company to expedite or encourage the disposition of such Company-owned land. The various steps in the Agreement allow up to 44 months from the date of this notice, subject to mutually agreeable extensions, for designated Entities to receive notice, review Subject Properties and develop and implement plan to acquire the land(s). Please note, the Agreement allows for an expedited schedule for any of the steps so that the process may be completed in less time.

The Properties:

There are 21 properties subject to this process. Those 21 Subject Properties are located in the towns of Bethany, Chester, Harwinton, Killingworth, Naugatuck, Plymouth, Prospect, South

Windsor, Stafford, and Thomaston. The properties are vacant and range from five to 75 acres. Please see enclosed brochure for more information about the Subject Properties.

The Process:

As outlined in the Agreement, the company is required to provide notice to the Entities to determine if there is interest in acquiring any of the Subject Properties. This notice serves as a preliminary inquiry process and opportunity for the Entities to evaluate their interest and capacity to acquire any of the Subject Properties and does not indicate the Company's intent to sell, lease, or otherwise dispose of Company-owned land that would require notice under Section 16-50c of the CGS.

If the Company receives written notice of interest for one or more of the properties within 180 days of this notice, then additional steps, as detailed in Attachment B, will allow considerable time for the Entities to develop and implement a plan to secure such parcel(s). The Company shall comply with the notice requirements section 16-50c of CGS if the Company expresses intent to sell, lease, or otherwise dispose of any Company-owned land after the specified process of the Agreement are concluded.

If no Plan is submitted by any of the Entities or approved by the Company, the Company shall not be prevented from proceeding with any actions to dispose of the Subject Properties and shall no longer be subject to the terms of the Agreement, provided that notice is made as required by statute in effect at that time or as otherwise required by Section 2 of the Agreement.

Next Steps:

Please contact Jessica Demar in writing by October 1, 2020, if your organization has an interest in acquiring one of more of the Subject Properties at the address below:

Connecticut Water Company
c/o Jessica Demar
93 W. Main St
Clinton, CT 06413

In the meantime, please contact Jessica Demar at 860-664-6190 or jdemar@ctwater.com with any questions. We look forward to developing partnerships to preserve additional open space land in Connecticut.

Sincerely,



Jessica Demar
Environmental & Regulatory Compliance Coordinator

List of recipients of notice to solicit interest provided by Company on April 3, 2020

Private Non-Profit Land Holding Organizations

Organization	Mailing Address	Town
Bethany Land Trust	PO Box 3706	Woodbridge
Lower CT River Land Trust	145 Dennison Road	Essex
Chester Land Trust	PO Box 82	Chester
Harwinton Land Conservation Trust	PO Box 113	Harwinton
Killingworth Land Conservation Trust	PO Box 825	Killingworth
Naugatuck Land Trust	PO Box 1722	Naugatuck
Plymouth Land Trust	PO Box 76	Plymouth
Prospect Land Trust	PO Box 7375	Prospect
South Windsor Land Trust	PO Box 415	East Windsor Hill
Northern CT Land Trust	PO Box 324	Somers
Weantinoge Heritage Land Trust	PO Box 821	Kent
The Burlington Land Trust	34 Taine Mountain Rd	Burlington
Connecticut Land Conservation Council	55 High St	Middletown
Connecticut Forest & Park Association	16 Meriden Rd	Rockfall
Heritage Land Preservation Trust	PO Box 596	Torrington
Housatonic Valley Association	PO Box 28	Cornwall Bridge
Madison Land Conservation Trust	PO Box 561	Madison
Middlesex Land Trust	27 Washington St	Middletown
The Nature Conservancy	55 High St, 2nd Floor	Middletown
Seymour Land Conservation Trust	167 Skokorat St	Seymour
The Trust for Public Land	383 Orange St	New Haven

