NOTICE OF BOND SALE

WATER DISTRICT NO. 1 OF JOHNSON COUNTY, KANSAS

$32,270,000*
WATER REVENUE BONDS
SERIES 2025

Bids. Email and electronic (as explained below) bids for the purchase of the above-referenced bonds (the "2025 Bonds") of Water District No. 1 of Johnson County, Kansas (the "Water District") herein described will be received on behalf of the undersigned Director of Finance of the Water District until 9:30 a.m. applicable Central Time (the "Submittal Hour"), on

TUESDAY, OCTOBER 14, 2025

(the "Sale Date"). Bids may only be submitted via ***PARITY®*** or via email and must include all of the following recipients: dkamradt@waterone.org; nmorrison@waterone.org; jwhite@columbiacapital.com; and kdwyer@columbiacapital.com. Facsimile bids, oral bids and hand-delivered bids **will not** be accepted.

All bids will be publicly evaluated at said time and place and the award of the 2025 Bonds to the successful bidder (the "Successful Bidder") will be acted upon by the Board of the Water District (the "Governing Body") at its meeting to be held at 7:00 p.m. on the Sale Date. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the 2025 Bonds.

Terms of the 2025 Bonds. The 2025 Bonds will consist of fully registered bonds in the denomination of $5,000 or any integral multiple thereof (the "Authorized Denomination"). The 2025 Bonds will be dated November 12, 2025 (the "Dated Date"), and will become due in principal installments on January 1 in the years as follows:

Stated Maturity January 1	Principal Amount*
2033	$3,440,000
2034	3,615,000
2035	3,785,000
2036	3,945,000
2037	4,115,000
2038	4,280,000
2039	4,455,000
2040	4,635,000

The 2025 Bonds will bear interest from the Dated Date at rates to be determined when the 2025 Bonds are sold as hereinafter provided, which interest will be payable semiannually on January 1 and July 1 in each year, beginning on January 1, 2026.

Adjustment of Issue Size. The Water District reserves the right to increase or decrease the total principal amount of the 2025 Bonds or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the 2025 Bonds or the schedule of principal payments as described herein. If

* *Preliminary; subject to change. See "Adjustment of Issue Size" herein.*

there is an increase or decrease in the final aggregate principal amount of the 2025 Bonds or the schedule of principal payments as described above, the Water District will notify the Successful Bidder by means of telephone or email transmission, subsequently confirmed in writing, no later than 2:00 p.m. applicable Central Time, on the Sale Date. The actual purchase price for the 2025 Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the 2025 Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

Place of Payment. The principal of and interest on the 2025 Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the "Bond Register") of the Bond Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date (the "Record Date") (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate principal amount of the 2025 Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Bond Registration. The 2025 Bonds will be registered pursuant to a plan of registration approved by the Water District and the Attorney General of the State of Kansas (the "State"). The Water District will pay for the fees of the Bond Registrar for registration and transfer of the 2025 Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the owners of such 2025 Bonds.

Book-Entry-Only System. The Depository Trust Company, New York, New York ("DTC"), will act as Securities Depository for the 2025 Bonds. The 2025 Bonds will initially be issued exclusively in "book entry" form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no Beneficial Owner will receive certificates representing their interests in the 2025 Bonds. During the term of the 2025 Bonds, so long as the book-entry-only system is continued, the Water District will make payments of principal of, premium, if any, and interest on the 2025 Bonds to DTC or its nominee as the Registered Owner of the 2025 Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the 2025 Bonds to its participants who shall be responsible for transmitting payments to Beneficial Owners of the 2025 Bonds in accordance with agreements between such participants and the Beneficial Owners. The Water District will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as Securities Depository for the 2025 Bonds, or (b) the Water District determines that continuation of the book-entry-only form of evidence and transfer of ownership of the 2025 Bonds would adversely affect the interests of the Beneficial Owners of the 2025 Bonds, the Water District will discontinue the book-entry-only form of registration with DTC. If the Water District fails to identify another qualified Securities Depository to replace DTC, the Water District will cause to be authenticated and delivered to the Beneficial Owners replacement 2025 Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the 2025 Bonds and DTC.

Redemption of the 2025 Bonds Prior to Maturity.

General. Whenever the Water District is to select 2025 Bonds for the purpose of redemption, it will, in the case of 2025 Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the 2025 Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered 2025 Bond as though it were a separate Bond in the minimum Authorized Denomination.

Optional Redemption. At the option of the Water District, the 2025 Bonds maturing on January 1, 2035, and thereafter, will be subject to redemption and payment prior to maturity on January 1, 2034, and thereafter, as a whole or in part (selection of maturities and the amount of 2025 Bonds of each maturity to be redeemed to be determined by the Water District in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of a series of the 2025 Bonds scheduled to mature on consecutive dates issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive dates and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all 2025 Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

Notice and Effect of Call for Redemption. Unless waived by any owner of the 2025 Bonds to be redeemed, if the Water District shall call any 2025 Bonds for redemption and payment prior to the maturity thereof, the Water District shall give written notice of its intention to call and pay said 2025 Bonds to the Bond Registrar, any provider of municipal bond insurance for the 2025 Bonds, and the State Treasurer. In addition, the Water District shall cause the Bond Registrar to give written notice of redemption to the Registered Owners of said 2025 Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the 2025 Bonds to be redeemed, the place of surrender of the 2025 Bonds so called for redemption and a statement of the effect of the redemption. The Water District shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any 2025 Bond be called for redemption and payment as aforesaid, all interest on such 2025 Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security. The 2025 Bonds are being issued in full compliance with the provisions, restrictions and limitations of the constitution and statutes of the State, including K.S.A. 19-3501 through 19-3521b, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto (collectively, the "Act"). The 2025 Bonds are being issued for the purpose of financing the cost of acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement (the "Improvements") of the Water District's water supply and distribution system (the "Water System"). The 2025 Bonds and the interest thereon will constitute special obligations of the Water District, payable solely from, and secured as to the payment of principal and interest by a pledge of, the Pledged Revenues of the Water System as prescribed by the resolution authorizing the issuance of the 2025 Bonds (the "2025 Bond Resolution") on a parity with the Water District's outstanding: Water Revenue Refunding Bonds, Series 2017A, dated November 8, 2017; Water Revenue Bonds, Series 2017B, dated November 8, 2017; Water Revenue Refunding Bonds, Series 2019, dated December 10, 2019; Taxable Water Revenue Refunding Bonds, Series 2020, dated November 19, 2020; a Loan Agreement dated as of May 2, 2023, between the Water District and the Kansas Department of Health and Environment acting on behalf of the

State of Kansas ("KDHE"); and a Loan Agreement dated as of September 11, 2023, between the Water District and KDHE. The 2025 Bonds are special, limited obligations of the Water District. Neither the 2025 Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by, the Water District, or any governmental subdivision, agency or instrumentality. The 2025 Bonds are not payable in any manner from tax revenues.

Submission of Bids. Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale (this "Notice"). If provisions of this Notice conflict with those of PARITY®, this Notice shall control. Email bids may be submitted and must include all of the following recipients: dkamradt@waterone.org; nmorrison@waterone.org; jwhite@columbiacapital.com; and kdwyer@columbiacapital.com. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. The Water District and Financial Advisor shall not be responsible for failure of transmission of any bid.

PARITY®. Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids. Proposals will be received on the 2025 Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all 2025 Bonds of the same maturity; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by ***THE BOND BUYER***, in New York, New York, on the Monday next preceding the day on which the 2025 Bonds are sold, plus 3%; (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/8, 1/20 or 1/100 of 1%. The aggregate bid (the purchase price based upon the coupons and yields submitted by the Successful Bidder) shall be no less than **97%** of the principal amount of the 2025 Bonds, and for the 2025 Bonds maturing on and after January 1, 2035, no maturity may be reoffered at a price less than **97%**.

Each bid shall specify the total interest cost (expressed in dollars) during the term of the 2025 Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Water District the correctness of the information contained on the Official Bid Form; the Water District will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the 2025 Bonds, it will provide the certification described under the caption "Establishment of Issue Price" in this Notice.

Good Faith Deposit. The Successful Bidder for the 2025 Bonds shall submit a good faith deposit (the "Deposit") in the amount of $500,000 payable to the order of the Water District to secure the Water District from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. ***The Deposit must be received by the Water District by 2:00 p.m. applicable Central Time on the Sale Date***. The Deposit may be submitted in either of the following forms:

(a) *Certified or Cashier's Check*. Certified or cashier's check drawn on a bank located in the United States of America; or

(b) *Wire Transfer*. Wire transfer in Federal Reserve funds, immediately available for use by the Water District, sent to the following:

Bank Name:	UMB Bank, N.A., Kansas City, Missouri
ABA Number:	101000695

Account Number:	9872568192
Account Name:	Water System General Fund
Attention:	Sarah Antrobus (816-860-1879)

Contemporaneously with the submission of a wire transfer Deposit, the Successful Bidder shall send an email to the Water District at dkamradt@waterone.org and nmorrison@waterone.org and the Financial Advisor at jwhite@columbiacapital.com and kdwyer@columbiacapital.com, including the following information: (a) notification that a wire transfer has been made, including the Fed reference number; and (b) the amount of the wire transfer.

No interest on the Deposit will be paid by the Water District. The amount of the Deposit shall be applied to the purchase price of the 2025 Bonds. If a bid is accepted but the Water District fails to deliver the 2025 Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If the Successful Bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Water District as liquidated damages.

Basis of Award. Subject to the timely receipt of the Deposit set forth above, the award of the 2025 Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the 2025 Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the 2025 Bonds on the Official Bid Form, computed as specified herein on the basis of their bids, which shall be considered as informative only and not binding on either the Water District or the bidder. The Water District or its Financial Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Water District will determine which bid, if any, will be accepted, and its determination is final.

The Water District reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute

The Water District's acceptance of the Successful Bidder's proposal for the purchase of the 2025 Bonds in accordance with this Notice shall constitute a bond purchase agreement between the Water District and the Successful Bidder for purposes of the laws of the State and a contract between the Water District and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32"). The method of acceptance shall be determined solely by the Governing Body.

Bond Ratings. The 2025 Bonds are rated "AAA" (stable outlook) by S&P Global Ratings, a division of S&P Global Inc.

Optional Bond Insurance. The Water District has **not** applied for any policy of municipal bond insurance with respect to the 2025 Bonds. If the 2025 Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy for the 2025 Bonds, such indication and the name of the desired

insurer must be set forth on the bidder's Official Bid Form. The Water District specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Water District.

If a Successful Bidder elects to purchase the 2025 Bonds with municipal bond insurance, certain rating agencies will assign their ratings to the 2025 Bonds with the understanding that upon delivery of the 2025 Bonds, a policy insuring the payment when due of the principal of and interest on such 2025 Bonds will be issued by such bond insurer. All costs associated with the purchase and issuance of such municipal bond insurance policy and associated ratings and expenses (other than any independent rating requested by the Water District) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the 2025 Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of such 2025 Bonds.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the 2025 Bonds, but neither the failure to print such number on any 2025 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the 2025 Bonds in accordance with the terms of this Notice. The Financial Advisor will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the 2025 Bonds will be paid by the Water District.

Delivery and Payment. The Water District will pay for preparation of the 2025 Bonds and will deliver the 2025 Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 12, 2025** (the "Closing Date") to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the 2025 Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the 2025 Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the 2025 Bonds shall be made in federal reserve funds, immediately available for use by the Water District. The Water District will deliver one 2025 Bond of each maturity for the 2025 Bonds registered in the nominee name of DTC.

Establishment of Issue Price. In order to provide the Water District with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Successful Bidder will be required to assist the Water District in establishing the "issue price" of the 2025 Bonds and complete, execute and deliver to the Water District prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Water District and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the 2025 Bonds: (1) the interest rate; (2) the reasonably expected initial offering price to the "public" (as said term is used in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased such 2025 Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the 2025 Bonds for sale to the public. Any action to be taken or documentation to be received by the Water District pursuant hereto may be taken or received by the Financial Advisor or Bond Counsel on behalf of the Water District.

The Water District intends that the sale of the 2025 Bonds pursuant to this Notice shall constitute a "competitive sale" as defined in the Regulation. In support thereof: (1) the Water District shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Water District reasonably expects that it will receive bids for the 2025 Bonds from at least three bidders that have established industry

reputations for underwriting municipal bonds such as the 2025 Bonds; and (4) the Water District anticipates awarding the sale of the 2025 Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled "Basis of Award."

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the 2025 Bonds as specified therein. The Successful Bidder shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the 2025 Bonds, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the 2025 Bonds.

If all of the requirements of a "competitive sale" are not satisfied for the 2025 Bonds, the Water District shall advise the Successful Bidder of such fact at the time of award of the sale of the 2025 Bonds and the following provisions shall apply to such 2025 Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal***. Within twenty-four (24) hours of the notice of award of the sale of the 2025 Bonds, the Successful Bidder shall advise the Water District if a "substantial amount" (as defined in the Regulation (10%)) of any maturity of the 2025 Bonds has been sold to the public and the price at which such substantial amount was sold. The Water District will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The Water District will ***not*** require the Successful Bidder to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Water District will apply the initial offering price to the public provided in the bid as the issue price for such maturities. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Water District the prices at which a substantial amount of such maturities are sold to the public. ***Any change in the issue price of any of the 2025 Bonds after the Submittal Hour will not affect the purchase price for the 2025 Bonds submitted in the bid of the Successful Bidder.***

The agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Water District requests the information in connection with an audit or inquiry by the Internal Revenue Service (the "IRS") or the Securities and Exchange Commission (the "SEC") or (b) the information is required to be retained by the Water District pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement. The Water District has prepared a Preliminary Official Statement dated on or about October 7, 2025, "deemed final" by the Water District except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Water District or from the Financial Advisor. Upon the sale of the 2025 Bonds, the Water District will adopt the final Official Statement and will furnish each Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

Continuing Disclosure. In the 2025 Bond Resolution, the Water District has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the 2025 Bonds. For further information, reference is made to the caption "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

Legal Opinion. The 2025 Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel to the Water District, which opinion will be furnished and paid for by the Water District, will be printed on the 2025 Bonds, if the 2025 Bonds are printed, and will be delivered to the Successful Bidder when the 2025 Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the 2025 Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the 2025 Bonds.

Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means or transmissions. All bid documents, closing documents, certificates, ordinances, resolutions and related instruments may be executed by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Additional Information. Additional information regarding the 2025 Bonds may be obtained from the undersigned or from the Financial Advisor at the addresses set forth below:

DATED: October 7, 2025.

WATER DISTRICT NO. 1
OF JOHNSON COUNTY , KANSAS

By: Whitney Wilson, Chair

Water District – Good Faith Deposit Delivery Address:

Water District No. 1 of Johnson County, Kansas
10747 Renner Boulevard
Lenexa, Kansas 66219
Attn: Darin Kamradt, Director of Finance
Phone No.: (913) 895-5500
Email: dkamradt@waterone.org

Financial Advisor:

Columbia Capital Management
6700 Antioch, Suite 250
Merriam, Kansas 66204
Attn: Jeff White or Khalen Dwyer
Phone No.: (913) 312-8077 or (913) 909-9094 or (913) 248-8500
Email: jwhite@columbiacapital.com or kdwyer@columbiacapital.com

OFFICIAL BID FORM

PROPOSAL FOR THE PURCHASE OF WATER DISTRICT NO. 1 OF JOHNSON COUNTY, KANSAS
WATER REVENUE BONDS, SERIES 2025

TO: The Board of Water District No. 1 of Johnson County, Kansas October 14, 2025

For $32,270,000* principal amount of Water Revenue Bonds, Series 2025 (the "2025 Bonds"), of Water District No. 1 of Johnson County, Kansas, to be dated November 12, 2025, as described in the Notice of Bond Sale dated on or about October 7, 2025 (the "Notice"), said 2025 Bonds to bear interest as follows:

Stated Maturity January 1	Principal Amount*	Annual Rate of Interest
2033	$3,440,000	_____%
2034	3,615,000	_____%
2035	3,785,000	_____%
2036	3,945,000	_____%
2037	4,115,000	_____%
2038	4,280,000	_____%
2039	4,455,000	_____%
2040	4,635,000	_____%

* Subject to change, see the Notice

the undersigned will pay the purchase price for the 2025 Bonds set forth below, plus accrued interest to the date of delivery:

Principal Amount $32,270,000.00*
Less Discount .....-_____
Plus Premium.....+_____
Total Purchase Price ..... $_____

Total interest cost to maturity at the rates specified ..... $_____
Net interest cost (adjusted for Discount and/or Premium) ..... $_____
True Interest Cost ..... _____%

☐ The Bidder elects to purchase Municipal Bond Insurance from: [Assured] [BAM] [_____]. Circle one or complete blank.
☐ The Bidder elects to have the following Term Bonds:

Maturity Date	Years	Amount*
January 1, ____	_____ to _____	$_____
January 1, ____	_____ to _____	$_____

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice. The Successful Bidder shall submit a good faith deposit in the amount of **$500,000** payable to the order of the Water District in the manner set forth in the Notice. The acceptance of this proposal by the Water District by execution below shall constitute a contract between the Water District and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: _____

(LIST ACCOUNT MEMBERS ON REVERSE)

By: _____
Telephone No. (_____) _____

ACCEPTANCE

Pursuant to action duly taken by the Governing Body of Water District No. 1 of Johnson County, Kansas, the above proposal is hereby accepted on October 14, 2025.

Attest:

Secretary	Chair

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted and must include all of the following recipients: dkamradt@waterone.org; nmorrison@waterone.org; jwhite@columbiacapital.com; and kdwyer@columbiacapital.com; or electronic bids may be submitted via ***PARITY®***, at or prior to 9:30 a.m. applicable Central Time, on October 14, 2025. Facsimile bids, oral bids, and hand-delivered bids will not be accepted. Any bid received after such time will not be accepted or shall be returned to the bidder.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE **RATING: S&P Global Ratings: AAA (stable outlook)**
Book-Entry Only

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Water District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the 2025 Bonds is exempt from income taxation by the State of Kansas; and (3) the 2025 Bonds have **not** *been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). Bond Counsel notes that interest on the 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" herein.*

WATER DISTRICT NO. 1 OF JOHNSON COUNTY, KANSAS

$32,270,000*
Water Revenue Bonds, Series 2025

Dated: Date of Delivery **Due: January 1, as shown on the inside cover**

The 2025 Bonds, as herein defined, will be issued by Water District No. 1 of Johnson County, Kansas (the "Water District") as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2025 Bonds. Purchases of the 2025 Bonds will be made in book-entry form, in the denominations of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the 2025 Bonds purchased. So long as Cede & Co. is the Registered Owner of the 2025 Bonds, as nominee of DTC, references herein to the 2025 Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean Beneficial Owners (as herein defined) of the 2025 Bonds.

Principal will be payable annually on January 1, beginning in 2033, and semiannual interest will be payable on January 1 and July 1, beginning on January 1, 2026 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the 2025 Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent"). Interest payable on each 2025 Bond will be paid to the persons who are the registered owners of the 2025 Bonds as of the close of business on the 15th day of the month (whether or not a business day) next preceding such interest Payment Date, by check or draft of the Paying Agent mailed to such registered owner, or, under certain circumstances, by electronic transfer of funds.

The 2025 Bonds are special obligations of the Water District payable on a parity with the Parity Bonds solely from and secured by a pledge of and lien on the Pledged Revenues derived by the Water District from the operation of the Water System. The 2025 Bonds are not an obligation of Johnson County, Kansas, the State of Kansas or any political subdivision thereof, and are not payable in whole or in part from the proceeds of ad valorem taxes. See "SECURITY AND SOURCES OF PAYMENT" herein.

The 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel to the Water District. Certain legal matters will be passed upon for the Water District by its General Counsel. It is expected that the 2025 Bonds in definitive form will be available for delivery through the DTC book-entry system on or about November 12, 2025.

This cover page contains certain information for convenient reference only. It is not a summary of this issue. An investment in the 2025 Bonds involves a certain degree of risk. Investors must read the entire Official Statement, including, without limitation, the appendices and the caption "RISK FACTORS" herein for a description of certain risk factors which should be considered in connection with an investment in the 2025 Bonds.

Preliminary Official Statement Dated: October 7, 2025.

