

**CONTINUING DISCLOSURE POLICY CONCERNING  
INDEBTEDNESS ISSUED BY THE SARATOGA COUNTY WATER AUTHORITY**  
*Adopted May 28, 2015*

**Introduction**

This Continuing Disclosure Policy (the "Disclosure Policy") is adopted to ensure that the Saratoga County Water Authority (the "Authority") effectively carries out its continuing disclosure obligations with respect to its outstanding securities and any further securities it issues pursuant to Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended.

**Definitions**

Unless otherwise noted herein, the definitions set forth herein shall apply to any capitalized term used in this Disclosure Policy unless otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Policy, the following capitalized terms shall have the following meanings:

*"Authority Annual Information"* means the annual information annually prepared by the Authority, which shall include (i) the annual audited financial statements of the Authority for the preceding fiscal year; (ii) (A) financial and operating data relating to the actual operations of the Authority during the preceding Fiscal Year (presented on a cash basis) providing information on Existing and Projected Water Demand, Historical Cash Flow and Projected Cash Flow, in such form as set forth in Tables 4.1, 6.1 and 6.2, respectively, of the Consulting Engineer's Report included in the Series 2014 Official Statement and (B) Projected Water Fund Balances in such form as set forth in Table 6-3 of the Consulting Engineer's Report included in the Series 2008 Official Statement; and (iii) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Authority.

*"Authority Indebtedness"* means (1) the Authority's Water System Revenue Bonds, Series 2008 (the "Series 2008 Bonds"), (2) the Authority's Water System Revenue Bonds, Series 2014A (Tax-Exempt) (the "Series 2014A Bonds") and the Water System Revenue Bonds, Series 2014B (Taxable) (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds") and (3) any Additional Indebtedness (as such term is defined in the General Resolution) issued pursuant to the Authority's General Resolution, dated as of September 1, 2008 (the "General Resolution").

*"Chairman"* means the Chairman of the Authority.

*"County Annual Information"* means the annual information annually prepared by the County, which shall include (i) the annual audited financial statements of the County for the preceding fiscal year; (ii) financial and operating data with respect to the County of the type included in Appendix C to the Official Statements; and (iii) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the County.

"*County Attorney*" means the Saratoga County Attorney.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

"*Employee*" means any person who, as part of his or her employment with the Authority, has regular responsibility for the administration of matters related to Authority Indebtedness.

"*Event*" means any of the events listed in Schedule 1 of this Disclosure Policy.

"*Executive Director*" means the Executive Director of the Authority.

"*Fiscal Year*" means the fiscal year of the Authority, being the period commencing on January 1 and ending on the following December 31.

"*Governing Board*" means the Board of Directors of the Authority.

"*Material Events Notice*" shall have the meaning set forth in Schedule 1 hereto.

"*MSRB*" means the Municipal Securities Rulemaking Board or any other board or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.

"*Official Statements*" means, collectively, the Series 2008 Bonds Official Statement and the Series 2014 Bonds Official Statement.

"*Responsible Official*" means the Executive Director of the Authority, who shall be the official responsible for the activities of the Authority undertaken pursuant to this Disclosure Policy.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Series 2008 Bonds Official Statement*" means the Authority's final official statement, dated September 12, 2008, delivered in connection with the Series 2008 Bonds.

"*Series 2014 Bonds Official Statement*" means the Authority's final official statement, dated September 5, 2014, delivered in connection with the Series 2014 Bonds.

### **Annual Submission of the Authority Annual Information**

1. Not later than 270 days after the end of each Fiscal Year, and annually thereafter while any Authority Indebtedness remain outstanding, the Responsible Official shall submit or cause the Authority Annual Information to be submitted to the MSRB through EMMA.

2. Copies of the Authority Annual Information shall be provided to the Governing Board not less than ten (10) days prior to the above deadline for the submission of the Authority Annual Information to the MSRB.

3. Not more than thirty (30) days after the submission of the Authority Annual Information to the MSRB, the Responsible Official shall provide to the Chairman written

confirmation that the Authority Annual Information has been submitted and filed properly with the MSRB through EMMA.

4. In the event that the Authority Annual Information is not completed in time to submit the Authority Annual Information to the MSRB through EMMA within the time specified in paragraph 1 above, the Responsible Official will file a notice of occurrence of such Event in accordance with the policy and procedures set forth below under "Reporting of Events," and, in accordance with the Rule, the Authority Annual Information shall be submitted as soon as it is available.

5. The Authority Annual Information may be provided to the MSRB through EMMA in one document or a set of documents submitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet website or filed with the SEC. The Responsible Official shall clearly identify each such other document provided by cross reference.

6. The Authority Annual Information shall be prepared in accordance with generally accepted accounting principles as in effect from time to time and operating data and operating information ordinarily disclosed by municipal governments, as applicable. The Authority Annual Information shall be audited by a certified public accountant prior to its submission to the MSRB.

7. Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule), which have been filed with the MSRB through EMMA or the SEC. The Responsible Official shall clearly identify each such other document so incorporated by reference. In the event that the Responsible Official determines to so incorporate by reference any or all of the items listed above, the Responsible Official shall also file a notice through EMMA indicating that all or part of the Authority's financial and operating information for that year is contained in documents filed with the SEC or with the MSRB through EMMA.

### **County Annual Information**

1. Not later than 240 days after the end of each Fiscal Year while any Authority Indebtedness remains outstanding, the Executive Director or, at the direction of the Executive Director, legal counsel for the Authority shall contact the County Attorney alerting the County of its obligation to submit the County Annual Information to the MSRB through EMMA.