Municipal Chief Executive Officers

Organization	Mailing Address	Town
Town of Bethany	40 Peck Road	Bethany
Town of Chester	203 Middlesex Road	Chester
Town of Harwinton	100 Bentley Drive	Harwinton
Town of Killingworth	323 Route 81	Killingworth
Town of Naugatuck	220 Church St.	Naugatuck
Town of Plymouth	80 Main St.	Terryville
Town of Prospect	36 Center St.	Prospect
Town of South Windsor	1540 Sullivan Avenue	South Windsor
Town of Stafford	1 Main St.	Stafford
Town of Thomaston	158 Main St.	Thomaston

State Agency Commissioners & PURA Executive Secretary

Organization	Mailing Address	Town
Dept. Of Energy & Environmental Protection	79 Elm St	Hartford
Department of Public Health	410 Capitol Ave	Hartford
Public Utilities Regulatory Authority	Ten Franklin Square	New Britain



**Process for Review of Subject Properties in Memorandum of Agreement
Between CTWS and Connecticut Fund for the Environment, Inc.**

Following the date of the closing of the sale of CTWS to the SJW Group (the "Closing"), the Company agrees not to initiate any sale, lease or disposition of the Subject Properties until it has provided written notice to the state, the municipality in which any parcel is located, The Nature Conservancy, Trust for Public Land, Connecticut Land Conservation Council, and private non-profit land-holding organizations in the community where the land is located as identified in section 16-50c of the CGS, (the "Entities").

The "Subject Properties" are the 21 properties, and only those properties, listed on Exhibit B of the Agreement. The Entities shall be allowed the opportunity to identify their interest in acquiring such property in accordance with the following process.

- a. Within 180 days of Closing, the Company shall notify the Entities of the list of the Subject Properties to determine if there is interest by any Entity or Entities in acquiring any of the Subject Properties.
- b. Within 180 days following receipt of written notice [October 1, 2020], any of the Entities may provide written notice to the Company of its interest in acquiring one or more of the Subject Properties.

If no indication of interest is received for one or more of the Subject Properties, the Company shall be free to dispose of those properties in accordance with the statutory requirements that shall be in effect at that time and notice as otherwise may be required by this Agreement

Within 180 days of providing written notice to the Company of an interest in acquiring one or more of the Subject Properties, such Entity shall be required to develop and submit to the Company a plan to secure such parcel or parcels, including identifying a means and timeline for financing the acquisition (the "Plan"), provided the Company agrees it would be prepared to dispose of such property within three years of receipt of such notice of interest.

If the Company is not prepared at the time such written notice is received to dispose of a subject property for which and Entity provided timely notice of an interest in acquiring, the Company shall resume the process established in this section with that Entity should the Company decide to dispose of such property at such time in the future if that occurs within three years of receipt of such notice of interest.

The Company agrees to provide information to any seriously inquiring Entity a general overview of its willingness to enter into a bargain sale, based on the availability of tax credits and statutory incentives for conservation and municipal sales. To the extent that a transaction structured as a donation or bargain sale, using available tax credits or other available financial incentives, can provide comparable economic benefits for the Company, its shareholders and its rate payers as would a fair market value sale, the Company will give priority to such a transaction structure.

- c. Within 180 days of receiving a Plan, the Company shall review the Plan to determine if it is reasonable, practical, and meets the intent of this Agreement, and approve or reject the Plan. If the Plan is rejected, the Company must provide notice in writing, to the Entity.

If within 60 days of approval of a Plan, the Entity and the Company execute a Memorandum of Agreement that indicates mutually agreeable key terms for the acquisition by the Entity, including but not limited to proposed purchase price, the means and timeline for financing the acquisition, anticipated closing date, provisions for conservation easements for open space if necessary, and identification of any proposed recreations of other planned uses of the property, the Company shall not take actions to dispose of the parcel or parcels except as specified in such Plan for 24 months after the execution of such Memorandum of Agreement, subject to renewal upon mutual agreement by the parties so that the Entity shall have a reasonable amount of time to execute such Plan and secure the parcel or parcels.

- d. If no Plan is submitted by any of the Entities or approved by the Company, the Company shall not be prevented from proceeding with any actions to dispose of the Subject Properties and shall no longer be subject to the provisions of this section, provided that notice is made as required by statute in effect at that time and as otherwise required by Section 2 of this Agreement.