** preliminary, subject to change*

WATER DISTRICT NO. 1 OF JOHNSON COUNTY, KANSAS

Maturity Schedule

$32,270,000*
Water Revenue Bonds, Series 2025

SERIAL BONDS

Maturity January 1	Principal Amount*	Interest Rate	Yield or Price	CUSIP [1] 47875P
2033	$ 3,440,000			
2034	3,615,000			
2035	3,785,000			
2036	3,945,000			
2037	4,115,000			
2038	4,280,000			
2039	4,455,000			
2040	4,635,000			

[TERM BONDS

Maturity January 1	Principal Amount*	Interest Rate	Yield or Price	CUSIP [1] 47875P
20[__]	$_____	_____%	_____%	
20[__]	_____	_____	_____	]

Optional Redemption of the 2025 Bonds. At the option of the Water District, 2025 Bonds maturing on January 1, 2035, and thereafter, may be called for redemption and payment prior to maturity in whole or in part on January 1, 2034, or on any date thereafter (selection of the principal amount and maturity of the 2025 Bonds to be redeemed to be designated by the Water District in such manner as it may determine), at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date without premium.

[1] CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and is included solely for the convenience of the Owners of the 2025 Bonds. Neither the Water District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

** preliminary, subject to change*

Water District No. 1 of Johnson County, Kansas
10747 Renner Blvd.
Lenexa, Kansas 66219

WATER DISTRICT BOARD

Whitney Wilson ..... *Board Chair*
Melanie Kraft ..... *Board Vice Chair*
Renee Dinsmore ..... *Board Member*
Kay Heley ..... *Board Member*
Robert P. Reese ..... *Board Member*
Jill Westra ..... *Board Member*
Ullyses Wright ..... *Board Member*

GENERAL MANAGEMENT

Shaun Pietig ..... *General Manager*
Mandy Wagner ..... *Assistant General Manager*
Eric R. Arner ..... *General Counsel · Director of Legal/Auditing*
Darin L. Kamradt ..... *Treasurer · Director of Finance*
Cody Ellet ..... *Director of Distribution*
Jim Trimble ..... *Director of Information Technology*
Greg Totzke ..... *Director of Production*
Michelle Wirth ..... *Director of Engineering*

BOND COUNSEL
GILMORE & BELL, P.C.
Kansas City, Missouri

FINANCIAL ADVISOR
COLUMBIA CAPITAL MANAGEMENT, LLC
Merriam, Kansas

GENERAL COUNSEL
ERIC R. ARNER
Water District No. 1 of Johnson County, Kansas

CONSULTING ENGINEER
BLACK & VEATCH CORPORATION
Kansas City, Missouri

INDEPENDENT ACCOUNTANTS
RUBINBROWN LLP
Kansas City, Missouri

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2025 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE 2025 BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2025 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE 2025 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE WATER DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

No dealer, broker, salesperson or other person has been authorized by the Water District to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Water District and other sources, which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Water District since the date hereof. This Official Statement does not constitute a contract between the Water District or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the 2025 Bonds.

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Appendix A: Summary of Certain Provisions of the 2025 Bond Resolution
Appendix B: Audited Financial Statements of the Water District as of and for the Year Ended December 31, 2024
Appendix C: Unaudited Financial Statements of the Water District as of and for the 8 months ending August 31, 2025
Appendix D: Form of Opinion of Bond Counsel
Appendix E: Form of Continuing Disclosure Undertaking

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OFFICIAL STATEMENT

Relating to

$32,270,000*
Water Revenue Bonds, Series 2025

of WATER DISTRICT NO. 1
OF JOHNSON COUNTY, KANSAS

INTRODUCTION AND SUMMARY

Water District No. 1 of Johnson County, Kansas (the "Water District") furnishes this Official Statement in connection with the offering of $32,270,000* aggregate principal amount of Water Revenue Bonds, Series 2025 (the "2025 Bonds"), dated as of their issue date (expected to be November 12, 2025). This Official Statement, which includes the cover page and appendices, provides information concerning the Water District, the 2025 Bonds and the water supply and distribution system owned and operated by the Water District (see "THE WATER SYSTEM").

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

Certain capitalized words and phrases used in this Official Statement have the meanings as defined in the 2025 Bond Resolution unless the context shall clearly indicate that another meaning is intended. See the "Summary of Certain Provisions of the 2025 Bond Resolution" attached hereto as Appendix A. A complete copy of the 2025 Bond Resolution is available from the Water District upon written request.

The Water District

The Water District is a quasi-municipal body corporate of the State of Kansas. When the Water District was organized in 1953, it encompassed approximately 47 square miles in the western portion of the Kansas City metropolitan area. Currently, the Water District encompasses approximately 272 square miles, most of which is in Johnson County, with portions in Miami and Wyandotte counties. The Water District has the exclusive right to provide treated pressurized water by pipeline within its boundaries, providing water on a retail basis to all or a portion of 17 municipalities as well as certain unincorporated areas. The Water District's December 2024 population was estimated to be 480,000. The weighted average number of customers served through December 31, 2024 was 155,193. See "THE WATER DISTRICT" and "THE WATER SYSTEM" herein.

The Water District is governed by a seven-member board, elected by registered voters within the boundaries of the Water District (the "Board"). See "THE WATER DISTRICT – Governing Board" herein.

Purpose of the 2025 Bonds

The proceeds of the 2025 Bonds, together with available Water District funds, will be used to (a) provide funds to pay the cost of making certain improvements to the Water System as described in "THE IMPROVEMENTS", (b) pay the cost of issuance of the 2025 Bonds, (c) provide funds for capitalized interest on the 2025 Bonds through July 1, 2027 and (d) fund the 2025 Bond Reserve Account.

**preliminary, subject to change*

Security for the 2025 Bonds

The 2025 Bonds are special obligations of the Water District payable on a parity with the Parity Bonds solely from and secured by a pledge of and lien on the Pledged Revenues. The principal of and interest on the 2025 Bonds are not payable from any general tax or special taxation fund or source.

The 2025 Bonds are not an obligation of Johnson County, Kansas, the State of Kansas, or any political subdivision thereof, and are not payable in whole or in part from the proceeds of ad valorem taxes. There is no mortgage securing the 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT" herein.

Parity Bonds

"Parity Bonds" means the 2017A Bonds, the 2017B Bonds, the 2019 Bonds, the 2020 Bonds, the KDHE Loans, the 2025 Bonds and any bonds or other obligations of the Water District issued pursuant to the Parity Bond Resolutions on a parity therewith.

The Parity Bonds Outstanding as of the issuance date of the 2025 Bonds are as follows:

Series	Original Principal Amount	Principal Amount Outstanding	Final Maturity
Water Revenue Refunding Bonds, Series 2017A (the "2017A Bonds")	$110,205,000	$57,965,000	1/1/2033
Water Revenue Bonds, Series 2017B (the "2017B Bonds")	40,105,000	32,455,000	7/1/2042
Water Revenue Refunding Bonds, Series 2019 (the "2019 Bonds")	18,610,000	9,510,000	7/1/2030
Taxable Water Revenue Refunding Bonds, Series 2020 (the "2020 Bonds")	87,255,000	69,450,000	1/1/2033
State Revolving Fund Loan 3113[1]	1,828,870	1,232,610	8/1/2045
State Revolving Fund Loan 3122[2]	36,770,423	36,770,423	8/1/2046
Water Revenue Bonds, Series 2025	32,270,000*	32,270,000*	1/1/2040
	Total Outstanding Parity Bonds*	**$239,653,033**	

[1] The Water District has executed a Loan Agreement (Project No. 3113) with the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas, effective as of May 2, 2023 in an amount not to exceed $1,828,870. As of the date of delivery of the 2025 Bonds, the Water District expects to have drawn approximately $816,676. The Water District will be awarded principal forgiveness in an estimated amount of 30% of the principal amount of this loan.
[2] The Water District has executed a Loan Agreement (Project No. 3122) with KDHE, acting on behalf of the State of Kansas, effective as of September 11, 2023 in an amount not to exceed $36,770,423. As of the date of delivery of the 2025 Bonds, the Water District expects to have drawn approximately $9,732,512.

Rates; Rate Covenant

The Water District's Board has the sole power and authority to determine and fix all water rates. See "THE WATER SYSTEM – Rate Setting" herein.

The Water District has agreed in the 2025 Bond Resolution to maintain Net Revenues, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change in Hedge Agreements, if any, in each Fiscal Year in an amount equal to at least 125% of the amount required to be paid on account of the principal and interest due in such Fiscal Year on the Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT – Rate Covenant" herein.

**preliminary, subject to change*

Additional Bonds

As long as the 2025 Bonds remain outstanding, the Water District agrees that it will not issue any additional bonds payable out of the Pledged Revenues of the Water System which are superior in lien to the 2025 Bonds. The Water District may issue additional Parity Bonds without limit upon compliance with the additional bonds test as described in "SECURITY AND SOURCES OF PAYMENT – Additional Bonds".

Independent Accountants

The financial statements as of December 31, 2024 have been audited by RubinBrown LLP, the Water District's independent auditor, and are included in this Official Statement as Appendix B. RubinBrown LLP, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RubinBrown LLP also has not performed any procedures related to this Official Statement.

Amendments to 2025 Bond Resolution

In connection with the authorization and issuance of the 2025 Bonds and the adoption of the 2025 Bond Resolution, the Water District has authorized the amendment of certain provisions of the 2025 Bond Resolution. Such amendments will become effective on the date when no Parity Bonds issued prior to the 2025 Bonds remain Outstanding. The Owners of the 2025 Bonds and any Parity Bonds issued after the 2025 Bonds, by reason of their purchase, shall be deemed to have consented to the terms and conditions of the 2025 Bond Resolution, including such amendments. See "SECURITY AND SOURCES OF PAYMENT – Bond Reserve Fund" and "Summary of Certain Provisions of the 2025 Bond Resolution – *Amendments to 2025 Bond Resolution*" in Appendix A.

SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds associated with the issuance of the 2025 Bonds.

Source of Funds:	
Principal Amount of 2025 Bonds	$
Net Original Issue Premium /(Original Issue Discount)	
Total	**$**
Use of Funds:	
Cost of Issuance	$
Underwriting Discount	
Deposit to the 2025 Bond Construction Fund	
Deposit to the 2025 Bond Reserve Account	
Total	**$**

THE 2025 BONDS

Description

The 2025 Bonds will be dated as of the date of issuance and delivery (currently expected to be November 12, 2025). The 2025 Bonds will be issued as fully registered book-entry-only bonds in denominations of $5,000 or integral multiples thereof (an "Authorized Denomination"). The 2025 Bonds will bear interest at the rates and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the 2025 Bonds will be payable semiannually on January 1 and July 1 in each year (computed on the basis of a 360-day year composed of twelve 30-day months), commencing on January 1, 2026.

Authorization

The 2025 Bonds are being issued by the authority of and in full compliance with the provisions, restrictions and limitations of the constitution and statutes of the State of Kansas, including K.S.A. 19-3501 through 19-3521b, all as amended and all other provisions of the laws of the State of Kansas applicable thereto, and in accordance with the covenants contained in the 2025 Bond Resolution.

Bond Registrar and Paying Agent

The Treasurer of the State of Kansas in the City of Topeka, Kansas, will serve as the bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent") for the 2025 Bonds.

Payment of Principal and Interest; Record Date

The principal of the 2025 Bonds is payable to the Registered Owners of the 2025 Bonds by check or draft of the Paying Agent (or, under certain circumstances, by electronic transfer of funds), upon presentation and surrender of the 2025 Bonds for payment and cancellation at the office of the Paying Agent. Interest on the 2025 Bonds is payable by check or draft mailed by the Paying Agent (or, under certain circumstances, by electronic transfer of funds), to the Registered Owners of the 2025 Bonds as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding any interest Payment Date at the addresses appearing in the registration books maintained by the Bond Registrar.

Redemption Prior to Maturity

Optional Redemption. At the option of the Water District, the 2025 Bonds maturing on or after January 1, 2035 may be called for redemption and payment prior to maturity, in whole or in part on January 1, 2034, or on any date thereafter (selection of the principal amount and maturity of the 2025 Bonds to be redeemed to be designated by the Water District in such manner as it may determine), at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

[Mandatory Redemption. The 2025 Term Bonds shall be subject to mandatory redemption and payment prior to their stated maturity pursuant to the mandatory redemption requirements hereinafter set forth at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the 2025 Principal and Interest Account shall be sufficient to redeem, and the Water District shall redeem semiannually on January 1 in each year as follows, the following principal amounts of such 2025 Term Bonds:

Principal Amount	Payment Date
$	*

Principal Amount	Payment Date
$	*

Principal Amount	Payment Date
$	*

*Final Maturity]

Selection of Bonds to be Redeemed. 2025 Bonds shall be redeemed only in an Authorized Denomination. If less than all of the 2025 Bonds are to be redeemed and paid prior to their Stated Maturity, such 2025 Bonds shall be redeemed from the maturity or maturities selected by the Water District. If less than all 2025 Bonds of any maturity are to be redeemed, the particular 2025 Bonds to be redeemed shall be selected by the Bond Registrar from the 2025 Bonds of such maturity which have not previously been called for redemption, by lot or by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection of redemption of portions equal to the minimum Authorized Denominations of the principal amount of the 2025 Bonds.

In the case of a partial redemption of 2025 Bonds by lot when 2025 Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate 2025 Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any 2025 Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such 2025 Bond to the Bond Registrar: (1) for payment of the redemption price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new 2025 Bond or 2025 Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such 2025 Bond. If the Owner of any such 2025 Bond fails to present such 2025 Bond to the Paying Agent for payment and exchange as aforesaid, such 2025 Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of 2025 Bonds to be redeemed, if the Water District shall call any 2025 Bonds for redemption and payment prior to the Stated Maturity thereof, the Water District shall give written notice of its intention to call and pay said 2025 Bonds to the Bond Registrar and the State Treasurer. In addition, the Water District shall cause the Bond Registrar to give written notice of redemption to the Owners of said 2025 Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the redemption price; (c) if less than all Outstanding 2025 Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption of any 2025 Bonds, the respective principal amounts) of the 2025 Bonds to be redeemed; (d) a statement that on the Redemption Date the redemption price will become due and payable upon each such 2025 Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such 2025 Bonds are to be surrendered for payment of the redemption price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Water District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the 2025 Bonds or portions of 2025 Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the 2025 Bonds or portions of 2025 Bonds to be redeemed shall become due and payable on the Redemption Date, at the redemption price therein specified, and from and after the Redemption Date (unless the Water District defaults in the payment of the redemption price) such 2025 Bonds or portion of 2025 Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the 2025 Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a 2025 Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the 2025 Bond so affected, shall not affect the validity of the redemption of such 2025 Bond.

In addition to the foregoing notice, the Water District shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any 2025 Bond.

THE DEPOSITORY TRUST COMPANY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the 2025 Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Water District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Water District or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Water District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds,

distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Water District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2025 Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such 2025 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2025 Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2025 Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Water District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Water District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Water District believes to be reliable, but the Water District takes no responsibility for the accuracy thereof.

THE IMPROVEMENTS

The net proceeds of the 2025 Bonds will be used to fund design and construction costs for the expansion of the Ralph G. Wyss Reservoir and Pumping Station (the "Wyss Pumping Station"), improvements to the Hansen Water Treatment Plant Facility 1 ("Facility 1"), transmission main replacements, and other improvements to the Water System (collectively, the "Improvements"). The total cost of the Improvements will be funded by certain proceeds of the 2025 Bonds and other funds available. Improvement costs are estimated as follows:

Improvements		**Amount**
Wyss Pumping Station Expansion	$	27,135,745
Facility 1 Improvements		5,112,766
Transmission Main Replacement		1,803,177
Total	$	34,051,688

Sources of Funds		**Amount**
2025 Bond Construction Fund (proceeds of the 2025 Bonds)	$	30,000,000
Water District Funds Available		4,051,688
Total	$	34,051,688

Project Descriptions

The Wyss Pumping Station is located on 159th Street approximately ½ mile west of Interstate 35 adjacent to the Hedge Lane Corridor. The Wyss Pumping Station currently consists of one 7.5 million gallon reservoir and a dual-level pumping station. The Wyss Pumping Station expansion project includes installation of a 22.5 million gallons per day ("mgd") booster pumping unit, a 15 mgd reservoir pumping unit and the construction of a second 7.5 million gallon reservoir. This expansion is required to meet the Water District's projected maximum hour demands and maintain storage and pressure throughout the distribution system.

The Hansen Water Treatment Plant is located on Holliday Drive in southern Wyandotte County. The original water treatment facility was constructed in 1956 to treat water from shallow wells along the Kansas River. This plant is now called Facility 1. In 1966, Facility 1 was expanded to treat water from the Kansas River. In 1984, a second treatment facility was constructed at the Hansen Water Treatment Plant site to treat water from the new Missouri River Intake and Pre-sedimentation Facility. This plant is called the Hansen Water Treatment Plant Facility 2 ("Facility 2" and, together with Facility 1, the "Hansen Facilities"). Facility 2 was expanded in 1990 and 1992, optimized by installing additional pumping capacity in 1996, and expanded again in 1998.

The Facility 1 project includes multiple chemical feed systems improvements including carbon dioxide, polymer, polyphosphate, ammonia, and fluoride. The systems have been in service for varying timeframes, so the extent of the improvements has been evaluated on a system-by-system basis to fully utilize any remaining life of the equipment. These improvements will enable operations staff to fully control the facility utilizing SCADA and incorporate flow pacing capabilities versus the current manual operation.

The transmission main replacement project includes the replacement of approximately 9,300 feet of a 30" pre-stressed concrete cylinder pipe (PCCP) with Class IV wires installed in 1977 that are prone to hydrogen embrittlement. This main was inspected originally in 2015 and again in 2020 due to a significant number of defects that needed to be monitored. The 2020 re-inspection showed continued, widespread deterioration along much of the pipeline, and the main was prioritized for replacement.

The Water District intends to reimburse itself for costs of the Improvements incurred prior to the 2025 Bond issuance in an estimated amount of $4.5 million.

See more discussion of the Improvements in "THE WATER SYSTEM".

SECURITY AND SOURCES OF PAYMENT

Lien on Pledged Revenues

The 2025 Bonds are special obligations of the Water District payable on parity with the Parity Bonds solely from and secured by a pledge of and lien on the Pledged Revenues. The 2025 Bonds are not an obligation of Johnson County, Kansas, the State of Kansas, or any political subdivision thereof, and are not payable in whole or in part from the proceeds of ad valorem taxes. There is no mortgage securing the 2025 Bonds. See "Summary of Certain Provisions of the 2025 Bond Resolution" included herein as Appendix A.

"KDHE Loans" means collectively (a) a Loan Agreement dated as of May 2, 2023, between the Water District and KDHE acting on behalf of the State; and (b) a Loan Agreement dated as of September 11, 2023, between the Water District and KDHE acting on behalf of the State.

"Parity Bonds" means the 2017A Bonds, the 2017B Bonds, the 2019 Bonds, the 2020 Bonds, the KDHE Loans, the 2025 Bonds and any bonds or other obligations of the Water District issued pursuant to the Parity Bond Resolutions on a parity therewith.

"Pledged Revenues" includes Net Revenues (as hereinafter described), Hedge Receipts (as defined in Appendix A hereto), all moneys received by the Water District from the federal government pursuant to Section 54AA of the Code or other direct payments made to the Water District by the federal government in connection with the issuance of Bonds and all moneys paid or required to be paid into, and all moneys and securities on deposit, from time to time, in the funds and accounts specified in the 2025 Bond Resolution, but only to the extent the resolutions of the Water District authorizing the issuance of Bonds permit such funds and accounts to be used to pay the principal of, premium, if any, and interest on such series of Bonds.

"Revenues" includes all revenues derived by the Water District from the operation of the Water System, including, but not limited to, the income in the form of Water System development charges, the investment of any of the funds created by the Parity Bond Resolutions and the resolutions authorizing any other revenue bonds or other obligations of the Water District and unrestricted income from any other source.

"Operation and Maintenance Expenses" means the reasonable expenses necessary to keep the Water System in good repair and working order, including, without limiting the generality of the foregoing, salaries, wages, costs of materials, water and supplies, insurance, cost of power; any payments authorized by the Board under any retirement or other plan authorized by law and adopted by the Board for the benefit of its employees; any required deposits or payments of rebate to the United States in accordance with the resolutions of the Water District authorizing the issuance of the Bonds; and excluding expenses for extending or enlarging the Water System or for other purposes generally defined as capital additions.

"Net Revenues" is Revenues less the Operation and Maintenance Expenses of the Water System.

"Water System" means the entire water supply plant and system owned and operated by the Water District for the production, storage, treatment and distribution of water, to serve the needs of the Water District and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Water District.

In the 2025 Bond Resolution, the Water District has agreed to fix, establish, maintain and collect such rates, fees and charges for water or water service furnished by or through the Water System, and revise the same from time to time whenever necessary, which rates, fees and charges shall be sufficient to pay the wages and salaries of all officers and employees, any amount owed the Equivalent Security Provider, costs of operation, improvement and maintenance of the Water System, provide adequate depreciation, improvement and extension reserves, provide for the payment at maturity or applicable mandatory redemption, of the principal of the Parity Bonds and pay the interest thereon when due, and create reasonable reserves for such purposes, and sufficient to allow for miscellaneous and emergency or unforeseen expenses. Such rates, fees and charges shall at all times be sufficient so that the Net Revenues of the Water System, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change into any Hedge Agreement, shall be not less than 125% of the Annual Debt Service.