2. Not later than 270 days after the end of each Fiscal Year while any Authority Indebtedness remain outstanding, the Executive Director or, at the direction of the Executive Director, legal counsel for the Authority shall either (i) provide to the Chairman written confirmation that the County Annual Information has been submitted and filed properly with the MSRB through EMMA or (ii) notify the Chairman that the County Annual Information has not been timely filed with the MSRB through EMMA.

3. Confirmation that the County Annual Information has been submitted and filed properly with the MSRB through EMMA shall be provided to the Governing Board not later than fifteen (15) days following the submission of the County Annual Information to the MSRB.

4. In the event that the County Annual Information is not completed in time to submit the County Annual Information to the MSRB through EMMA within the time specified in paragraph 2 above or if the County Annual Information is not filed with the MSRB for any other reason, the Responsible Official will file a notice of occurrence of such Event in accordance with the policy and procedures set forth below under "Reporting of Events," and the Executive Director or, at the direction of the Executive Director, legal counsel for the Authority will send a written notice to the County Attorney requesting an explanation for the reason for the failure to timely submit the County Annual Information to the MSRB and seeking assurance from the County Attorney that the County Annual Information shall be submitted to the MSRB as soon as it is available. Such notice shall also request that the County Attorney provide to the Executive Director written confirmation of any late filing of County Annual Information within two (2) business days of such submission to the MSRB.

### **Reporting of Events**

1. The Responsible Official shall file, in a timely manner, a notice of the occurrence of any Event or Events with the MSRB via EMMA with respect to any Authority Indebtedness to which the Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Event. The Responsible Official shall provide notice of such Event to the MSRB through EMMA, as required by the Rule. The Events to be disclosed are listed on Schedule 1 hereof, which the Responsible Official is responsible for updating in a timely manner in the event that there are future changes to the Rule.

2. Not less than three (3) business days after providing notice of an Event to the MSRB, the Responsible Official shall provide a copy of the notice submission filed with the MSRB to the Governing Board, along with written confirmation that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule.

3. Whenever any Employee obtains actual knowledge of the occurrence of an Event, that employee must inform the Chairman and the Executive Director in writing as soon as possible.

### **Manner of Submission**

The documents, reports and notices required to be submitted to the MSRB pursuant to the Disclosure Policy shall be submitted through EMMA in an electronic format, and shall be accompanied by identifying information, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. A description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto.

### **Disclosure Training for Employees**

1. The Authority is responsible for conducting annual training of Employees regarding this Disclosure Policy. Such training shall include a complete review of this Disclosure Policy, the Rule and the events listed on Schedule 1 hereto, and shall include a complete overview of the Authority's obligations under the federal securities laws. Upon completion of the annual training, all Employees will provide written certification that they have completed the annual disclosure training and that they have reviewed and understand the Disclosure Policy, the Rule and the events listed on Schedule 1 hereto, and that they will comply with the Disclosure Policy.

2. The Executive Director shall promptly provide written confirmation to the Chairman that the annual disclosure training has been completed.

### **Public Statements Regarding Financial Information**

Whenever the Authority makes statements or releases information relating to its finances to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Material Event Notices, statements in the Authority Annual Information, and other financial reports and statements of the Authority), the Authority is obligated to ensure that such statements and information are complete, true and accurate in all material aspects. The Responsible Official shall have primary responsibility for ensuring that such statements and information are accurate and not misleading in any material aspect. The Authority, the Executive Director, the Chairman and legal counsel for the Authority shall work together to ensure that all public statements and information released by the Authority are accurate and non-misleading in all material aspects and that the Authority complies with all applicable requirements of the Rule regarding disclosure of any settlement by the Authority with the SEC.

### **Issuance**

Whenever the Authority issues Authority Indebtedness, a preliminary offering statement and a final offering statement are prepared. Each of these offering statements will contain information relating to the Authority's finances and the County's finances, as applicable. The Responsible Official, and County Attorney, with respect to the County's finances, shall have primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. The offering statement shall also include a certification by the Chairman or the Executive Director that the information contained in the offering statement regarding the Authority, as of the date of each offering statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the offering statement, in light of the circumstances under which it was provided, not misleading.

### **Additional Information**

Nothing in this Disclosure Policy shall be deemed to prevent the Authority from disseminating any other accurate information using the means of dissemination set forth in this Disclosure Policy or any other means of communication.

### **Filing on EMMA**

A copy of the Disclosure Policy shall be filed on EMMA. If the Disclosure Policy is amended, such amendments will be filed on EMMA as soon as practicable after such amendments take effect. A current copy of the Disclosure Policy and any amendments will also be made publicly available on the Authority's web site.

### **Dissemination Agent**

The Authority may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required under this Disclosure Agreement, and may revoke or modify any such designation.

## Schedule 1 to the Disclosure Policy

The SEC requires notification of the occurrence of any of the Events (a “Material Events Notice”) listed as (1) through (14) below with respect to any applicable Obligation. A Material Events Notice must be provided in a timely manner, but not more than ten (10) business days after the occurrence of such an event.

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to tax status of Authority Indebtedness, or other events affecting the tax status of Authority Indebtedness;
7. Modifications to rights of registered owners of Authority Indebtedness, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of Authority Indebtedness, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or a similar event of the Authority or the County;
13. Consummation of a merger, consolidation, acquisition involving the Authority, or sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or determination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

## **EXHIBIT A**

### **MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION**

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing

disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at [www.emma.msrb.org](http://www.emma.msrb.org).

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