Nothing will prevent the parties from agreeing to an expedited schedule for any of the steps indicated above so that the process may be completed in less time than detailed in this section.

Any property owned by the Companies that are not on the list of the Subject Properties shall not be subject to the terms of this subsection and may be managed, sold or transferred at the sole and absolute discretion of the Companies, subject to applicable statutory procedures.

Any properties to be acquired for open space or recreational purposes shall be required to have appropriate conservation restrictions, as defined in CGS section 47-42a, placed at the conveyance to permanently protect the land for open space or recreational purposes.

Timeline Information for Land Trusts

By the first week of April, land trusts listed with Connecticut Public Utilities Regulatory Authority (PURA) will receive notification from Connecticut Water with additional information on the process for identifying interest in designated parcels.

Within 6 months of initial notice, land trusts interested in acquiring parcels must notify Connecticut Water.

Within 6 months of expressed interest, the land trust must develop and submit a plan to secure the property. If Connecticut Water is prepared to dispose of the property within 3 years, discussions and negotiations will follow with an established schedule and process that allows time for the land trust to secure funds.

If a land trust provides proper notice but Connecticut Water is not prepared to dispose of the parcel within 3 years, the process will resume at a later date should the company decide to dispose of the property.

For More Information, Contact:

Jessica Demar
Regulatory & Environmental
Compliance Coordinator
jessica.demar@ctwater.com
860-664-6190

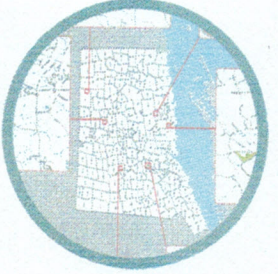


Conservation Opportunities for Water Company Lands

A partnership between Connecticut Water and CFE/Save the Sound offering a unique opportunity to land trusts which goes beyond the statutory process, providing extra time for land trusts to work with Connecticut Water to develop a plan to secure water company lands that are no longer needed for water supply purposes and may be considered for disposal.

Connecticut Water has identified its parcels believed to have conservation value and will:

- Allow land trusts an opportunity to assess whether they are interested in acquiring designated parcels if they are disposed of in the future
- Define a schedule and process to encourage a conservation sale
- Extend and expand on CT-required process and notice of land disposal to conservation groups, allowing for more time to evaluate and to secure funding
- Upon agreement with a land trust, Connecticut Water will give the land trust at least 24 months to execute its plan and secure the property