None of the facilities or services afforded by the Water System will be furnished to any user without a reasonable charge being made therefore; provided, however, the Board may determine that it is reasonable to provide without charge facilities or services in the case of emergency services, mutual aid to other governmental entities or the de minimis use of facilities or services for public purposes.

Bond Reserve Fund

The 2025 Bond Resolution ratifies a Bond Reserve Fund, within which there is established a Bond Reserve Account for the 2025 Bonds and each series of Outstanding Parity Bonds. Each account is required to be funded with cash or Equivalent Security, in an amount equal to the Required Reserve Amount. Funds in each such Bond Reserve Account may be used solely for the payment of principal of or interest on the applicable series of the Parity Bonds if moneys in the applicable principal and interest account for such series of Parity Bonds are insufficient to make such payments as they become due. See the definition of "Required Reserve Amount" in Appendix A, "Summary of Certain Provisions of the 2025 Bond Resolution".

The 2025 Bond Reserve Account will be funded at closing with proceeds of the 2025 Bonds in the amount of $2,250,870*, the Required Reserve Amount for the 2025 Bonds, which is equal to the lesser of: (i) 5% of the stated Principal amount; provided, however, if the aggregate initial offering price of the 2025 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in lieu of the stated Principal amount; (ii) 125% of the Average Annual Debt Service of the 2025 Bonds; or (iii) the maximum amount of principal and interest becoming due in accordance with the stated maturity date or mandatory sinking fund redemption for the current Fiscal Year or any succeeding Fiscal Year with respect to the 2025 Bonds.

The respective Bond Reserve Accounts for each series of the Outstanding Parity Bonds are fully funded at the Required Reserve Amounts for each such series of Parity Bonds. The current balances in such Bond Reserve Accounts are: $5,920,713 for the 2017A Bond Reserve Account, $2,084,592 for the 2017B Bond Reserve Account, $1,033,455 for the 2019 Bond Reserve Account $4,362,750 for the 2020 Bond Reserve Account. Upon fully executing the drawdown of State Revolving Fund Loans 3122 and 3113 (the KDHE Loans), the reserve balances for these loans will be $3,677,042 and $182,877 respectively.

Upon the effective date of the amendments to the 2025 Bond Resolution, the Required Reserve Amount will mean, for any series of Bonds, the amount, if any, specified in the resolution authorizing the issuance of said Bonds. Accordingly, upon such effective date, the Water District may issue Parity Bonds without requiring any deposit to a Bond Reserve Account. See "INTRODUCTION AND SUMMARY – Amendments to 2025 Bond Resolution" herein and "Summary of Certain Provisions of the 2025 Bond Resolution – *Amendments to 2025 Bond Resolution*" in Appendix A.

Flow of Funds

Water System General Fund. In the 2025 Bond Resolution, the Water District covenants and agrees that, from and after the delivery of the 2025 Bonds, and continuing as long as any of the 2025 Bonds remain Outstanding, all of the

*preliminary; subject to change.

Revenues derived and collected by the Water District from the operation of the Water System will be paid and deposited into the Water System General Fund, and that the Revenues shall be segregated and kept apart from all other moneys, revenues, funds and accounts of the Water District and shall not be mingled with any other moneys, revenues, funds and accounts of the Water District. The Water System General Fund shall be used only for the purposes authorized by law, including paying the cost of issuance of the 2025 Bonds, the cost of operation, maintenance, extension and improvement of the Water System, paying the principal of and interest on the water revenue bonds of the Water District issued against the Water System, and creating and maintaining reserves therefor. The Water District covenants and agrees that the moneys in said Water System General Fund will be administered and used solely for the purposes provided in the Parity Bond Resolutions.

Application of Moneys. From and after the delivery of the 2025 Bonds, and continuing as long as any of the Parity Bonds remain Outstanding the Water District will administer and deposit all of the moneys held in the Water System General Fund as follows:

(a) ***Operation and Maintenance.*** There shall first be paid all amounts due for Operation and Maintenance Expenses.

(b) ***Principal and Interest Fund.*** There shall next be deposited, monthly, on a pro rata basis into each principal and interest account within the Principal and Interest Fund for the Parity Bonds to the extent necessary to meet at the maturity thereof, all interest on and the principal of the Parity Bonds, the following sums:

(i) an amount equal to not less than the pro rata amount of interest that will become due on each series of Parity Bonds on the next succeeding interest Payment Date;

(ii) an amount equal to not less than the pro rata amount of principal that will become due on each series of Parity Bonds on the next succeeding principal Payment Date;

(iii) the amount required to pay the fees, if any, of the Paying Agent to become due in the next month; plus

(iv) any amount required to pay Hedge Payments due within 30 days.

The amounts required to be paid and credited to the separate series principal and interest accounts within the Principal and Interest Fund pursuant to this paragraph shall be made at the same time and on a parity with the amounts at the time required to be paid and credited for the payment of the principal of and interest on Parity Bonds under the provisions of the Parity Bond Resolutions.

All amounts deposited to each principal and interest account within the Principal and Interest Fund for the Parity Bonds shall be expended and used by the Water District for the sole purpose of paying the principal of and interest on the applicable series of Parity Bonds as and when the same become due and the fees of the Paying Agent.

If at any time the moneys in the Water System General Fund are insufficient to make in full the payments and credits at the time required to be made to the Principal and Interest Fund and to the principal and interest accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Water System General Fund shall be divided among such principal and interest accounts in proportion to the respective principal amounts of said series of Parity Bonds at the time Outstanding which are payable from the moneys in the Principal and Interest Fund.

(c) ***Credit Facility.*** The Water District shall, after all amounts required at the time to be paid under the provisions of paragraphs (a) and (b) of this Section shall have been paid, next pay any amount due under a Credit Facility Agreement, including Additional Interest.

(d) ***Bond Reserve Fund.*** If, at any time, the cash or Equivalent Security in any bond reserve account within the Bond Reserve Fund for the Parity Bonds is insufficient to satisfy the Required Reserve Amount for the applicable series of Parity Bonds, the Water District shall, after all amounts required at the time to be paid under the provisions of paragraphs (a) through (c) of this Section shall have been paid, next

deposit on a pro rata basis with amounts to be deposited into each such bond reserve account cash or Equivalent Security as follows:

(i) if, and to the extent, the cash on deposit in a bond reserve account within the Bond Reserve Fund for the Parity Bonds is insufficient to meet the Required Reserve Amount for the applicable series of Parity Bonds and the Water District has determined to satisfy the Required Reserve Amount with additional cash, the Water District shall, within 60 days from the Insufficient Reserve Determination Date, make approximately equal monthly installments of cash in an amount sufficient to restore each such bond reserve account to the Required Reserve Amount within 14 months from the Insufficient Reserve Determination Date; and

(ii) if, and to the extent, the Equivalent Security on deposit in a bond reserve account within the Bond Reserve Fund for the Parity Bonds is insufficient to meet the Required Reserve Amount for the applicable series of Parity Bonds and the Water District has determined to satisfy the Required Reserve Amount with cash or other Equivalent Security, the Water District shall, within 120 days from the Insufficient Reserve Determination Date, make approximately equal monthly installments of cash or Equivalent Security in an amount sufficient to restore each such bond reserve account to the Required Reserve Amount and to pay all required reimbursements of Equivalent Security within 36 months from the Insufficient Reserve Determination Date; provided, however, that any required reimbursements of Equivalent Security shall be made on a pro rata basis to the respective issuers of the Equivalent Security prior to reimbursement of cash in a bond reserve account.

Except as hereinafter provided, all amounts deposited into each bond reserve account within the Bond Reserve Fund for the Parity Bonds shall be expended and used by the Water District solely to prevent any default in the payment of interest on or principal of the applicable series of Parity Bonds if the moneys in the applicable principal and interest account for such Parity Bonds and Water System General Fund are insufficient to pay the interest on or principal of such Parity Bonds as they become due; provided, however, when the Principal amount of any series of Parity Bonds is equal to or less than the amount on deposit in the applicable bond reserve account, funds in such bond reserve account may be used to pay the remaining Principal and interest on such Parity Bonds. If the Water District shall ever be required to expend any amounts held in a bond reserve account, any cash in such bond reserve account shall be drawn down completely before draws are made on Equivalent Security on deposit in such bond reserve account.

(e) ***Hedge Payments.*** After all amounts at the time required to be paid and deposited under the foregoing provisions of paragraphs (a) through (d) of this Section shall have been so paid and deposited, then there shall next be deposited in accordance with the terms of the resolution of the Water District authorizing their issuance, an amount necessary to pay at the maturity thereof (or upon mandatory redemption), all interest on and the principal of any Bonds with a lien on the Pledged Revenues that is subordinate to the lien of the Parity Bonds and an amount necessary to make any Hedge Payments and Hedge Contingency Payments for subordinate Hedge Agreements.

(f) ***Subordinate Lien Bonds.*** After all amounts at the time required to be paid and deposited under the foregoing provisions of paragraphs (a) through (e) of this Section shall have been so paid and deposited, then there shall next be deposited in accordance with the terms of the resolution of the Water District authorizing their issuance, an amount necessary to pay the principal of and interest on and to meet any Required Reserve Amounts for any Bonds with a lien on the Pledged Revenues that is subordinate to the lien of the Parity Bonds.

(g) ***Equivalent Security Payments.*** After all amounts at the time required to be paid and deposited under the foregoing provisions of paragraphs (a) through (f) of this Section shall have been so paid and deposited, then there shall next be paid any interest or premium due for Equivalent Security in the Bond Reserve Fund for the Parity Bonds.

(h) ***Additional Reserves.*** After all amounts at the time required to be paid and deposited under the foregoing provisions of paragraphs (a) through (g) of this Section shall have been so paid and deposited, then the remaining moneys in the Water System General Fund must be expended by the Board for the establishment of a reserve maintained in the Water System General Fund for extraordinary renewal and

replacement cost contingencies, Operation and Maintenance Expenses, necessary material purchase requirements and unfunded contracts and commitments in an amount equal to 1/6th of the Revenues exclusive of Water System development charges for the current Fiscal Year as shown in the adopted budget of the Board; provided, however, if such reserve is ever less than the amount set forth herein, the Water District shall set aside an amount estimated to be sufficient to aggregate such reserve amount in approximately 12 equal monthly amounts until the reserve amount set forth in this subsection is attained.

(i) ***Surplus Money.*** After all amounts at the time required to be paid and deposited under the foregoing provisions of paragraphs (a) through (h) of this Section shall have been so paid and deposited, then the remaining moneys in the Water System General Fund may be expended for any lawful purpose.

Additional Bonds

Senior Lien Bonds. As long as any of the 2025 Bonds remain Outstanding, the Water District will not issue any System Indebtedness payable out of the Revenues or Pledged Revenues of the Water System which are superior in lien or any other matter to the 2025 Bonds.

Parity Bonds. As long as any of the 2025 Bonds remain Outstanding, the Water District will not issue any Bonds, including refunding bonds, or other Long-Term Indebtedness payable out of the Revenues or Pledged Revenues of the Water System or any part thereof which stand on a parity or equality with the 2025 Bonds unless all of the following conditions are met:

(a) The Water District is not in default in making any payment at the time required to be made by it into any of the funds created by or referred to in "SECURITY AND SOURCE OF PAYMENT – Flow of Funds – *Application of Moneys*" herein; and

(b) The Director of Finance certifies that the average annual Net Revenues of the Water District, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change into any Hedge Agreement, for the two Fiscal Years next preceding the issuance of additional bonds, shall have been equal to at least 125% of the Maximum Annual Debt Service, including the additional bonds proposed to be issued.

In the event that: (i) the Water District has duly adopted a resolution increasing the rates or charges of its Water System and such increased rates or charges have not been in effect during all of the two Fiscal Years immediately preceding the issuance of the additional bonds, (ii) the Water District has acquired a water system within said two-year period that was in operation at the time of its acquisition by the Water District, or (iii) the Water District proposes to issue additional revenue bonds for the purpose of acquiring an existing water system which has been in operation during said two-year period, then, for the purpose of this subsection, the certification required by this subsection will be made by a Consultant and such Consultant may adjust the Net Revenues by adding thereto the estimated amount of additional Net Revenues which would have resulted from the operation of the Water System during said two preceding Fiscal Years if the increased rates or charges would have been in effect during the whole of said two years and if the Water District had included the revenues from any such water system so acquired or proposed to be acquired.

So long as the Water District is not in default in making any payment at the time required to be made by it into any of the funds created by or referred to in "SECURITY AND SOURCE OF PAYMENT – Flow of Funds – *Application of Moneys*", the Water District may issue Parity Bonds without the coverage certificate referred to in the prior paragraph, provided such Parity Bonds are for the purpose of paying for a project necessary to comply with the requirements of any governmental agency having jurisdiction over the Water System.

In addition to the foregoing, any Variable Rate Bonds issued by the Water District on a parity with the Parity Bonds will have a maximum interest rate which is determined at the time such Variable Rate Bonds are sold.

Subordinate Lien Bonds. The Water District may issue Bonds that have a lien on the Pledged Revenues which is subordinate to the lien of the Parity Bonds upon the terms and conditions set forth in the resolution of the Water District authorizing such subordinate lien Bonds.

Refunding Bonds. The Water District has the right to refund any of the Parity Bonds under the provisions of any law then available. The Parity Bonds or any part thereof may be refunded and the refunding bonds so issued will enjoy complete equality of pledge with any other Outstanding Parity Bonds provided the Water District is not in default in

making any payment at the time required to be made by it into any of the funds created by or referred to in "SECURITY AND SOURCE OF PAYMENT – Flow of Funds – *Application of Moneys*" and, if the aggregate Annual Debt Service requirements for the refunding bonds is greater than the aggregate Annual Debt Service requirements for the Parity Bonds being refunded, the Water District shall also comply with the requirement to provide a coverage certificate as referred to above in subparagraph (b) under "SECURITY AND SOURCE OF PAYMENT – Additional Bonds – *Parity Bonds*".

RISK FACTORS

A PROSPECTIVE PURCHASER OF THE 2025 BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE 2025 BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE 2025 BONDS. PROSPECTIVE PURCHASERS OF THE 2025 BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.

Legal Matters

Various state and federal laws, constitutional provisions, and regulations apply to the operations of the Water District and to the obligations created by the 2025 Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the Water District.

Limitations on Remedies Available to Beneficial Owners of the 2025 Bonds

The enforceability of the rights and remedies of the Beneficial Owners of the 2025 Bonds, and the obligations incurred by the Water District in issuing the 2025 Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Beneficial Owners of the 2025 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may involve risks of delay, limitation, or modification of their rights.

Special Obligations

The 2025 Bonds are special, limited obligations of the Water District. Neither the 2025 Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the Water District, or any governmental subdivision, agency or instrumentality. The 2025 Bonds are not payable in any manner from tax revenues.

Source of Repayment

The 2025 Bonds are payable solely from the Pledged Revenues. While the future ability of the Water District to meet its obligations under the 2025 Bond Resolution is based upon assumptions and business judgments which the Water District believes are reasonable and appropriate, they are subject to conditions which may change in the future to an extent that presently cannot be determined. Thus, no assurance can be given that revenues will be realized by the Water District in amounts sufficient to pay the principal of and interest on the 2025 Bonds as they become due.

Bond Reserve Account

Pursuant to the 2025 Bond Resolution, an amount equal to the Required Reserve Amount will be deposited in the 2025 Bond Reserve Account. Moneys in the respective Bond Reserve Accounts may be invested in Equivalent

Security. Moneys, including such Permitted Investments, held in the respective Bond Reserve Accounts may be applied by the Water District to prevent default in payment of the principal of and interest on the corresponding series of Parity Bonds in accordance with the applicable Parity Bond Resolution in the event funds on hand in the applicable Principal and Interest Account are insufficient to provide funds for payments due on any payment date. In the event the Water District is required to sell such Equivalent Security for such purpose, the price realized upon such sale may not equal the Required Reserve Amount.

In the event of a default by the Water District under the 2025 Bond Resolution, moneys deposited in the Principal and Interest Fund and the respective accounts therein may, under certain circumstances and, ordinarily under the supervision of and under order of the courts, be applied for purposes other than payment of the Parity Bonds. Such purposes may include preservation of and security for the Water System, maintenance of insurance, payment of expenses incurred in attempting to operate the Water System and payment of other similar costs.

Cash and Equivalent Securities held in each of the Bond Reserve Accounts may be applied only to the payment of principal of and interest on the corresponding series of Parity Bonds secured by such Bond Reserve Account. No other series of Parity Bonds may access cash or Equivalent Security in a Bond Reserve Account not established specifically for such applicable series of Parity Bonds.

State and Federal Regulation

The rates, fees and charges for water service through the Water System as currently constructed and operated will be exempt from rate regulation by the Kansas Corporation Commission. The precise nature and extent of future governmental regulation and the resulting impact of such regulation on the operation and profitability of the Water System cannot now be determined. The Water District has covenanted in the 2025 Bond Resolution to comply with all such governmental regulation.

No Additional Interest or Mandatory Redemption upon Event of Taxability

The 2025 Bond Resolution does not provide for the payment of any additional interest or penalty on the 2025 Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the 2025 Bond Resolution does not provide for the payment of any additional interest or penalty on the 2025 Bonds if the interest thereon becomes subject to income taxation by the State.

Taxation of Interest on the 2025 Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the 2025 Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the 2025 Bonds includable in gross income for federal income tax purposes.

The Water District has covenanted in the 2025 Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the 2025 Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the 2025 Bonds. Because the existence and continuation of the excludability of the interest on the 2025 Bonds depends upon events occurring after the date of issuance of the 2025 Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the 2025 Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the 2025 Bonds to become includable in gross income as of the date of issuance.

Premium on 2025 Bonds

[The initial offering prices of certain maturities of the 2025 Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a 2025 Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the 2025 Bonds are

subject to redemption at par under the various circumstances described under "THE 2025 BONDS – Redemption Provisions."

Suitability of Investment

An investment in the 2025 Bonds involves a certain degree of risk. The interest rate borne by the 2025 Bonds (as compared to prevailing interest rates on more secure tax exempt bonds such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax exempt feature of the 2025 Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the 2025 Bonds are an appropriate investment.

Market for the 2025 Bonds

Bond Rating. The 2025 Bonds have been assigned the rating set forth in the section hereof entitled "RATING." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the 2025 Bonds.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the 2025 Bonds. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the 2025 Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Water District, or a material adverse change in the financial condition of the Water District, whether or not the 2025 Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Unfunded Pension and Other Post-Employment Benefits Liabilities

The Water District's unfunded pension and other post-employment benefits liabilities could materially adversely affect the financial position of the Water System. See "THE WATER DISTRICT – Employees and Benefits" herein.

Factors Affecting the Water System

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the Water System operations and financial performance to an extent that cannot be determined at this time:

Seasonality. Demand for water during the summer months is generally greater than during winter months due primarily to additional requirements for irrigation. Throughout the year, demand tends to vary with temperature, rainfall levels and rainfall frequency. In the event that temperatures during the spring, summer and fall are cooler than normal, or if there is more rainfall than normal, the demand for water may decrease and adversely affect the Water District's revenues available to pay debt service on the 2025 Bonds.

Availability of Water. The Water District depends on an adequate water supply to meet the present and future demands of customers. An interruption in water supply could have a material adverse effect on the operations of the Water District. Availability of water at the source due to drought or other conditions, or a change to diversion rights could affect the ability to meet demands. There is no assurance that the Water District will be able to maintain a source of water to supply its customers. The Water District's implementation of emergency water shortages procedures could reduce overall usage and revenues.

Customer Usage. A major factor facing the water utility industry is the challenge of declining customer usage. Similar to other water utilities across the country, average water usage per customer is declining at the Water District. The decline in average usage is due to various factors including mandated low flow water fixtures, successful irrigation conservation programs, and operational efficiencies implemented by industrial customers. The Water District has

recognized the trend of declining usage in its budgeting and rate setting and has adjusted financial projections for future years. However, the impact of declining water consumption could potentially impact revenues more significantly than anticipated.

General Economic Conditions. Increased unemployment or other adverse economic conditions or changes in the demographics of the Water District; an inability to control expenses in periods of inflation and difficulties in increasing rates and charges could adversely affect the financial performance of the Water System to an extent that cannot be determined at this time. A general economic downturn may lead to a reduction in discretionary and recreational water use.

Environmental Regulation. Water utilities are subject to continuing environmental regulation. These include the federal Safe Drinking Water Act, the Clean Water Act and similar state laws, and federal and state regulations issued under these laws by the EPA and KDHE. The Water District may be required to expend substantial funds to meet the requirements of such changing laws and regulations in the future. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and criminal penalties, or the imposition of an injunction requiring the Water District to take or refrain from taking certain actions. In addition, the Water District may be required to remediate contamination on properties owned or operated by the Water District or on properties owned by others but contaminated as a result of Water District operations. These laws and regulations establish, among other things, criteria and standards for drinking water and for discharges into the waters of the United States. Pursuant to these laws, the Water District is required to obtain various environmental permits for operations. Violations or noncompliance could result in fines or other sanctions by regulators and/or such violations or noncompliance could result in civil suits. Environmental laws and regulations are complex and change frequently. These laws, and the enforcement thereof, have tended to become more stringent over time. While the Water District has budgeted for future capital and operating expenditures to comply with these laws and permitting requirements, it is possible that new or stricter standards could be imposed that will require additional capital expenditures or raise operating costs.

Operating Expense Risk. Actual operation, maintenance and repair expenses of the Water System may be greater or less than currently projected. Factors such as damages to facilities and infrastructure, changes in technology, regulatory standards, and increased costs of material, energy, labor and administration can substantially affect expenses. Although the Water District has covenanted to set rates and charges in amounts sufficient to pay operating and maintenance expenses and debt service on all Water Revenue Bonds in accordance with the provisions of the Parity Bond Resolutions, there can be no assurance that amounts will be so sufficient or that sufficient amounts will be collected. Furthermore, increases in rates and charges could result in a decrease in demand for usage and result in a decrease in revenues.

Project Risk. Operation of the Water System requires significant capital expenditures. Factors such as increased costs of material, energy, labor and administration, construction delays, and unforeseen cost overruns or operational challenges with respect to the implementation of new capital assets may substantially affect the costs of the Water District.

Infrastructure Replacement. The Water District has implemented an asset management program for both its distribution and production facilities to deal with its aging infrastructure. While costs for replacement programs and monitoring of assets are incorporated into the Water District's long range financial plan there is no assurance that estimates on future costs and requirements will be sufficient if inflationary factors are higher than planned or significant portions of infrastructure fail before the estimated life cycle.

Insurance Claims. Increases in the cost of third-party general liability insurance coverage and the amounts paid in settlement of liability claims not covered by third-party insurance could materially adversely affect the financial position of the Water System. The Water District is self-insured for certain potential liabilities that are below the insurance coverage deductibles.

Changes in Management or Policies. Losses of or changes in key management personnel of the Water System or significant changes to District policies could have a materially adverse effect on the financial performance of the Water System.

Natural Disasters or Terrorist Attacks. The occurrence of a terrorist attack in the Water District or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the Water District and its systems and infrastructure, affect water supply, interrupt services or otherwise impair operations and the ability of the Water System to produce revenues.

Cybersecurity Risks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Water District and the services it provides, or the unauthorized disclosure of confidential personal, credit and other information. If a security breach occurs, the Water District may incur significant costs to remediate possible injury to the affected persons, and the Water District may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Water District's operations (including billing operations), delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Potential Impacts Resulting from Epidemics or Pandemics. The finances of the Water District and the Water System may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The Water District cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the Water District or the Water System, including but not limited to the payment of debt service on any of its outstanding debt obligations.

FINANCIAL INFORMATION

Water System Debt Service Coverage History

The largest source of the Water District's operating revenue has historically been derived from water sales. System development charges, income received from delinquent service charges, administrative service charges, and miscellaneous income are additional sources of operating revenue for the Water District. The Water District's non-operating revenue is primarily derived from interest income earned on Water District investments. For the purposes of the following table, unrealized gains and losses from investments are excluded from investment income available for debt service. Non-operating expenditures primarily include the payment of principal and interest on the Water District's Outstanding Bonds.

The Water District budgets Revenues and Expenditures based on historical average temperature and precipitation patterns; however, actual water sales and certain operating expenses can vary largely year to year depending on if the irrigation months have higher or lower than average precipitation and temperatures. As the Water District experiences an increase of water sales from drier weather and higher gallons produced, it can also experience increases in production costs such as power and chemicals.

The following table provides a five-year history of funds available for debt service coverage prepared by the Water District and, as such, does not purport to present the Water District's results of operations in conformity with generally accepted accounting principles.

The annual debt service amounts are based on the Fiscal Year's monthly funding amounts to the principal and interest funds and may vary from the debt service payments of principal and interest to the Paying Agent.

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Five-Year History of Income, Expenses and Debt Service Coverage
Years Ending December 31

	2020	2021	2022	2023	2024
Operating Revenues & System Development Charges:					
Water Sales	$114,852,298	$120,354,614	$135,681,456	$147,576,430	$155,007,429
System Development Charges (SDCs)	8,271,650	9,704,100	9,272,375	9,222,925	9,587,700
Other Operating Revenues	1,201,561	1,280,163	1,663,667	2,748,381	2,347,846
Total Operating Revenues & SDCs	$124,325,509	$131,338,877	$146,617,498	$159,547,736	$166,942,975
Operating Expenses (excluding depreciation):					
Water Source, Treatment and Pumping	$28,579,198	$29,092,422	$34,386,706	$38,170,628	$37,312,532
Transmission & Distribution	10,906,821	10,910,191	12,332,314	13,145,277	13,321,641
Customer Services	5,274,100	5,483,931	5,714,524	6,317,297	6,478,661
Administrative & General	13,172,525	13,224,782	12,748,845	15,696,446	18,649,986
Total Operating Expenses (excluding depreciation)	$57,932,644	$58,711,326	$65,182,389	$73,329,648	$75,762,820
Net Operating Revenues Available for Debt Service	$66,392,865	$72,627,551	$81,435,109	$86,218,088	$91,180,155
Investment Income (excluding unrealized gains/losses) Available for Debt Service	$2,017,092	$539,810	$1,339,960	$4,582,109	$6,772,220
Net Revenues Avail. for Debt Service	$68,409,957	$73,167,361	$82,775,069	$90,800,197	$97,952,375
Annual Debt Service Funding	$20,961,631	$21,192,738	$21,371,001	$25,858,236	$21,369,908
Debt Service Coverage Ratio	3.26	3.45	3.87	3.51	4.58
Weighted Average Number of Customers	149,744	151,082	152,636	153,969	155,193

See the discussion of water rate changes in "THE WATER SYSTEM – System Rates and Charges".

Source: The Water District

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The Water District's Total Combined Debt Service

Set forth in the following table are the total debt service requirements of the Water District as of the issue date of the 2025 Bonds shown on an accrual basis.

Year	Outstanding Parity Bond Debt Service	Debt Service For 2025 Bonds	Total Debt Service
2025	$21,440,470		
2026	22,398,506		
2027	23,732,764		
2028	23,729,180		
2029	23,731,319		
2030	23,220,926		
2031	23,976,701		
2032	23,978,131		
2033	4,825,453		
2034	4,825,853		
2035	4,824,603		
2036	4,824,916		
2037	4,822,141		
2038	4,825,216		
2039	4,825,666		
2040	4,823,491		
2041	4,823,691		
2042	3,381,091		
2043	2,363,591		
2044	2,363,591		
2045	2,291,224		
2046	1,332,710		
Total[(1)]	**$241,361,234**	**$**	**$**

[(1)] Numbers may not total due to rounding.

THE WATER SYSTEM

Service Area

The Water District provides service to an approximately 272 square mile area located in Johnson, Miami, and Wyandotte Counties, Kansas. Included within this area are the cities of Fairway, Lake Quivira, Leawood, Lenexa, Merriam, Mission, Mission Hills, Mission Woods, Overland Park, Prairie Village, Roeland Park, Shawnee, Spring Hill, Westwood, and Westwood Hills, portions of the cities of Olathe and De Soto, and certain unincorporated areas. See "THE WATER SYSTEM–Customer Information" hereafter.

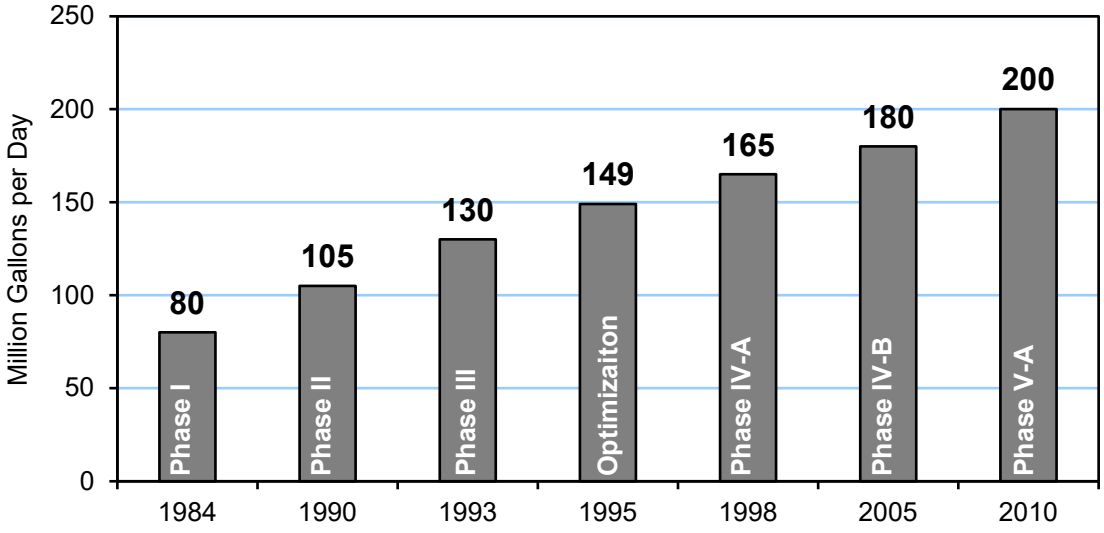
History and the 1977 Missouri River Plan

Organized in 1953, the Water District commenced operations in 1957. Initially, the Water District had a four million gallon per day (mgd) summer peaking treatment plant supported by wells. In addition, the Water District purchased wholesale water from Kansas City, Missouri and Kansas City, Kansas. In the years following, the Water District's Water System was expanded and, in 1961, a 55 mgd water intake on the Kansas River was installed as an additional water supply source.

In 1977, the governing Board of the Water District adopted a plan (the "Master Plan") to use the Missouri River as a supplemental source of water supply and to expand treatment and distribution facilities in order to meet the projected growing demands of the Water District's customers. The Phase I portion of the expansion plan was completed in 1984 and resulted in a production capacity of 80 million gallons per day. In subsequent years, the Water District's Consulting Engineer periodically completed updates to the Master Plan to reflect increased water demands, updated population projections, new and expanded wholesale customer demands and increased service area due to the annexations of surrounding rural water districts.

In 2007, the Water District began the Phase V-A portion of the Master Plan related to construction of a treatment plant facility and a horizontal collector well along the Missouri River (the "Wolcott Treatment Plant"). The majority of Phase V-A facilities are in service and the Wolcott Treatment Plant and transmission mains added an additional 20 mgd of firm capacity to the Water District's treatment, pumping and storage capacity. The Wolcott Treatment Plant and supply facilities are designed to be expanded for more capacity as the water demands and population served by the Water District increase.

PRODUCTION CAPACITY



Population and Demand Forecasting

In 2021, Black & Veatch Corporation, of Kansas City, Missouri, who serve as Consulting Engineers to the Water District, began an update to the Water District's Master Plan (the "2021 Update") which was completed in 2022. The objectives of the 2021 Update were to review and update population projections for the Water District's service area, update future water demands using recent trends, evaluate existing facilities, and prepare recommendations for future water supply and treatment facilities and transmission and distribution improvements. The 2021 Update revised population projections, evaluated changes in water use characteristics, and developed updated demand projections to validate in-service dates for Phase V-B, Phase VI, Phase VII and Phase VIII.

Population Projections- 2021 Update	
Year	**Water District**
2030	516,896
2040	561,591
2050	605,183
2060	648,774

The recommendations developed for water supply and treatment facilities will meet projected demands to year 2060. The detailed transmission and distribution recommendations will meet projected demands to year 2040.

Phased Expansion - 2021 Update			
Phase	**Additional Capacity (mgd)**	**Year In Service**	**Total Supply Capacity**
V-B	10	2033	210
VI	30	2041	240
VII	30	Beyond 2065	270
VIII	30	Beyond 2065	300

Sources of Water Supply

The Water District's water supply consists of ground water and surface water derived from multiple sources. The Source and Treatment facilities built during Master Plan Phases I through IV-B (the Hansen Facilities) are served by a water intake on the Kansas River, wells located in the Kansas River valley, a water intake on the Missouri River, and warm water supplies from the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas all of which are located in Wyandotte County. The Wolcott Treatment Plant's (Phase V-A) source consists of a horizontal collector well located in Leavenworth County which draws ground water under the influence of surface water from the Missouri River.

The Kansas Water Appropriation Act is administered by the Division of Water Resources ("KDWR") within the Kansas Department of Agriculture, which issues permits to appropriate water, regulates usage, and keeps records of all water rights in the state. The following table sets forth the not-to-exceed volume of water for which the Water District has approved applications and/or rights to annually appropriate water for beneficial use.

SURFACE AND GROUND WATER APPROPRIATION RIGHTS

Location and File #	Perfection Status/Deadline	Acre Feet /Year	Not-to-Exceed Location Specific
Kansas River (Hansen Facilities)			
#3677 Ground Water	perfected	10,591	permits #3677, #3678 and #18180 are limited to a combined maximum of 31,757 acre feet per year
#3678 Surface Water	perfected	30,000	
#18180 Surface Water	perfected	31,757	
#47083 Surface Water	12/31/2028	42,523	
Total Kansas - Hansen Facilities		**114,871**	**74,280**
Missouri River (Hansen Facilities)			
#34145 Surface Water	12/31/2024	23,000	
#40239 Surface Water	12/31/2026	23,000	
#42966 Surface Water	12/31/2026	11,500	
	Subtotal Surface Water	*57,500*	*57,500*
#38706 Warm Water	12/31/2024	830	
#47137 Warm Water - Ground Water	12/31/2028	830	
	Subtotal Warm Water	*1,660*	*830*
Total Missouri - Hansen Facilities		**59,160**	**58,330**
Missouri River (Wolcott Treatment Plant)			
#46660 Surface Water	12/31/2027	15,962	
#47581 Surface Water	12/31/2030	34,031	
	Subtotal Surface Water	*49,993*	*34,031*
#46666 Ground Water	12/31/2027	840	
#47582 Ground Water	12/31/2030	1,791	
	Subtotal Ground Water	*2,631*	*1,791*
#51053 Surface Water	*PENDING*	*19,161*	
#51053A Ground Water	*PENDING*	*1,009*	
Subtotal Pending Review (not included in total)		*20,170*	
Total Missouri- Wolcott Treatment Plant		**52,624**	**35,822**
Total - All Water Rights		**226,655**	
Not-To-Exceed All Locations Combined (acre feet)			**150,236**
Conversion to Gallons			
Total - All Water Rights (million gallons)		**73,855.8**	
Not-To-Exceed All Locations Combined (million gallons/day average)			**134.1**

Source: The Water District

Water Rights Application Process. Anyone who wishes to divert water for any purpose other than domestic use must file an application with KDWR. If it is determined that (1) water is available at the desired location; (2) its appropriation will not interfere with other area water rights, minimum desirable streamflow, or public interest; and (3) it meets all other KDWR requirements, the application may be approved. The applicant then has a period of time to "perfect" the water right by diverting that amount of water for beneficial use. For municipal use the perfection period cannot exceed 40 years. The KDWR has allowed the Water District initial 20 year perfection periods with the option of applying for up to two 10 year extensions.

The combined annual appropriations for the Hansen Facilities and the Wolcott Treatment Plant of 150,236 acre feet (an average of 134.1 mgd diversion), if fully utilized by the Water District, would provide an adequate water supply for an average daily system usage of 121 million gallons after adjusting for water consumed during the treatment process. The actual annual average daily demand in 2012 (a dry year) was 73.1 million gallons and in 2024 (the last full year) it was 65.9 million gallons.

In conjunction with annual appropriation rights, the KDWR also approves rights related to the maximum day diversion.

Maximum Day Diversion Rights	
Hansen Facilities	
Missouri River	229 mgd
Kansas River	188 mgd
Wolcott Treatment Plant	
Missouri River Collector Well	32 mgd
Missouri River Collector Well #2 (Pending)*	*30 mgd*
Total	449 mgd

**Pending KDWR review; not included in Maximum Day Diversion Total*

The maximum daily system demand to date was 157.5 million gallons occurring in July 2012.

In 2024, the last full year of record, the Water District derived 23% of its requirements from the Kansas River and the adjoining wellfield near the Kansas River and 77% from the Missouri River. Improvements at both the Kansas and the Missouri River intake facilities have given the Water District the operational flexibility to suspend operations at either facility as needed in order to make capital improvements and do major inspections and maintenance.

The Administrative Regulations of the Kansas Water Appropriation Act currently indicates that both the Kansas and Missouri rivers are open to further appropriations for year-round use.

Reservoir Storage. The Water District is a member of the Kansas River Water Assurance District No. 1 (the "Assurance District"). The Assurance District was formed in 1987 and presently has approximately 18 members. The purpose of the Assurance District is to assure, during drought periods, adequate water flows on the Kansas River for the exclusive use of its members. The Assurance District has a contract with the State of Kansas for Municipal and Industrial Water Supply Assurance. The contract calls for the State to file for the appropriate water reservation rights on three reservoirs and to divert and store water in those reservoirs for Assurance District use. As an Assurance District, the available volume of water storage is as follows:

Milford Reservoir	65,738	acre feet
Tuttle Creek Reservoir	73,375	acre feet
Perry Reservoir	31,343	acre feet

Water Transmission and Distribution Facilities

When the Water District began operations in 1957, the Water System had 423.5 miles of transmission and distribution mains, of which nearly 163 miles (or 38%) represented mains smaller than six inches in diameter. The distribution system has been improved and expanded with larger diameter mains; currently, the smaller mains only make up 13% of the total transmission and distribution mains. As of December 31, 2024, the Water District had a total of 2,841 miles of transmission and distribution mains and 29 miles of source-of-supply mains in service.

Total transmission pumping capacity has been increased from 9 mgd in 1957 to 287 mgd in 2024. During this same time, total distribution pumping capacity has been increased from 10 mgd at three pumping stations to 393 mgd at 10 pumping stations. The Water District plans to expand the existing Wyss Pumping Station. Construction of the expansion is expected to begin in 2025 and will add an additional 22.5 mgd of distribution pumping capacity.

Treated water storage capacity has been increased from 4 million gallons in 1957 to 99.5 million gallons as of December 31, 2024. The aforementioned expansion of the Wyss Pumping Station will also add an additional 7.5 million gallons of water storage capacity.

Total utility plant investment, including construction work in progress, has increased from $15.24 million in 1957 to $1.28 billion at December 31, 2024, reflecting significant growth in the area served by the Water District.

The Water District's current emergency interconnect capacity consists of several points of connection with three separate utilities. Each utility's ability to provide emergency water through these interconnects to the Water District depends on several factors including the time of year and the current demands that those utilities' distribution systems are experiencing. In total, the Water District could be provided emergency water from these three utilities at a range of approximately 23 to 48 mgd depending on the host utilities' availability.

	Points of Connection
City of Olathe	3
Board of Public Utilities, Kansas City, Kansas	2
City of Bonner Springs, Kansas	1

Treatment Residuals

The Water District's primary water supplies are the Kansas and Missouri Rivers, which contain naturally turbid, hard water. The raw water, therefore, requires treatment to remove the turbidity and softening to remove the calcium and magnesium hardness. The water treatment and softening process produces a by-product of inert lime residue that is primarily made up of calcium and magnesium hydroxide. Historically, the Water District has deposited the residue from the Hansen Facilities in lime residual treatment facilities (LRTFs) excavated on approximately 409 acres of land owned by the Water District in the flood plain of the Kansas River.

The Wolcott Treatment Plant also requires treatment to remove turbidity and softening to remove the calcium and magnesium hardness. This treatment creates a by-product of inert lime residue similar to that at the Hansen Facilities. As part of Phase V-A, the Water District purchased approximately 300 acres of land along the Missouri River. This land will be used for the collector wells and the LRTFs necessary for Phases V and VI.

Key Operational Factors

The Safe Drinking Water Act established standards for water treatment by the nation's water utilities. To monitor these standards, and as part of the Water District's comprehensive water quality program, the Water District continues to update the technology used in its water quality laboratory. Water quality is maintained through the Water District's operational standards including monitoring during all phases of the production and distribution process.