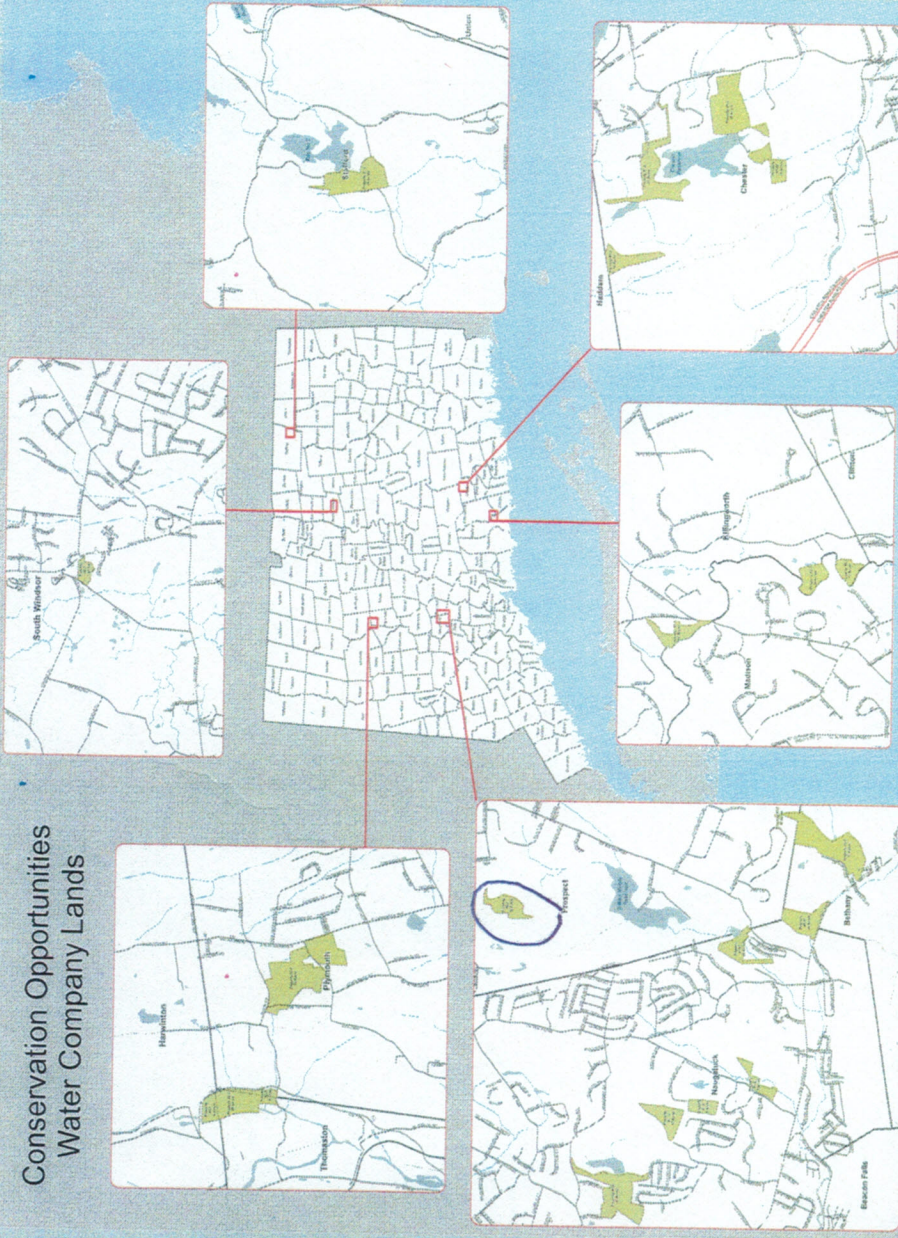
Towns Include:

- Bethany • Chester
- Harwinton
- Killingworth
- Naugatuck • Plymouth
- Prospect
- South Windsor
- Stafford • Thomaston

Index of Available Lands:

Town	Parcel	Acres
Bethany	SW of Long Hill Reservoir	47
Chester	W of Goose Hill Rd	45
Chester	W of Upper/Lower Chester Reservoirs	16
Chester	N of Lower Chester Reservoir	37
Chester	S of Lower Chester Reservoir	14
Harwinton	Leadmine Brook/Hill Road	9
Killingworth	Gustafson/River Road	14
Killingworth	Paper Mill/Green Hill Road	14
Killingworth	North Weiss/River Road	10
Naugatuck	W. of Mulberry Reservoir	31
Naugatuck	E of Candee Reservoir	9
Naugatuck	W of Candee Reservoir	9
Naugatuck	W of Straightville Reservoir	15
Naugatuck/ Bethany	Naugatuck/Bethany Line	20
Naugatuck	S of Mulberry Reservoir	17
Plymouth	Leadmine Brook/Hill Rd	5
Plymouth	Minor Pond/Minor Rd	75
Prospect	N. of Moody Reservoir	15
South Windsor	Kupchunos/Sullivan Ave	7
Stafford	SW of Stafford Reservoir	35
Thomaston	Leadmine Brook/Hill Rd	26

Conservation Opportunities Water Company Lands



Connecticut Water has long shown a commitment to the environment through policies of land ownership, forest management and source protection. The Company owns approximately 6,500 acres of land, most of which is maintained in its natural state for watershed and aquifer protection.

We are also deeply committed to protecting land as open space. The company has worked with local communities to permanently protect as open space more than 1,000 acres of land that are no longer needed for water supply purposes. We look forward to the partnerships developed through this program to preserve additional open space land in Connecticut.