The Water District monitors existing and pending drinking water rules and regulations and evaluates the Water District's capability to meet them. The Water District's treatment facilities are classified as Bin 1 in accordance with the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBP rule), requiring no additional treatment processes to meet the more stringent regulations. This achievement was due in part to the Water District's proactive approach of implementing new regulations earlier than required.

The Water District has adopted updated standards to inform and safeguard customers about the potential of lead in private plumbing materials. The standards are part of the United States Environmental Protection Agency (the "EPA") Lead & Copper Rule Revisions (LCRR) and Lead and Copper Rule Improvements (LCRI), which establish new safeguards to support American water utilities in protecting their communities. The Water District completed approximately 99% of its required service line inventory which indicated no known lead service lines in its system. The required testing of lead at schools and daycares is ongoing.

On April 10, 2024, the EPA announced the final National Primary Drinking Water Regulation for Per- and Polyfluoroalkyl substances (PFAS), known as forever chemicals. At that time, EPA established legally enforceable levels for these PFAS in drinking water and gave public water systems until 2029 to comply with the Maximum Contaminant Levels (MCLs). To allow drinking water systems more time to develop plans for addressing PFAS where they are found and implement solutions, EPA announced plans to develop a rulemaking to provide additional time for compliance, including a proposal to extend the compliance date to 2031. The Water District has been closely following the science and study surrounding PFAS for many years. This includes contributing data towards the body of knowledge about PFAS and other emerging contaminants through periodic rounds of water quality testing under the EPA's Fifth Unregulated Contaminant Monitoring Rule (UCMR-5). No regulated PFAS constituents have been detected. The Water District will continue to test for PFAS in accordance with the new rule.

The Water District utilizes ozonation as the primary means of disinfection for water produced at its Hansen Treatment Plant. Ozone is one of the strongest treatment methods available and is anticipated to proactively meet or exceed future drinking water regulations. Ozone is also an efficient treatment method, allowing the Water District to run its treatment plants more cost-effectively. Bromate (BrO3-) is a potential byproduct of ozonation when bromide is present in the water source. Bromate is a regulated contaminant and the EPA has established a maximum contaminant level. The source water for the Water District has been found to contain bromide and monthly testing for the byproduct bromate has remained below the maximum contaminate levels.

Emergency response planning is critical to assuring reliable and safe operations and the Water District has been conducting drills with other agencies on topics such as pandemic planning, natural disaster and terrorist response and employs regular testing on its cybersecurity. The Water District is a charter member of the Kansas Water, Wastewater, Gas and Electric Mutual Aid Program, a part of the national Water and Wastewater Agency Response Networks, making interagency support available to the Water District in times of emergency. The Water District owns and operates three 2,500 kW natural gas engine generators at its Wolcott Treatment Plant. These generators provide enough power to produce 30 mgd and are powered by natural gas to deliver an alternate source of power in the event of a service disruption from the Water District's electric provider. The construction of natural gas engine generators at its Wyss Pumping Station is currently underway, adding to the overall system resiliency.

Water Usage

The following table sets forth the Water District's five year historical water usage. Usage can be highly variable based on weather conditions.

Historical Water Usage

	2020	2021	2022	2023	2024
Total system usage (billion gallons)	21.42	21.88	23.61	24.51	24.07
Average usage per customer (gallons)	125,264	127,004	135,324	138,681	136,468
Average day usage (mgd)	58.52	59.94	64.69	67.15	65.96
Maximum day usage (mgd)	125.70	128.46	144.86	134.36	127.90
Maximum day produced (mgd)	125.80	129.45	155.31	140.39	133.07
Date of maximum day usage	7/13/2020	8/9/2021	7/22/2022	6/28/2023	8/5/2024
Maximum hourly rate (mgd)	288.64	303.82	344.98	325.34	324.98

Source: The Water District

Customer Information

The Water District's customers are divided into classes for billing purposes. Throughout its operational history, single-family residential customers have represented the largest percentage of total Water District customers, 91% as of December 2024. As shown in the following table, the Water District has historically experienced increases in the number of total customers served. The Water District currently has one wholesale customer (see "THE WATER SYSTEM—Wholesale Customers" herein.)

Weighted Average Customers by Class

	Residential Single-Family (1)	Residential Multi-Family	Commercial	Wholesale	**Total Customers**
2015	130,338	4,554	8,284	0	**143,176**
2016	131,550	4,621	8,372	0	**144,543**
2017	132,730	4,692	8,410	0	**145,832**
2018	133,944	4,805	8,476	0	**147,225**
2019	135,080	4,909	8,536	0	**148,525**
2020	136,156	4,977	8,611	0	**149,744**
2021	137,376	5,015	8,691	0	**151,082**
2022	138,825	5,052	8,759	0	**152,636**
2023	140,000	5,103	8,865	1	**153,969**
2024	141,127	5,134	8,931	1	**155,193**

(1) Includes duplexes and townhouses.

Source: The Water District

Retail Customers. The largest 15 retail customers of the Water District in 2024, their water usage, and revenue for that year, are shown in the following table:

Major Retail Customers

	Customer	**Total 2024 Consumption** *(Millions of Gallons)*	**% of Total Retail Usage** (1)	**Total 2024 Revenue**	**% of Total Retail Revenue** (1)
1	HEARTLAND COCA-COLA	122.12	0.58%	$ 633,956	0.41%
2	JOCO UNIFIED WASTEWATER	85.40	0.40%	491,258	0.32%
3	BLUE VALLEY USD	77.82	0.37%	523,486	0.34%
4	CORPORATE WOODS	60.36	0.28%	418,634	0.27%
5	CITY OF OVERLAND PARK	58.51	0.28%	441,192	0.28%
6	SHAWNEE MISSION PUBLIC SCHOOLS	57.53	0.27%	379,656	0.24%
7	CITY OF LENEXA	54.07	0.26%	403,103	0.26%
8	MILBURN GOLF COUNTRY CLUB	50.55	0.24%	362,035	0.23%
9	SHASTA BEVERAGES	44.71	0.21%	242,081	0.16%
10	SHAWNEE MISSION MEDICAL	41.88	0.20%	247,736	0.16%
11	ELANCO KANSAS LLC	41.11	0.19%	237,501	0.15%
12	INDIAN HILLS COUNTRY CLUB	40.97	0.19%	299,759	0.19%
13	KC COUNTRY CLUB	40.01	0.19%	283,328	0.18%
14	CEVA BIOMUNE	39.96	0.19%	216,362	0.14%
15	LAKEVIEW VILLAGE	37.01	0.17%	223,624	0.14%
	Total	852.00	4.02%	$ 5,403,712	3.49%

(1) Based upon total retail sales in 2024 of 21,179 million gallons and $155.0 million of total retail water sales.
Source: The Water District

Wholesale Customers.

The Water District currently has one wholesale customer, Rural Water District 7. Rural Water District 7 is located in southwest Johnson County and northwest Miami County serving a population of approximately 3,200 customers. Rural Water District 7 is one of the Water District's largest customers; however, it provides less than 1% of annual water sales revenue. The current wholesale agreement extends through 2028 and includes the following terms:

Max Day	671,000 gallons
Max Hour	52,900 gallons
Annual Minimum	120,705,500 gallons

The Water District has had discussions with other nearby municipalities and water utilities for potential wholesale supply of water but cannot predict when or if such wholesale supply agreements would be executed. The Water District cannot predict if additional wholesale supply agreements will be executed and all such contracts are subject to final negotiation and approval of the Water District Board.

Merger Agreement.

On April 8, 2025 the Water District Board approved the extension of WaterOne boundaries to include the City of Spring Hill, Kansas, a Merger Agreement and a Temporary Water Supply Agreement. The Temporary Water Supply Agreement is in effect from June 1, 2025 until the merger transfer date which will be no later than December 31, 2026. The merger includes approximately 2,000 retail customers. The new customers will pay a modified System Development Charge over a 10 year timeframe to prevent existing customers from subsidizing the merger. The new customers from the merger are projected to have a maximum day demand of less than 900,000 gallons and provide less than $1,000,000 in annual water sales revenue.

Rate Setting

Water Rates. The Water District Board annually approves a balanced budget where total budgeted revenues provided equals total budgeted expenditures including designated funding of reserves. Water rates are based on a cost of service recovery method for volume and service charges. The Water District uses a 20-year financial simulation model for current year budgeting and rate setting. Projections include revenues, operating expenditures, total capital improvement project (CIP) costs, debt service requirements, rate increases, bond sizing, and debt service coverage. Together these are used to project long-term sustainability of core services within projected revenue sources, to project operating revenues and capital reserves available for direct funding of capital projects, and to project debt financing for capital projects within targeted debt coverage ratios.

The Water District has the exclusive statutory authority to set rates and charges for water service and is, by law, free from the jurisdiction of the Kansas Corporation Commission and any other federal, state, or local agency having the authority to regulate rates and charges for water services. The most recent overall water rate increase of 4.8% became effective on January 1, 2025.

System Development Charges. System Development Charges (SDCs) are impact fees charged to new retail customers who connect onto the Water System. SDC revenues are not part of the annual operating budget. Funds generated are used for the building or replacement of major infrastructures (capacity and distribution) or for the retirement of debt. SDCs are cost of service based using the "buy-in method". This calculation methodology uses the value of integrated transmission and major distribution systems in the SDC calculations and also considers all supply and treatment facilities, regardless of whether or not they add additional capacity to the system. Under this methodology, a new customer is required to "buy-in" to the existing system so that they are on an equity basis with all other customers having similar service requirements. SDCs are reviewed annually. On September 10, 2024, the Board adopted a resolution approving a 7.4% increase which became effective on January 1, 2025. On August 12, 2025, the Board adopted a resolution approving an 8.6% increase to become effective on January 1, 2026.

Rate Studies. The Water District's Finance staff annually reviews and recommends water rates and SDCs using financial models provided by a rate consultant. Periodically a rate consultant is engaged to review the methodology and calculations. The last consultant review of the water rate model and the SDC model was completed in 2023.

System Rates and Charges

Water Rates - Retail. Residential single-family customers are billed on a bi-monthly basis, with approximately one-half of such customers being billed during one month and the remaining half being billed the next month. Residential multi-family, commercial, and wholesale customers are billed on a monthly basis.

The Retail rate schedule, effective January 1, 2025 is shown in the following table:

MONTHLY RETAIL WATER RATES
Effective January 1, 2025

Peak Management Rate Structure

Monthly Service Charge (a)
Base Charge for Meter Size (inches)

Retail Class:	R-1 Single Family	M-1 Multi Family	C-1 Small Commercial	C-2 Large Commercial	C-3 Commercial Temporary or Occasional Use
⅝"	$11.25	$15.30	$15.30	--	--
¾"	14.00	18.00	18.00	--	--
1"	18.65	22.60	22.60	--	--
1 ½"	34.25	38.30	--	$38.30	--
2"	48.95	52.90	--	52.90	--
3"	106.75	110.80	--	110.80	--
4"	176.75	180.80	--	180.80	--
6"	--	--	--	359.70	--
All Sizes	--	--	--	--	$46.50

Consumption Charge Per 1,000 Gallons
Applies to Usage Which is:

Block 1	0% to 125% of AWC (b)	$5.41
Block 2	Over 125% of AWC (b)	$8.12

(a) Service Charges do not include any allowance for water consumption.
(b) AWC = Average Winter Consumption, stated on a "gallons-per-day" basis. The AWC is updated each year effective with the May billings, based on the immediately preceding January - April billings. For calculation of water bills, each customer is given the benefit of whichever AWC is higher:
1) The individual customer's own actual AWC; or
2) The "Default" AWC as defined below:
For *single-family* customers the Default AWC is based on the 5-year average of AWCs of all single-family customers, regardless of meter size.
For all *non single-family* customers, the Default AWC is based on the 5-year average of AWCs of customers with the same meter size and customer class.

Source: The Water District

System Development Charges - Retail. The Water District collects System Development Charges (SDCs) for each new service connection. The schedule of charges, based upon meter connection size, was implemented to collect a proportionate share of the additional investment required for the development or replacement of water supply, treatment, and certain transmission facilities. Service connection enlargements also are subject to the charge.

RETAIL SYSTEM DEVELOPMENT CHARGE SCHEDULE

Meter Size/Type	Effective January 1, 2025	Effective January 1, 2026
5/8" Displacement	$5,800	$6,300
3/4" Displacement	8,700	9,450
1" Displacement	14,500	15,750
1 1/2" Displacement	29,000	31,500
1 1/2" Turbine	34,800	37,800
2" Displacement	46,400	50,400
2" Turbine	55,100	50,400
3" Compound	101,500	59,850
3" Turbine	126,150	110,250
4" Compound	174,000	137,025
4" Turbine	217,500	189,000

Source: The Water District

Water Rates - Wholesale. Currently the Water District has one wholesale water sales agreement in place. The Water District's rules and regulations allow the Board to enter into wholesale water sales agreements to provide water outside the Water District's boundaries. The rules and regulations specify wholesale agreements will include a monthly service charge and wholesale water rate.

Wholesale rates are based on the methodology used for the Water District's retail water rates but exclude certain costs from which wholesale customers do not benefit such as distribution system costs. Other rates, fees and charges may be stipulated in the agreement.

The rate effective January 1, 2025, for the Water District's wholesale customer is $4.81/thousand gallons. Rates may be adjusted annually consistent with retail rate increases.

Wholesale User Fees. The Water District requires that wholesale customers pay a wholesale user fee for access to a specified quantity of Maximum Day and Maximum Hour capacity for the term of the wholesale agreement. Each individual wholesale customer's SDC is based on the capacity requirements stipulated in the wholesale contract. Access to additional capacity during the contract term requires an incremental wholesale user fee payment.

THE WATER DISTRICT

Organization

The Water District is a quasi-municipal body corporate created pursuant to state law in 1953 by resolution of the Board of County Commissioners of Johnson County. Organization of the Water District was preceded by the filing of a petition for organization by the qualified electors of the proposed Water District and a subsequent hearing thereon. The Water District began operations in 1957 following the purchase of a private water system owned by the former Kansas City Suburban Water Company. The purchase price of approximately $15,250,000 was approved at a special election on September 7, 1957, and was financed by the Water District through the issuance of revenue bonds.

Description

The Water District encompasses approximately 272 square miles located primarily in Johnson County and small adjacent areas in Wyandotte and Miami Counties, all generally located in the southwestern portion of the Kansas City metropolitan area. Included within the Water District's boundaries are all or portions of 17 municipalities, as well as certain unincorporated areas. The December 2024 population of the Water District's service area was estimated to be 480,000.

Water District Powers

The rights, powers, privileges, authorities, functions, and duties of the Water District are established by the laws of the State of Kansas, particularly the Water Supply and Distribution Districts Act (K.S.A. 19-3501 *et seq.*), which provides that the Water District has the power: to enter into contracts; to sue and be sued; to establish, construct, purchase, operate, and maintain a water supply and distribution system; to fix water rates; and to issue revenue bonds to pay for the establishment, construction, purchase, and operation of a water supply and distribution system or systems. The Water District also may exercise the power of eminent domain in accordance with statute. Further, subject to compliance with statutory procedures, the Water District may annex adjoining territory, thereby modifying the boundaries of the Water District.

Governing Board

The Water District is governed by a seven-member Board, which has the responsibility to establish, manage, purchase, construct, operate, maintain, and have exclusive control of the water supply and distribution facilities of the Water District. The Board establishes and makes publicly available rules and regulations necessary for the safe, economical, efficient establishment, operation, maintenance, and management of such water supply and distribution system. The Board may improve, extend, or enlarge the water supply and distribution system and may sell surplus water outside the Water District. The members of the Board must be qualified electors of the Water District and are elected at large to staggered four-year terms of office at successive biennial elections. Vacancies on the Board are filled for the unexpired term by appointment by the remaining members. The members hold regular monthly meetings and, as needed, special meetings.

The present Board members, their positions on the Board, occupations and affiliations, lengths of service to the Water District, and terms of office are as follows:

Board Chair – Whitney Wilson is a Kansas City native and business development professional with over 16 years' experience in the healthcare industry. She earned her Executive Master of Business Administration from Washington University in St. Louis, and Bachelor of Arts from Marquette University in International Affairs and Spanish for the Professions. At Cerner Corporation, she was focused on bringing actionable big data insights to providers and patients to empower healthcare management across the continuum. Ms. Wilson is Engagement Co-Chair for Climate Action KC and previously served on Rediscover Mental Health Foundation and The Greater Kansas City Hispanic Chamber Boards. She has completed the American Water Works Association Public Water Official program.

Current Term: 2024-2028
Previous Board Service: 2019-2023

Board Vice Chair – Melanie Kraft, M.D. has been a Johnson County resident for 30 years. She graduated from Washington University in St. Louis with a Bachelor of Arts degree in Biology and Psychology. She then graduated from the University of Texas Medical School at Houston (McGovern Medical School) and completed her residency

training at the Trinity Lutheran Family Medicine Residency at Trinity Lutheran Hospital in Kansas City, Missouri. Dr. Kraft is a Fellow of the American Academy of Family Physicians and completed her Master of Business Administration in Healthcare Leadership from Rockhurst University. She has been a practicing family medicine and occupational medicine physician for 29 years, serving as a Faculty Physician at Research Hospital and as Medical Director for a rural Federally Qualified Health Clinic.

Current Term: 2024-2028
Previous Board Service: 2019-2023
Current Board Committees: Administrative (Chair); Operations; Finance

Board Member – Renee Dinsmore is a lifelong Kansan, an accomplished social scientist, and a public policy scholar with an emphasis on policy governance and research methods. She trained and taught professionally at the University of Kansas School of Public Affairs and Administration. She has served on research ethics boards, hiring committees, and undergraduate research evaluation panels. Her work is published in peer-reviewed journals and honored with awards for teaching and mentoring students. Her personal and academic passions of environmental management, social justice, public health, and use of evidence to guide public policy converge as she serves on the WaterOne Board. Above all, Ms. Dinsmore enjoys empowering others with civics knowledge and skills to engage with governance, especially at the community level.

Current Board Term: 2024-2028
Previous Board Service: --
Current Board Committees: Finance (Chair), Sustainability, Government & Community Relations

Board Member – Kay Heley has been a Johnson County resident for over 50 years. Ms. Heley has a Bachelor of Science degree in Nursing, a Master of Arts in Global and International Studies from the University of Kansas and a Bachelor of Arts from Yale University in Political Science with an emphasis in Biology. She has over 30 years of public health nursing experience. Ms. Heley retired in 2018 as a nurse in the Shawnee Mission School District. Previously, she worked at Bethany Medical Center, Truman Medical Center, and the Wyandotte County Health Department. Ms. Heley is an active volunteer in the League of Women Voters, Climate Action KC and serves on the Climate Change Committee for the American Water Works Association (AWWA) from which she earned the Public Officials Certification.

Current Board Term: 2021-2025
Previous Board Service: 2017-2021
Current Board Committees: Government & Community Relations (Chair); Operations; Retirement

Board Member – Robert P. Reese has been a Johnson County resident for over 60 years. Mr. Reese has a degree in Business Accounting and Business Administration from the University of Kansas and is a Certified Public Accountant (CPA) and a Certified Information Systems Security Professional (CISSP). He retired from his position of Enterprise Security Analyst for Burns & McDonnell Engineering, Inc. His experience included designing, deploying and consulting on geospatial information systems, information and network security, information systems planning, and computer and financial auditing. He's held positions with GE Insurance Solutions and Sprint and as principal and owner of his own consulting firm, 22 Consulting. Mr. Reese is a member of Information Systems Security Association (ISSA), High Technology Crime Investigation Association (HTCIA), the FBI's InfraGard program and the American Water Works Association (AWWA).

Current Term: 2021-2025
Previous Board Service: 1993-1997, 1997-2001, 2001-2005, 2005-2009, 2009-2013, 2013-2017, 2017-2021
Current Board Committees: Operations (Chair); Finance; Retirement

Board Member – Jill Westra has been a resident of Johnson County for 10 years. She holds a Masters of Science degree in Environment and Society from the University of Pretoria (RSA) and a Masters of Science in Occupational and Environmental Health and Safety Management from the University of Portsmouth (UK). Ms. Westra is currently the Senior Manager of Sustainability for the Boston Beer Company, a role she accepted after a decade of experience working in the consulting engineering, mining and construction sectors. She is an active member of the Manufacturers Alliance (MA) where she sits on the Sustainability Council. Ms. Westra is also a member of the Brewers' Association, an American trade group of brewers. She also serves on the volunteer Boards of 2 local non-profit organizations, Climate + Energy Project and Missouri River Relief.

Current Term: 2021-2025
Previous Board Service: --
Current Board Committees: Sustainability (Chair); Administrative, Government & Community Relations

Board Member – Ullyses Wright is a 35-year resident of Johnson County. He retired from Sprint Corporation as a Supplier Diversity Manager. He has a broad professional background, having worked with the US Army Corps of Engineers, Oklahoma State University, and BASF Corporation. He holds a Bachelor of Science degree from Langston University, an HBCU. Ullyses is an active leader and member of numerous professional and community organizations. He serves as the 1st Vice President of the Johnson County NAACP, is a member of the Olive Branch Masonic Lodge #74, and is also a member of Eighth Street Baptist Church. Ullyses serves on the Johnson County Community Corrections Advisory Board. He is a proud member of Kappa Alpha Psi Fraternity, Inc. Ullyses is active in raising awareness for prostate cancer prevention and treatment as a member of the University of Kansas Cancer Center Advisory Board. In addition, he is on the Board of Directors for BACPAC, a community of patients, partners, advocates, and researchers dedicated to the mission of improving prostate cancer care for Black and African-descent men. His work includes serving in Kappa Alpha Psi's Middle Western Province health and wellness program, the RADx-UP needs assessment team at the University of Kansas Medical Center, and prostate cancer screening programs for the Black Healthcare Coalition.

Current Term: 2024-2028
Previous Board Service: --
Current Board Committees: Retirement (Chair); Administrative; Sustainability

Administration

Although the Board is responsible for the overall management and administration of the affairs of the Water District, the Board essentially functions through its respective Administrative, Finance, Government & Community Relations, Operations and Sustainability Committees.

The Water District's key management personnel consists of its General Manager, General Counsel and Director of Legal/Auditing, Treasurer and Director of Finance, Director of Production, Director of Distribution, Assistant General Manager, Director of Engineering, and Director of Information Technology.

General Manager – Shaun Pietig, P.E. serves as the General Manager and Chief Executive Officer (CEO) of WaterOne, where she is responsible for the strategic leadership and overall administration of the utility's operations, personnel, and financial performance. Appointed General Manager in 2023, Ms. Pietig reports directly to WaterOne's seven-member elected Governing Board and is accountable for the organization's long-term success and operational excellence. Ms. Pietig brings over three decades of progressive experience in engineering and utility leadership. Since joining WaterOne in 2007 as a Project Engineer, she has held a series of increasingly senior roles, including Infrastructure Planner/Asset Manager, Lead Engineer, Manager of Distribution Engineering, and Director of the Distribution Division. Her deep technical expertise, paired with a strong strategic vision, has played a pivotal role in enhancing WaterOne's operational resilience, system performance, and infrastructure sustainability. Prior to her tenure at WaterOne, Ms. Pietig worked in the private sector as a Design Engineer, Project Manager, and Field Engineer for an engineering consulting firm, where she cultivated a strong foundation in system design, project delivery, and field-level execution focusing on solutions. A recognized leader in the water sector, Ms. Pietig has demonstrated a career-long commitment to advancing asset management, sustainable infrastructure, and water supply and distribution system strategy. She holds a Bachelor of Science degree in Civil Engineering from Iowa State University and is a licensed Professional Engineer in the state of Kansas. She is also an alumna of the Kenan-Flagler Business School Water/Wastewater Leadership Program. Ms. Pietig actively contributes to the water industry through leadership roles in numerous national and regional associations. She currently serves on the Boards of the Association of Metropolitan Water Agencies, the Water Research Foundation, and the Johnson County Sustainability Coalition. Within the American Water Works Association (AWWA), she chairs the Water Main Condition Assessment Committee and participates in both the Utility Collaboration Subcommittee and the Sustainable Infrastructure Committee. In addition to her professional achievements, Ms. Pietig is a dedicated community volunteer, actively supporting civic initiatives and local organizations. Her leadership is defined by a commitment to public service, innovation, and the advancement of sustainable water utility practices.

Assistant General Manager · Director of Services – Mandy Wagner is responsible for planning, organizing, and directing service-related functions, including customer service, billing and collections, field services, corporate

communications, public outreach, media relations, human resources, and employee engagement. As Assistant General Manager, Ms. Wagner is also responsible for planning and implementing policies, special projects, and strategic initiatives on behalf of, or in conjunction with the General Manager. Ms. Wagner joined the Water District in 2012 as Communications Manager; she was appointed Director of Customer Relations in 2015 and Assistant General Manager in 2024. She earned her Bachelor of Science in Public Relations from Illinois State University and her Master of Public Administration from the University of Kansas. Prior to the Water District, Ms. Wagner served in city management and state government, including as Assistant City Manager in Derby, Kansas, Director of Finance for the City of Atchison, Kansas, and as Special Assistant to the Secretary for the Kansas Department of Health & Environment. She is a graduate of the Kenan-Flagler Business School Water/Wastewater Leadership Program and holds a Customer Service Certification from the American Water Works Association (AWWA). Ms. Wagner is an appointed member of the AWWA Public Affairs Council, the Association of Metropolitan Water Agencies (AMWA) Utility Management Committee and is currently serving on the Project Advisory Council for the Water Research Foundation's study on Utility Response to Cyanobacteria/Cyanotoxin Events. She is an active volunteer, supporting various organizations and community projects in the Water District's service area.

General Counsel · Director of Legal/Auditing – Eric R. Arner is responsible for the legal, auditing, government relations and risk management including insurance, safety, physical security and emergency operations. In addition, Mr. Arner serves as legal advisor to the Governing Board. He has been with the Water District since 2003. Prior to the Water District, Mr. Arner practiced for over 13 years in local government law, including as Senior Assistant City Attorney for the City of Lenexa, Kansas. He holds degrees in History and Economics from William Jewell College and obtained his law degree from the University of Missouri - Kansas City. He is licensed to practice law in Kansas and Missouri. He is a member of the American Water Works Association (AWWA), International Municipal Lawyers Association (IMLA), Federation of Defense & Corporate Counsel (FDCC) and the Johnson County Bar Association for which he previously served on its Board of Directors.

Treasurer · Director of Finance – Darin L. Kamradt has over 25 years of financial management experience at the Water District and was promoted to Director of Finance in 2017. As Director of Finance, he is responsible for the accounting, treasury, financial planning and analysis, fleet, and procurement and inventory control functions of the Water District. He holds a Bachelor of Science in Accounting from Rockhurst University and a Master of Science in Finance from Webster University. He is a Certified Public Finance Officer, a Certified Treasury Professional, and a Certified Financial Planning & Analysis Professional. He is a member of the Governmental Finance Officers Association, the American Water Works Association (AWWA), and the Association of Financial Professionals. In the past, he has served as President of the Eastern Kansas Governmental Finance Officers Association. Mr. Kamradt is also a member of the Rates and Charges Committee of AWWA, and he co-authored the Fourth Edition of the M29 Manual – Fundamentals of Water Utility Capital Financing.

Director of Engineering – Michelle Wirth is responsible for all engineering supporting water supply, treatment, pumping, distribution system, storage, and related facilities while leading long-term infrastructure planning, including the 40-Year Master Plan, Capital Improvement Program, and Asset Management Plan. Ms. Wirth joined the Water District in 2015 as Assistant Director of Production, was appointed to Director of Production in 2018, and has served as Director of Engineering since 2024. With over 25 years dedicated to utility engineering and management, she previously served in local government as the Environmental Services Manager for the City of Olathe, Kansas, and has experience with an engineering consulting firm. Ms. Wirth earned a Master of Science in Engineering Management from the University of Kansas and a Bachelor of Science in Civil Engineering from North Dakota State University. She is a registered Professional Engineer in both Kansas and Missouri and holds a Class IV Water Operator License in Kansas. Ms. Wirth actively participates in statewide and regional industry associations, boards, and committees dedicated to planning, policies, and management of water resources. She serves as Chair of the Missouri Regional Advisory Committee (RAC), representing Public Water Supply stakeholders as part of the Kansas Water Authority's long-term water planning initiative. Additionally, she is an appointed member of the AWWA Water Utility Council. She has previously served on the Kansas Section American Water Works Association Board of Trustees, the Kansas Water Assurance District Board, and as Treasurer of the Missouri River Public Water Supply Association.

Director of Distribution – Cody Ellet is responsible for the overall operation of the distribution system including the construction, operation, and maintenance of WaterOne infrastructure to ensure reliable distribution of water to WaterOne's service area, meeting or exceeding WaterOne standards, State and Federal regulations, and customer needs. Mr. Ellett joined WaterOne in 2021 as Construction and Maintenance Manager and later transitioned to Distribution Operations Manager. Prior to the Water District, Mr. Ellett served 24 years at AT&T, advancing from front line positions to Area Manager of Construction and Engineering. He is also a Retired Chief Master Sergeant from the United States Air Force, serving 8 years in Active Duty and 18 years in the Reserves.

Director of Information Technology –Jim Trimble is responsible for ensuring consistent and reliable technological support of business processes, priorities and initiatives involving a wide variety of technologies and applications. Mr. Trimble joined the Water District in 2019 as the Manager of Geospatial Services and was promoted to Director of Information Technology in 2025. Prior to the Water District, Jim served for 17 years with Burns & McDonnell Engineering in progressively responsible roles based in GIS/IT services. He holds a Bachelor of Arts in Geography and Earth Science from the University of Central Missouri, a Masters of Science in Resource Planning from Missouri State University, an MBA in Management Information Systems from UMKC, and is a graduate of the University of North Carolina Kenan-Flagler Business School Water & Wastewater Leadership Center.

Director Of Production – Greg Totzke is responsible for all aspects of water production from the Water District's source, treatment, pumping and storage facilities including plant operations, water quality lab, and facilities maintenance. Mr. Totzke began his career in wastewater treatment for Johnson County Wastewater. He joined WaterOne in 2000 as an Operations Technician in Production. Mr. Totzke worked his way up at WaterOne from a front-line position to upper management starting with Operations Team Leader in 2005, Analyzer Team Leader in 2007, Water Quality Lab Manager in 2013, Operations Manager in 2023 and Director of Production in 2025. Mr. Totzke holds a Bachelor of Environmental Studies from the University of Kansas and a Class IV Water Treatment Operator's license with the State of Kansas. He has been involved in a variety of water sector association groups, most notably representing WaterOne on the Missouri River Recovery Implementation Committee (MRRIC).

2024 Reorganization

Throughout 2024 the Water District completed a significant reorganization. The reorganization did not result in a reduction of the workforce. The primary reasons for the reorganization were to prepare for the future, improve collaboration and increase efficiency. Changes were implemented in three phases between June and October. The new structure of the organization includes an Assistant General Manager serving as the Director of the newly formed Services Division. The Services Division incorporated the functions of the Human Resources Division which was eliminated. The Distribution Engineering and Facilities Engineering teams which had previously reported to the Distribution and Production Divisions were combined to form a new Engineering Division.

Employees and Benefits

The Water District has 408 full time permanent personnel and 22 part time and seasonal positions authorized in 2025. Among the benefits provided to Water District employees are: (1) the choice of a single or family health insurance plan, (2) life insurance, (3) dental insurance, (4) long-term disability insurance, (5) short term disability insurance and (6) an option to participate in a Section 125(d) medical savings account and/or a dependent care savings account. The Water District also sponsors several optional employee-paid insurance coverage benefits.

In May 2013, the Board accepted the recommendation of an actuarial consultant to maintain the existing retirement program for Water District employees hired prior to January 1, 2014. For employees hired January 1, 2014 and after, the Water District has implemented a new retirement program consisting of a Cash Balance Plan and a revised Defined Contribution Plan.

Deferred Compensation

The Water District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 plan, available to all full-time and part-time Water District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination of employment, retirement, attainment of the age of 70 1/2 while still employed at the Water District, termination of the plan, total or permanent disability, death or unforeseeable emergency.

Defined Contribution

The Water District offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The defined contribution plan has four parts, consisting of the following:

Employees hired before January 1, 2014

(a) All full-time and part-time employees hired before January 1, 2014 are offered a plan which provides for a Water District contribution matching 50 percent of an employee's contribution to the 457 plan, up to 4 percent of the employee's eligible annual compensation.

(b) Full-time employees hired before January 1, 2014 with at least six months of service are offered a plan which provides for a discretionary contribution of no more than 2.5 percent of the employee's eligible compensation.

Employees hired after December 31, 2013

(a) All full-time and part-time employees hired after December 31, 2013 are offered a plan which provides for a Water District contribution matching 100 percent of an employee's contribution to the 457 plan, up to the first 2 percent of the employee's eligible annual compensation and a match of 50 percent on the next 5 percent of covered pay.

(b) Full-time employees hired after December 31, 2013 with at least six months of service are offered a plan which provides for a discretionary contribution of no more than 4 percent of the employee's eligible compensation.

Assets of all portions of the 401(a) plan are not available to employees until termination of employment, retirement, attainment of the age of 70 1/2 while still employed at the Water District, termination of the plan, total or permanent disability, death or unforeseeable emergency. New employees are subject to a five year vesting schedule consisting of 20 percent vested at the end of each year. After five years of service, all subsequent employer contributions are 100 percent vested. The Water District deposited assets for the matching portions of the 401(a) plan in the amount of $941,864 and $836,956 during 2024 and 2023 respectively. In addition, deposits were made for the annual contribution portion of the 401(a) plan in the amounts of $2,054,234 and $1,003,375 for 2024 and 2023 respectively. The defined contribution plan assets are held in trust for the exclusive benefit of employees and their beneficiaries.

Defined Benefit Plan

The Water District's Defined Benefit (DB) Plan, originally adopted in 1957, with subsequent revisions, is financed from Water District contributions. The Final Pay Plan portion of the DB Plan is available only to employees that were hired prior to January 1, 2014. The Cash Balance Plan portion (as described below) is available to employees hired after December 31, 2013.

As of January 1, 2025 (date of the last available plan valuation), the plan's actuarial present value of assets was $64,407,100 and the actuarial accrued liability was $75,516,014, resulting in an unfunded liability of $11,108,914. The funded ratio as of January 1, 2025 was 85.0%. The unfunded liability is primarily the result of assumption changes that were made in the most recent experience studies and negative market performance. The loss from assumption changes is amortized over 25 years and the negative market performance is amortized over 15 years for purposes of calculating the annual funding amount. The market value of the DB plan's assets was $64,755,174 and $51,946,122 on January 1 of 2025 and 2024 respectively.

See Appendix B, "Audited Financial Statements of the Water District" for the following additional information on the Water District's DB plan:

a) Note 7 – Plan description and actuarial methods and assumptions.
b) Schedule of Required Supplemental Information – Five year history of the actuarial value of assets, actuarial accrued liability, the unfunded liability and the funded ratio.

The Water District's governing board has adopted a *Fiscal Policies and Procedures* document that states that annual pension costs are fully funded as determined by the annual actuarial studies. The Water District contributed an additional $8,500,000 and $5,500,000 in 2025 and 2024 respectively to the Defined Benefit Plan trust.

Cash Balance Plan

In 2013, the Water District established a Cash Balance Plan for all eligible employees hired after December 31, 2013. This plan provides a defined-benefit, cash-balance retirement plan for the benefit of eligible employees. The Cash

Balance Plan qualifies under Sections 401(a) and 414(d) of the Internal Revenue Code of 1986, as amended, and the trust holding the plan's assets is exempt from tax under Section 501(a) of the Internal Revenue Code.

The Cash Balance Plan consists of the following:

- An annual employer contribution of 3 percent of employee's compensation.
- Employer pay credits which increase with years of service starting at 3 percent and ending at 6 percent of each employee's compensation.
- An annual interest credit of 5.25 percent on pay credits and employee contributions.
- Five years of service are required before an employee is vested.

Other Post-Employment Benefits (OPEB)

a) *Pre January 1, 2008 hires* - The Water District currently provides subsidized postretirement health care benefits to all employees hired before January 1, 2008 who retire under the provisions of the Water District No. 1 of Johnson County, Kansas, Revised Retirement Plan. The Water District pays one-half of the health insurance coverage for retirees and their spouses if the retiree is age fifty-five to sixty-five. After the retiree or spouse reaches age sixty-five, the Water District then pays one-half of the cost of a Medicare supplement plan. These payments are currently funded on a pay-as-you-go basis. The Water District also provides retired personnel with life insurance coverage at 25% of final salary.
b) *Post January 1, 2008 hires* - The Water District currently provides subsidized postretirement health care benefits to all employees hired after January 1, 2008 who retire under the provisions of the Water District No. 1 of Johnson County, Kansas, Revised Retirement Plan. The Water District pays one-half of the health insurance coverage for retirees and their spouses if the retiree is age fifty-five to sixty-five. After the retiree or spouse reaches age sixty-five, the Water District no longer provides subsidized health care.

The Water District annually funds the OPEB cost to the extent of the current year's insurance premium for retirees. The Actuarial Valuation as of January 1, 2024, reports the plan's unfunded liability as $18,505,758.

Consultants

The Water District retains a variety of professional firms and individuals for the provision of specialized services. Among these are Black & Veatch Corporation, of Kansas City, Missouri, who serve as Consulting Engineers to the Water District; and Columbia Capital Management, LLC of Merriam, Kansas who is retained as the Water District's Financial Advisor. The Water District also has retained the legal services of Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel in connection with the issuance of the 2025 Bonds.

Legal Matters Affecting the Water District

The Water District has various lawsuits and claims pending which arose through the normal course of operations. Management believes that the ultimate liabilities, if any, of these lawsuits would not be material to the financial position of the Water District.

Water District Insurance Coverage

The Water District has covenanted in the 2025 Bond Resolution to carry and maintain certain property insurance coverage on all Water System assets. The Water District maintains public liability insurance in amounts comparable to those held by similar municipalities in the State of Kansas and in accordance with Kansas Tort Statutes.

In the event of loss or damage to the Water System assets, the Water District is obligated to use proceeds derived from such insurance coverage for reconstruction or replacement purposes or deposit such insurance proceeds to the Water System General Fund.

Financial Statements

The Water District is required to publish within 90 days after the end of each calendar year a summary of its audited financial statements (K.S.A. 19-3521). The Water District's year-end financial statements are required to be certified by a certified public accountant or a licensed municipal public accountant. A copy of the audit must be filed with the

clerks of the counties within the Water District's service area and such audit is open to public inspection. The financial statements as of December 31, 2024 are included in this Official Statement as Appendix B, and have been audited by RubinBrown LLP.

LITIGATION

There is no controversy, suit or other proceeding of any kind pending or threatened wherein any question is raised or may be raised, questioning, disputing, or affecting in any way the legal organization of the Water District, the right or title of any of its officers to their respective offices, or any of its official acts shown to have been done in the proceedings authorizing the issuance of the 2025 Bonds, or the constitutionality or validity of the obligations represented by the 2025 Bonds, or the validity of the 2025 Bonds, or any of the proceedings had in relation to the authorization, issuance, or sale of the 2025 Bonds, or the power and authority of the Water District to fix, charge and collect rates for the sale of water as required by the 2025 Bond Resolution. There is no controversy, suit or proceeding of any kind pending or threatened which would affect or otherwise challenge or question the Water District's boundaries or its territorial jurisdiction as to the exclusive provider of treated water for use within its boundaries.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the 2025 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2025 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2025 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2025 Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the 2025 Bonds:

Federal Tax Exemption. The interest on the 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2025 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The 2025 Bonds have **not** been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b).

Kansas Tax Exemption. The interest on the 2025 Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the 2025 Bonds, subject to the condition that the Water District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Water District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2025 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2025 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2025 Bonds.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2025 Bond over its issue price. The stated redemption price at maturity of a 2025 Bond is the sum of all payments on the 2025 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2025 Bond is the first price at which a substantial

amount of the 2025 Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2025 Bond during any accrual period generally equals (1) the issue price of that 2025 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2025 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2025 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2025 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2025 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a 2025 Bond is the sum of all payments on the 2025 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2025 Bond is generally the first price at which a substantial amount of the 2025 Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the 2025 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2025 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2025 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium, if any.

Sale, Exchange, or Retirement of Bonds. Upon the sale, exchange, or retirement (including redemption) of a 2025 Bond, an owner of the 2025 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the 2025 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2025 Bond. To the extent a 2025 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2025 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on 2025 Bonds, and to the proceeds paid on the sale of 2025 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2025 Bonds should be aware that ownership of the 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2025 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2025 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2025 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the 2025 Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, bond counsel to the Water District ("Bond Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Water District and its certified

public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE 2025 BONDS," "SECURITY AND SOURCE OF PAYMENT," "LEGAL MATTERS," "TAX MATTERS," "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE 2025 BOND RESOLUTION," "APPENDIX D – FORM OF BOND COUNSEL OPINION," and "APPENDIX E – FORM OF CONTINUING DISCLOSURE UNDERTAKING." Certain legal matters have been passed on for the Water District by Eric R. Arner, General Counsel to the Water District.

RATING

S&P Global Ratings, a division of S&P Global Inc., has assigned a rating of "AAA" (stable outlook) to the 2025 Bonds. A report outlining the basis for the rating by the rating agency will be issued by such rating agency in connection with the issuance of such rating and a copy may be obtained by contacting the rating agency. The rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any bonds, including the 2025 Bonds, and there is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the 2025 Bonds.

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. The Water District will adopt a Continuing Disclosure Undertaking, the form of which is attached hereto as Appendix E (the "Disclosure Undertaking") wherein the Water District covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board (the "MSRB"). Pursuant to the Disclosure Undertaking, the Water District has agreed to file its Annual Report with the national repository ("EMMA") within 180 days after the end of the Water District's Fiscal Year, commencing with the Fiscal Year ended December 31, 2025.

A failure by the Water District to comply with the Disclosure Undertaking will not constitute a default on the 2025 Bonds (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2025 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2025 Bonds and their market price.

To the best of its knowledge the Water District has not, within the last five years, failed to comply in any material respect with its past undertakings under the Rule.

FINANCIAL ADVISOR

Columbia Capital Management, LLC, Merriam, Kansas, a registered municipal advisor, is serving as financial advisor to the Water District with respect to the 2025 Bonds. Columbia Capital Management, LLC, is a financial and investment advisory and consulting organization and is not engaged in the underwriting, marketing or trading of municipal securities or other negotiable instruments. Columbia Capital Management, LLC has assisted in various matters relating to the planning, structuring and issuance of the 2025 Bonds, including advice in the preparation of this Official Statement, but has not verified the accuracy or completeness of the factual information contained in this Official Statement.

UNDERWRITING

The 2025 Bonds have been sold at public sale by the Water District to _____ (the "Underwriter"), on the basis of lowest true interest cost. [____] (__) bids were received by the Water District. The Underwriter has agreed, subject to certain conditions, to purchase the 2025 Bonds at a price equal to the principal amount of the 2025 Bonds, plus accrued interest from the Dated Date to the Issue Date, [plus a [net] premium of $_____, and less an underwriting discount of $_____].

The 2025 Bonds will be offered to the public initially at the prices set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the 2025 Bonds to certain dealers (including dealers depositing the 2025 Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the 2025 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

ADDITIONAL INFORMATION

All of the summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at:

Water District No. 1 of Johnson County
10747 Renner Blvd
Lenexa, Kansas 66219
Telephone: (913) 895-5500
dkamradt@waterone.org
Attn: Darin L. Kamradt, Finance Director

Further information may be obtained from the Financial Advisor:

Columbia Capital Management, LLC
6700 Antioch Rd Ste 250
Merriam, Kansas 66204
Telephone: (913) 248-8500

jwhite@columbiacapital.com
Attn: Jeff White

kdwyer@columbiacapital.com
Attn: Khalen Dwyer

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Water District as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the 2025 Bonds and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Water District or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the 2025 Bonds.

WATER DISTRICT NO. 1
OF JOHNSON COUNTY, KANSAS

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE 2025 BOND RESOLUTION

The following is a summary of certain provisions and covenants contained in the 2025 Bond Resolution. In certain situations, the summary also summarizes the provisions of the Parity Bond Resolutions. Such summary does not purport to be complete and is qualified in its entirety by reference to the foregoing documents.

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the following meanings:

"Accreted Value" means, with respect to each Capital Appreciation Bond, (i) the initial principal amount of such Capital Appreciation Bond plus, on the date of calculation, the interest accrued thereon to such date compounded at the interest rate thereof on each compounding date contained in such Capital Appreciation Bond, and (ii) with respect to any calculation on a date other than a compounding date, the amount determined pursuant to clause (i) above as of the immediately preceding compounding date plus interest on such amount from such compounding date to the date of calculation at a rate equal to the interest rate on such Capital Appreciation Bond.

"Act" means K.S.A. 19-3501 to 19-3521b, all as amended and supplemented from time to time.

"Additional Bonds" means any bonds secured by the Revenues or the Pledged Revenues hereafter issued pursuant to the 2025 Bond Resolution.

"Additional Interest" means, for any period during which any Pledged Bonds are owned by a Credit Facility Provider pursuant to a Credit Facility or Credit Facility Agreement, the amount of interest accrued on such Pledged Bonds at the Pledged Bond Rate less the amount of interest which would have accrued during such period on an equal Principal amount of Bonds at the Bond Rate.

"Additional Obligations" means any leases or other obligations of the Water District payable from the Revenues or the Pledged Revenues, other than the Bonds.

"Annual Debt Service" means, so long as any Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, the amounts required to be deposited in the Principal and Interest Fund for the Parity Bonds for the current Fiscal Year.

(i) For the purpose of calculating Annual Debt Service on any Option Bonds that are Outstanding or proposed to be issued, the Option Bonds shall be assumed to mature on their stated date of maturity.

(ii) For the purpose of calculating Annual Debt Service on any Bonds that are Outstanding or proposed to be issued that bear interest at a Variable Rate, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled the average of the SIFMA Municipal Bond Index for the prior 5 calendar years, or any comparable index as certified to the Water District by a Financial Advisor. If making a historical calculation with respect to Variable Rate Bonds, actual interest rates may be used.

(iii) For the purpose of calculating the Annual Debt Service on any Auction Rate Bonds that are Outstanding or proposed to be issued, the interest coming due in any specified future period shall be determined by the resolution of the Water District authorizing such Auction Rate Bonds.

(iv) For the purpose of calculating the Annual Debt Service on any Capital Appreciation Bonds that are Outstanding or proposed to be issued, the total Principal and interest coming due shall be

determined, with respect to such Capital Appreciation Bonds, by the resolution of the Water District authorizing such Capital Appreciation Bonds.

(v) With respect to any Bonds secured by a Credit Facility, Annual Debt Service shall also include (A) any upfront or periodic commission or commitment fee obligations with respect to such Credit Facility, (B) the outstanding amount of any Reimbursement Obligation owed to the applicable Credit Facility Provider and interest thereon, (C) any Additional Interest owed on Pledged Bonds to a Credit Facility Provider, and (D) any remarketing agent or surveillance fees.

(vi) With respect to any Hedged Bonds, the interest on such Hedged Bonds during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (A) the amount of interest payable by the Water District on such Hedged Bonds pursuant to their terms and (B) the amount of Hedge Payments payable by the Water District under the related Hedge Agreement and subtracting the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the Water District on the related Hedged Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts payable or receivable for any future period which are not fixed throughout the Hedge Period (*i.e.*, which are variable), such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (*e.g.*, indices) applicable to the Determination Period are equal to the average of the actual variables which were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period).

(vii) For the purpose of calculating the Annual Debt Service on Balloon Bonds (A) which are subject to a Commitment or (B) which do not have a Balloon Date within 12 months from the date of calculation, such Balloon Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for Principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the Water District could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Bonds and with a 20-year term); provided, however, that if the maturity of such Balloon Bonds (taking into account the term of any Commitment) is in excess of 20 years from the date of issuance, then such Balloon Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for Principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Bonds to maturity (including the Commitment) and at the interest rate applicable to such Balloon Bonds. For the purpose of calculating the Annual Debt Service on Balloon Bonds (1) which are not subject to a Commitment and (2) which have a Balloon Date within 12 months from the date of calculation, the Principal payable on such Balloon Bonds on the Balloon Date shall be calculated as if paid on the Balloon Date.

(viii) The Principal of and interest on Bonds and Hedge Payments shall be excluded from the determination of Annual Debt Service to the extent that (A) the same were or are expected to be paid with amounts on deposit with the Water District or the Paying Agent on the date of calculation (or Bond proceeds to be deposited on the date of issuance of proposed Bonds) in the construction fund for such Bonds, the Principal and Interest Fund or a similar fund for such Bonds or (B) cash or non-callable Government Securities are on deposit in an irrevocable escrow or trust account in accordance with ***Section 1201*** hereof (or a similar escrow or trust account for such Bonds) and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay Principal or interest and are sufficient to pay such Principal or interest.

(ix) Notwithstanding anything to the contrary stated above, other than with respect to Capital Appreciation Bonds, if making an historical calculation, actual debt service may be used.

"Annual Debt Service" means, on the date on which no Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, the amounts required to be deposited in the Principal and Interest Fund for the Parity Bonds for any Fiscal Year.

(i) For the purpose of calculating Annual Debt Service on any Option Bonds that are Outstanding or proposed to be issued, the Option Bonds shall be assumed to mature on their stated date of maturity.

(ii) For the purpose of calculating Annual Debt Service on any Bonds that are Outstanding or proposed to be issued that bear interest at a Variable Rate, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled the average of the SIFMA Municipal Bond Index for the prior five years, provided that if this methodology is deemed to be unreasonable based on market conditions or other circumstances at the time of such determination, the Variable Rate assumption for future periods may be modified based on alternative assumptions certified to the Water District to be reasonable and prudent by a Financial Advisor at the time of such determination. If making a historical calculation with respect to Variable Rate Bonds, actual interest rates may be used.

(iii) For the purpose of calculating the Annual Debt Service on any Auction Rate Bonds that are Outstanding or proposed to be issued, the interest coming due in any specified future period shall be determined by the resolution of the Water District authorizing such Auction Rate Bonds.

(iv) For the purpose of calculating the Annual Debt Service on any Capital Appreciation Bonds that are Outstanding or proposed to be issued, the total Principal and interest coming due shall be determined, with respect to such Capital Appreciation Bonds, by the resolution of the Water District authorizing such Capital Appreciation Bonds.

(v) With respect to any Bonds secured by a Credit Facility, Annual Debt Service shall also include (A) any upfront or periodic commission or commitment fee obligations with respect to such Credit Facility, (B) the outstanding amount of any Reimbursement Obligation owed to the applicable Credit Facility Provider and interest thereon, (C) any Additional Interest owed on Pledged Bonds to a Credit Facility Provider, and (D) any remarketing agent or surveillance fees.

(vi) With respect to any Hedged Bonds, the interest on such Hedged Bonds during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (A) the amount of interest payable by the Water District on such Hedged Bonds pursuant to their terms and (B) the amount of Hedge Payments payable by the Water District under the related Hedge Agreement and subtracting the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the Water District on the related Hedged Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts payable or receivable for any future period which are not fixed throughout the Hedge Period (i.e., which are variable), such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables which were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent twelve month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period).

(vii) For the purpose of calculating the Annual Debt Service on Balloon Bonds (A) which are subject to a Commitment or (B) which do not have a Balloon Date within 12 months from the date of calculation, such Balloon Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for Principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the

Water District could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Bonds and with a 20 year term); provided, however, that if the maturity of such Balloon Bonds (taking into account the term of any Commitment) is in excess of 20 years from the date of issuance, then such Balloon Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid .for Principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Bonds to maturity (including the Commitment) and at the interest rate applicable to such Balloon Bonds. For the purpose of calculating the Annual Debt Service on Balloon Bonds (1) which are not subject to a Commitment and (2) which have a Balloon Date within 12 months from the date of calculation, the Principal payable on such Balloon Bonds on the Balloon Date shall be calculated as if paid on the Balloon Date.

(viii) The Principal of and interest on Bonds and Hedge Payments shall be excluded from the determination of Annual Debt Service to the extent that (A) the same were or are expected to be paid with amounts on deposit with the Water District or the Paying Agent on the date of calculation (or Bond proceeds to be deposited on the date of issuance of proposed Bonds) in the construction fund for such Bonds, the Principal and Interest Fund or a similar fund for such Bonds or (B) cash or non callable Government Securities are on deposit in an irrevocable escrow or trust account in accordance with Section 1201 hereof (or a similar escrow or trust account for such Bonds) and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay Principal or interest and are sufficient to pay such Principal or interest.

(ix) Notwithstanding anything to the contrary stated above, other than with respect to Capital Appreciation Bonds, if making an historical calculation, actual debt service may be used.

"Auction Rate Bonds" means any Bonds which bear interest at the auction rate determined pursuant to the auction bond provisions set forth in the resolution of the Water District authorizing such Auction Rate Bonds.

"Average Annual Debt Service" means the aggregate total Annual Debt Service for the remaining term of the Bonds divided by the number of years of debt service taking into account fractional years if any year is less than 12 months (computed on the basis of a 360-day year of 12 30-day months).

"Balloon Bonds" means any series of Parity Bonds 25% or more of the Principal of which (i) is due in any 12-month period or (ii) may, at the option of the Registered Owners, be required to be redeemed, prepaid, purchased directly or indirectly by the Water District, or otherwise paid in any 12-month period; provided that, in calculating the Principal of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such Principal shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

"Balloon Date" means any Principal maturity date or Put Date on which more than 25% of the Principal of related Balloon Bonds mature or are subject to mandatory redemption or could, at the option of the Registered Owners, be required to be redeemed, prepaid, purchased directly or indirectly by the Water District, or otherwise paid.

"Beneficial Owner" means any person who (a) has the power directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Book-Entry Bond (including persons holding Book-Entry Bonds through nominees, depositories or other intermediaries), or (b) is treated as owner of any Book-Entry Bond for federal income tax purposes.

"Board" means the duly elected or appointed Board of the Water District as provided in the Act.

"Bond Counsel" means a firm of attorneys of recognized standing in matters relating to the issuance of obligations by states and their political subdivisions, and acceptable to the Water District.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Rate" means the rate of interest per annum payable on specified Bonds other than Pledged Bonds.

"Bond Register" means the Bond Register of the Water District maintained by the Bond Registrar.

"Bond Registrar" means, with respect to the 2025 Bonds, the Treasurer of the State of Kansas, and any successors or assigns; and, with respect to any other series of Bonds, the Bond Registrar designated by the Water District in the resolution authorizing the issuance of such Bonds.

"Bond Reserve Fund" means the Bond Reserve Fund for the Parity Bonds ratified by the 2025 Bond Resolution which fund may include subaccounts.

"Bonds" means the Parity Bonds, the Subordinate Lien Bonds, and any Additional Bonds.

"Book-Entry Bonds" means, collectively, the 2017A Bonds, the 2017B Bonds, the 2019 Bonds, the 2020 Bonds, the 2025 Bonds, and any Bonds designated by the Water District as "Book-Entry Bonds" under the resolution authorizing the issuance of such Bonds.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Capital Appreciation Bonds" means Bonds which bear interest which is calculated based on periodic compounding, payable only at maturity or earlier redemption.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Book-Entry Bonds.

"Chair" means the Chair of the Board of the Water District or, in the Chair's absence, the duly appointed and/or elected Vice Chair or Acting Chair of the Board of the Water District.

"Commitment" when used with respect to Balloon Bonds, means a binding written commitment from a financial institution, surety or insurance company to refinance such Bonds on or prior to any Balloon Date thereof, including without limitation any Credit Facility for such Bonds.

"Consultant" means a recognized firm of independent engineers, architects, accountants or other consultants knowledgeable and experienced in the work of the character required by the terms of the resolution of the Water District authorizing the issuance of the Bonds.

"Consulting Engineer" means an engineer or firm of engineers licensed in the State and having a reputation for knowledge, skill and experience in the construction and operation of water supply, treatment and distribution system properties.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking (dated as of the date of issuance of the 2025 Bonds) attached to the Preliminary Official Statement relating to certain matters within the scope the SEC Rule, as the same may be amended or supplemented in accordance with its terms.

"Credit Facility" means any letter of credit, insurance policy, guaranty, surety bond, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other financial institution or governmental or quasi-governmental entity or agency which is used by the Water District to perform one or more of the following tasks: (i) enhancing the Water District's credit by assuring Registered Owners of any of the Bonds that Principal of and interest on such Bonds will be paid promptly when due; (ii) providing liquidity for the Registered Owners of Bonds through undertaking to cause Bonds to be bought from the Registered Owners thereof when submitted pursuant to an arrangement prescribed by a resolution authorizing the issuance of such series of Bonds; or (iii) remarketing any Bonds so

submitted to the Credit Facility Provider (whether or not the same Credit Facility Provider is remarketing the Bonds). The term Credit Facility shall not include Equivalent Security.

"Credit Facility Agreement" means an agreement between the Water District and a Credit Facility Provider pursuant to which the Credit Facility Provider issues a Credit Facility. The term Credit Facility Agreement shall not include an agreement related to Equivalent Security.

"Credit Facility Provider" means any issuer of a Credit Facility then in effect for all or part of the Bonds. The term Credit Facility Provider shall not include any Equivalent Security Provider. Whenever in the resolution authorizing the issuance of Bonds the consent of the Credit Facility Provider is required, such consent shall only be required from the Credit Facility Provider whose Credit Facility is issued with respect to the series of Bonds for which the consent is required.

"Current Interest Bonds" means those Bonds which are not Capital Appreciation Bonds.

"Dated Date" means the date of issuance of the 2025 Bonds.

"Director of Finance" means the duly appointed or acting Director of Finance of the Water District or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of Finance of the Water District or, if the functions and duties of the Director of Finance shall be given to any other person, such person.

"Equivalent Security" means direct obligations of or obligations which the principal of and interest on are unconditionally guaranteed by the United States of America or an irrevocable letter of credit, a committed line of credit, a demand note, a surety bond or a policy of insurance authorized by the laws of the State and issued by a bank, trust company, insurance association or financial institution (each a "Credit Provider") which: (a) is authorized to do business in the State and to enter into such an agreement; and (b) has been assigned a credit rating in the highest one-third of all rating categories, without regard to any refinement or gradation of rating categories, by any Rating Agency at the time of issuance of the Equivalent Security; provided, however, if subsequent to the issuance of any letter of credit, committed line of credit, demand note, surety bond or policy of insurance, the property or affairs of the Credit Provider shall be taken under the control of any state or federal authority because of bankruptcy or insolvency, or for any other reason and the rating of the Parity Bonds by all Rating Agencies is lower than the highest two rating categories, without regard to any refinement or gradation of rating categories, <u>or</u> if the Credit Provider is assigned a rating of less than the highest one-half of all rating categories, without regard to any refinement or gradation of rating categories, by a Rating Agency and the rating of the Parity Bonds by any Rating Agency is lower than the three highest rating categories, without regard to any refinement or gradation of rating categories, such letter of credit, committed line of credit, demand note, surety bond or policy of insurance shall not qualify as "Equivalent Security" as long as such conditions exist.

"Equivalent Security Provider" means any provider of Equivalent Security to fund all or any portion of a bond reserve account for the Parity Bonds.

"Event of Default" means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the 2025 Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise; or

(b) Payment of any installment of interest on any of the 2025 Bonds shall not be made when the same shall become due; or

(c) The Water District shall for any reason be rendered incapable of fulfilling its obligations under the 2025 Bond Resolution; or

(d) Any substantial part of the Water System shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Net Revenues and the Water District shall not within a reasonable

time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Water District as a result of the ownership, control or operation of the Water System and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Water District, appointing a receiver or receivers of the Water System or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Water District, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Water District, for the purpose of effecting a composition between the Water District and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues; or

(h) The Water District shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the 2025 Bonds or in the 2025 Bond Resolution (other than the covenants relating to continuing disclosure) on the part of the Water District to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Water District by the Owner of any of the 2025 Bonds then Outstanding; provided that if such default cannot reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Water District shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(i) A monetary default shall have occurred on any financial obligations secured in whole or in part from Pledged Revenues.

"Federal Tax Certificate" means the Water District's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

"Financial Advisor" means a registered municipal advisor appointed as financial advisor to the Water District to advise on plans of finance, consult on projects, or advise on the terms, planning, structuring, restructuring, and issuance of municipal securities, and which, in the good faith opinion of the Water District, has a favorable reputation for skill and experience in providing such services.

"Fiscal Year" means the 12-month period selected by the Board of the Water District as its accounting period for annual reports, provided that either (a) immediately following the change in Fiscal Year, the Water District shall deem the term "Fiscal Year" for purposes of the 2025 Bond Resolution to mean both the 12-month period of the Fiscal Year in place before the change of Fiscal Year and a 12-month period beginning with the first day of the Fiscal Year after the change in Fiscal Year or (b) prior to a change in Fiscal Year, the Water District shall obtain the written acknowledgement by any Rating Agency which has assigned a rating to the Parity Bonds that the change in Fiscal Year will not, in and of itself, result in a downgrade of the current rating on the Parity Bonds. The current Fiscal Year period begins January 1st and ends on the following December 31st of each year.

"General Manager" means the duly appointed or acting General Manager of the Water District.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of

America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Water District.

"Hedge Agreement" means, without limitation, (i) any contract provided by a Qualified Hedge Provider known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract provided by a Qualified Hedge Provider providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract provided by a Qualified Hedge Provider to exchange cash flows or payments or series of payments; (iv) any type of contract provided by a Qualified Hedge Provider called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement provided by a Qualified Hedge Provider that the Water District determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty related to any Bonds. Notwithstanding the foregoing, any Hedge Agreement must comply with the debt policy of the Water District.

"Hedge Contingency Payments" means amounts payable by the Water District out of the Water System General Fund pursuant to any Hedge Agreement as termination payments, fees, expenses and indemnity payments.

"Hedge Payments" means amounts payable by the Water District pursuant to any Hedge Agreement, other than Hedge Contingency Payments.

"Hedge Period" means the period during which a Hedge Agreement is in effect.

"Hedge Receipts" means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

"Hedged Bonds" means any Bonds for which the Water District shall have entered into a Hedge Agreement.

"Improvement Costs" means the costs reasonably incurred with the Water System or any portion thereof, including, but not limited to the following:

(i) construction, installation and testing, including the costs of labor, services, materials, supplies and utility services used in connection therewith;

(ii) insurance premiums and performance bonds taken out and maintained during construction, to the extent not paid for by a contractor for construction and installation;

(iii) administrative and general overhead costs directly related to the Improvements provided such costs are allocated to the Improvement using a reasonable accounting method that is consistently applied, including expenses incurred by the Water District or on its behalf with its approval in seeking to enforce any remedy against any contractor or sub-contractor in respect of any default under a contract relation to construction;

(iv) surveys, appraisals, plans, designs, specifications and estimates in connection with the construction;

(v) architectural, engineering, legal and other professional services in connection with the acquisition or construction;

(vi) acquisition of any property, real or personal and all interests in connection therewith including water rights, rights-of-way, easements, licenses, privileges and franchises;

(vii) the costs of demolition, removal and relocation;

(viii) any taxes, assessments or other municipal or governmental charges related to the construction or acquisition and become due during the construction or acquisition;

(ix) any capitalized interest; and

(x) miscellaneous expenses incidental thereto.

"Improvements" means the improvements to the Water System referred to in the preamble to the 2025 Bond Resolution.

"Insufficient Reserve Determination Date" means the date in which the Water District determines that the Bond Reserve Fund for the Parity Bonds or any account therein does not contain the Required Reserve Amount.

"KDHE" means the Kansas Department of Health and Environment.

"KDHE Loans" means collectively (a) a Loan Agreement dated as of May 2, 2023, between the Water District and KDHE acting on behalf of the State; and (b) a Loan Agreement dated as of September 11, 2023, between the Water District and KDHE acting on behalf of the State.

"Letter of Representations" means the Letter of Representations from the Water District and the Paying Agent to DTC in the form acceptable to Bond Counsel.

"Loan Reserve Accounts" means the Loan Reserve Accounts within the Bond Reserve Fund for the KDHE Loans ratified by the 2025 Bond Resolution.

"Long-Term Indebtedness" means System Indebtedness having an original stated maturity or term greater than five years, or renewable or extendable at the option of the debtor for a period of greater than one year from the date of original issuance or incurrence thereof.

"Maximum Annual Debt Service" means the maximum amount of Annual Debt Service requirements for the Parity Bonds, as computed for the then current or any future Fiscal Year.

"Net Revenues" means the Revenues less the Operation and Maintenance Expenses of the Water System.

"Operation and Maintenance Expenses" means the reasonable expenses necessary to keep the Water System in good repair and working order, including, without limiting the generality of the foregoing, salaries, wages, costs of materials, water and supplies, insurance, cost of power; any payments authorized by the Board under any retirement or other plan authorized by law and adopted by the Board for the benefit of its employees; any required deposits or payments of rebate to the United States in accordance with the resolutions of the Water District authorizing the issuance of the Bonds; and excluding expenses for extending or enlarging the Water System or for other purposes generally defined as capital additions.

"Option Bonds" means Bonds which by their terms may be tendered by and at the option of the Registered Owner thereof for purchase or payment by the Water District prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Registered Owner thereof.

"Original Purchaser" means the financial institution or investment banking firm that is the original purchaser of the 2025 Bonds.

"Outstanding" means, when used with reference to the Parity Bonds, as of any particular date of determination, all Parity Bonds previously executed and delivered under the Parity Bond Resolutions, as applicable, except:

(a) Parity Bonds previously cancelled by the Bond Registrar or delivered to the Bond Registrar for cancellation;

(b) Parity Bonds paid or deemed to be paid in accordance with the provisions of the applicable Parity Bond Resolution or the defeasance provisions of the 2025 Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Parity Bonds that have been executed and delivered pursuant to the Parity Bond Resolution.

"Parity Bond Resolutions" means, collectively, the 2017 Bond Resolution, the 2019 Bond Resolution, the 2020 Bond Resolution, the KDHE Loans, the 2025 Bond Resolution, and any bond resolution of the Water District hereinafter adopted authorizing the issuance of Parity Bonds.

"Parity Bonds" means the 2017A Bonds, the 2017B Bonds, the 2019 Bonds, the 2020 Bonds, the KDHE Loans, the 2025 Bonds and any bonds or other obligations of the Water District hereafter issued in accordance with the 2025 Bond Resolution.

"Paying Agent" means, with respect to the 2025 Bonds, the Treasurer of the State, Topeka, Kansas, and any successors and assigns, and with respect to any other Bonds, the Paying Agent designated by the Water District in the resolution authorizing the issuance of such Bonds.

"Payment Date" means (a) with respect to the 2025 Bonds, each January 1 and July 1, commencing January 1, 2026, and, (b) with respect to all other Bonds, the payment dates designated by the Water District in the resolution authorizing the issuance of such Bonds.

"Permitted Investments" means any investments to the extent the same are at the time permitted for investment of funds held by the Water District under the laws of the State.

"Pledged Bond" means any Bond purchased and held by a Credit Facility Provider pursuant to a Credit Facility Agreement. A Bond shall be deemed a Pledged Bond only for the actual period during which such Bond is owned by a Credit Facility Provider pursuant to a Credit Facility Agreement.

"Pledged Bond Rate" means the rate of interest payable on Pledged Bonds, as may be provided in a Credit Facility or Credit Facility Agreement.

"Pledged Revenues" means Net Revenues, Hedge Receipts, all moneys received by the Water District from the federal government pursuant to Section 54AA of the Code or other direct payments made to the Water District by the federal government in connection with the issuance of Bonds and all moneys paid or required to be paid into, and all moneys and securities on deposit, from time to time in, the funds and accounts specified in ***Article V***, but only to the extent the resolutions of the Water District authorizing the issuance of Bonds permit moneys in such funds and account to be used to pay the principal of, premium, if any, and interest on such series of Bonds.

"Principal" means (i) with respect to a Current Interest Bond, the principal amount of such Bond, and (ii) with respect to a Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond.

"Principal and Interest Fund" means the Principal and Interest Fund for the Parity Bonds ratified by the 2025 Bond Resolution which fund may include subaccounts.

"Put Date" means any date on which a Registered Owner may elect to have Balloon Bonds redeemed, prepaid, purchased directly or indirectly by the Water District, or otherwise paid.

"Qualified Hedge Provider" means an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, meet the requirements of the Water Districts debt policy and State law. An entity's status as a Qualified Hedge Provider is determined only at the time the Water District enters into a Hedge Agreement with such entity and shall not be redetermined with respect to that Hedge Agreement.

"Rating Agency" means, when referring to the rating on Bonds, each nationally recognized statistical rating organization that is maintaining a current rating on any of the 2025 Bonds at the request of the Water District, and, when referring to the rating on a bank, trust company, insurance association or financial institution, a nationally recognized statistical rating organization that is maintaining a current rating on entity or such entity's debt obligations.

"Record Date" means, with respect to the 2025 Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding an interest Payment Date and with respect to any other series of Bonds, the date set forth as the Record Date in the resolution of the Water District authorizing the issuance of such Bonds.

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of the 2025 Bond Resolution.

"Registered Owner(s)" means Cede & Co. or that person or persons to be initially designated by DTC to be the nominal owner and holder of the 2025 Bonds as recorded upon the Bond Register for the purpose of performing duties and functions relating to book entry registration for the use and benefit of the Beneficial Owner as set out in the Letter of Representations, unless the Registered Owner and the Beneficial Owner are the same person.

"Reimbursement Obligation" means the obligation of the Water District to directly reimburse any Credit Facility Provider for amounts paid by such Credit Facility Provider under a Credit Facility, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument.

"Required Reserve Amount" means, so long as any Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, an amount for any series of Parity Bonds, which may be in cash or Equivalent Security, equal to the lesser of:

(i) 5% of the stated Principal amount of such series of Parity Bonds (determined as of the issue date of such series of Parity Bonds); provided, however, if the aggregate initial offering price of such series of Parity Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in lieu of the stated Principal amount,

(ii) if the reserve only secures a series of Parity Bonds, 125% of the Average Annual Debt Service for such series of Parity Bonds or, if the reserve is available to pay debt service on more than one series of Parity Bonds, 125% of the Average Annual Debt Service for all Parity Bonds secured by such reserve (determined as of the issue date of each such series of Parity Bonds), or

(iii) if the reserve only secures a series of Parity Bonds, the maximum amount of principal and interest becoming due in accordance with the stated maturity date or mandatory sinking fund redemption for the current Fiscal Year or any succeeding Fiscal Year with respect to such series of Parity Bonds, or, if the reserve is available to pay debt service on more than one series of Parity Bonds, the maximum amount of principal and interest becoming due in accordance with the stated maturity date or mandatory sinking fund redemption for the current Fiscal Year or any succeeding Fiscal Year with respect to all Parity Bonds secured by such reserve (determined as of the issue date of each such series of Parity Bonds);

provided, however, that in calculating the maximum amount of interest becoming due with respect to any Variable Rate Bonds, the interest rate shall be the fixed interest rate estimated by the Director of Finance necessary to sell

such proposed Variable Rate Bonds at 100% of the principal amount thereof in an open market transition, provided that the estimated interest rate shall be not more than 100% and not less than 90% of the 30 Year Revenue Index of 25 Revenue Bonds published in the most recent issue of *The Bond Buyer* (or any successor thereto) preceding the date of the sale of such Variable Rate Bonds or, if such Index is no longer published, of a comparable index selected by the Water District, and provided further that in calculating the maximum amount of principal becoming due with respect to the Parity Bonds, the principal shall become due on the stated maturity dates for the Parity Bonds and on any mandatory sinking fund redemption dates.

Any resolution authorizing the issuance of Subordinate Lien Bonds may set a different or lesser Required Reserve Amount, or provide that a reserve is not required.

"Required Reserve Amount" means, on the date on which no Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, for any series of Bonds, the amount, if any, specified in the resolution authorizing the issuance of said Bonds.

"Revenues" means all revenues derived by the Water District from the operation of the Water System, including, but not limited to, (a) the income in the form of Water System development charges, (b) the investment of any of the funds created by the Parity Bond Resolutions and the resolutions authorizing any other revenue bonds or other obligations of the Water District and (c) unrestricted income from any other source.

"SEC Rule" means Rule 15c-2-12 under the Securities Exchange Act of 1934, as amended (17 CFR § 240.15c2-12).

"Secretary to the Board" means the Secretary to the Board of the Water District or, in the Secretary's absence, the duly appointed and/or elected Deputy, Assistant or Acting Secretary to the Board of the Water District.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"SIFMA Municipal Bond Index" means the Securities Industry and Financial Markets Association ("SIFMA") Swap Index™ announced by SIFMA and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by SIFMA which meet specified criteria established by SIFMA and is based on current yields of high quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice, the interest on which under the Code, is excludable from gross income for federal income tax purposes.

"State" means the State of Kansas.

"Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in the Bond and the 2025 Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"Subordinate Lien Bonds" means any additional bonds or additional obligations payable from, and secured by a lien on the Revenues, which lien is junior to that of any Parity Bonds.

"System Indebtedness" means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the Revenues or Pledged Revenues.

"Treasurer" means the Treasurer of the Water District and any successors.

"Variable Rate" means a rate of interest applicable to Bonds, other than a fixed rate of interest which applies to a particular maturity of Bonds, so long as that maturity of Bonds remains Outstanding.

"Water District" means Water District No. 1 of Johnson County, Kansas, and any successors or assigns.

"Water System" means the entire water supply plant and system owned and operated by the Water District for the production, storage, treatment and distribution of water, to serve the needs of the Water District and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Water District.

"Water System General Fund" means the Water System General Fund ratified and confirmed by the 2025 Bond Resolution.

"2017 Bond Resolution" means the Resolution of the Water District adopted October 10, 2017, as from time to time amended in accordance with the terms hereof, authorizing the issuance of the 2017A Bonds and the 2017B Bonds.

"2017 Rebate Fund" means the Rebate Fund for the 2017A Bonds and the 2017B Bonds ratified by the 2025 Bond Resolution.

"2017A Bond Reserve Account" means the 2017A Bond Reserve Account within the Bond Reserve Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2017A Bonds" means the Water Revenue Refunding Bonds, Series 2017A, of the Water District, dated November 8, 2017, authorized and issued pursuant to the 2017 Bond Resolution.

"2017A Principal and Interest Account" means the 2017A Principal and Interest Account within the Principal and Interest Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2017B Bond Reserve Account" means the 2017B Bond Reserve Account within the Bond Reserve Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2017B Bonds" means the Water Revenue Bonds, Series 2017B, of the Water District, dated November 8, 2017, authorized and issued pursuant to the 2017 Bond Resolution.

"2017B Principal and Interest Account" means the 2017B Principal and Interest Account within the Principal and Interest Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2019 Bond Reserve Account" means the 2019 Bond Reserve Account within the Bond Reserve Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2019 Bond Resolution" means the Resolution of the Water District adopted November 12, 2019, as from time to time amended in accordance with the terms thereof, authorizing the issuance of the 2019 Bonds.

"2019 Bonds" means the Water Revenue Refunding Bonds, Series 2019, of the Water District, dated December 10, 2019, authorized and issued pursuant to the 2019 Bond Resolution.

"2019 Principal and Interest Account" means the 2019 Principal and Interest Account within the Principal and Interest Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2019 Rebate Fund" means the Rebate Fund for the 2019 Bonds ratified by the 2025 Bond Resolution.

"2020 Bond Reserve Account" means the 2020 Bond Reserve Account within the Bond Reserve Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2020 Bond Resolution" means the Resolution of the Water District adopted October 13, 2020, as from time to time amended in accordance with the terms hereof, authorizing the issuance of the 2020 Bonds.

"2020 Bonds" means the Taxable Water Revenue Refunding Bonds, Series 2020, of the Water District, dated November 19, 2020, authorized and issued pursuant to the 2020 Bond Resolution.

"2020 Principal and Interest Account" means the 2020 Principal and Interest Account within the Principal and Interest Fund for the Parity Bonds ratified by the 2025 Bond Resolution.

"2025 Bond Reserve Account" means the 2025 Bond Reserve Account within the Bond Reserve Fund for the Parity Bonds created by the 2025 Bond Resolution.

"2025 Bond Resolution" means the Resolution of the Water District adopted October 14, 2025, as from time to time amended in accordance with the terms hereof, authorizing the issuance of the 2025 Bonds.

"2025 Bonds" means the Water Revenue Bonds, Series 2025, of the Water District, dated November 12, 2025, authorized and issued pursuant to the 2025 Bond Resolution.

"2025 Construction Fund" means the 2025 Construction Fund created by the 2025 Bond Resolution.

"2025 Principal and Interest Account" means the 2025 Principal and Interest Account within the Principal and Interest Fund for the Parity Bonds created by the 2025 Bond Resolution.

"2025 Rebate Fund" means the 2025 Rebate Fund created by the 2025 Bond Resolution.

ESTABLISHMENT OF FUNDS AND ACCOUNTS;
DEPOSIT AND APPLICATION OF BOND PROCEEDS

Ratification of Funds and Accounts. The creation and establishment in the treasury of the Water District by the resolutions which authorized the Outstanding Parity Bonds of the following separate funds and accounts is ratified and confirmed:

Water System General Fund
Principal and Interest Fund for Parity Bonds within which there are the following accounts:
- 2020 Principal and Interest Account
- 2019 Principal and Interest Account
- 2017B Principal and Interest Account
- 2017A Principal and Interest Account

Bond Reserve Fund for Parity Bonds within which there are the following accounts:
- Loan Reserve Accounts
- 2020 Bond Reserve Account
- 2019 Bond Reserve Account
- 2017B Bond Reserve Account
- 2017A Bond Reserve Account

2019 Rebate Fund
2017 Rebate Fund

Administration of Existing Funds. The funds and accounts referred to above shall be maintained and administered by the Water District solely for the purposes and in the manner as provided in the Parity Bond Resolutions so long as any of the related series of Parity Bonds remain Outstanding.

Creation of Funds and Accounts. There is created and ordered to be established in the treasury of the Water District the following separate funds and accounts to be known respectively as the:

(a) 2025 Principal and Interest Account established within the Principal and Interest Fund for Parity Bonds;
(b) 2025 Bond Reserve Account established within the Bond Reserve Fund for Parity Bonds;
(c) 2025 Construction Fund; and

(d) 2025 Rebate Fund.

Administration of New Funds and Accounts. The funds and accounts referred to above shall be maintained and administered by the Water District solely for the purposes and in the manner as provided in the 2025 Bond Resolution and the Federal Tax Certificate.

Disposition of 2025 Bond Proceeds. The net proceeds received from the sale of the 2025 Bonds shall be deposited simultaneously with the delivery of the 2025 Bonds, as follows:

(a) There shall be deposited in the 2025 Principal and Interest Account any amount received on account of accrued interest on the 2025 Bonds.

(b) There shall be deposited in the 2025 Bond Reserve Account an amount equal to the Required Reserve Amount for the 2025 Bonds.

(c) The remaining balance of the proceeds of the 2025 Bonds shall be deposited in the 2025 Construction Fund.

Application of Moneys in and Withdrawals from the 2025 Construction Fund. Moneys in the 2025 Construction Fund shall be used by the Water District for the sole purpose of paying (a) the costs of issuance of the 2025 Bonds, (b) the Improvement Costs, and (c) interest on the 2025 Bonds during construction of the Improvements. Withdrawals from the 2025 Construction Fund shall be made only in accordance with the purchasing policies of the Water District as approved by the Water District Board. All moneys remaining in the 2025 Construction Fund after the completion of the Improvements shall be transferred immediately to the 2025 Principal and Interest Account.

Application of Moneys in the 2025 Rebate Fund. There shall be deposited in the 2025 Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the 2025 Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Water District nor the Registered Owner of any 2025 Bonds shall have any rights in or claim to such money.

The Water District shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Water District shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the 2025 Rebate Fund after redemption and payment of all of the 2025 Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Water System General Fund.

PAYMENTS AND TRANSFERS OF FUNDS

Deficiency of Payments into Funds or Accounts. If at any time the Revenues derived by the Water District from the operation of the Water System shall be insufficient to make any payment on the date or dates specified, the Water District will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received by the Water District from the operation of the Water System, such payments and credits being made and applied in the order specified in the 2025 Bond Resolution.

Transfer of Funds to Paying Agent. The Treasurer of the Water District is further authorized and directed to withdraw from the Principal and Interest Fund for the Parity Bonds and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Parity Bonds, first from the Water System General Fund, second from the cash in the Bond Reserve Fund for the applicable series of Parity Bonds as provided in the 2025 Bond Resolution, and then from the Equivalent Security in the Bond Reserve Fund for the applicable series of Parity Bonds as provided in the 2025 Bond Resolution, sums sufficient to pay the principal of and interest on the Parity Bonds and the fees of the Paying Agent when the same become due, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding the date when such principal, interest and fees of the Paying Agent will become due; provided, however, that if the terms of the Equivalent Security limit the use thereof to the payment of

the principal of and interest on the Parity Bonds, the Equivalent Security shall not be used to pay the fees of the Paying Agent. The Water District agrees that all transfers of funds made to the Paying Agent for the payment of the principal of and interest on the Bonds shall be irrevocable to the extent such funds are required for the timely payment of the Bonds and the Water District shall have no right to rescind or request the repayment of any funds so transferred.

In any case where a Bond Payment Date is not a Business Day, then payment of principal or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

INVESTMENT OF MONEYS

Moneys held in any fund or account created by or ratified in the Parity Bond Resolutions may be invested by the Water District in accordance with the 2025 Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created.

All interest on any investments held in the funds and accounts created by the 2025 Bond Resolution shall accrue to and become part of such fund; provided, however: (a) all moneys in the 2025 Bond Reserve Account in excess of the Required Reserve Amount shall accrue to and become a part of the 2025 Principal and Interest Account, and (b) during construction of the Improvements, any interest earnings on the 2025 Construction Fund may be credited to the 2025 Principal and Interest Account.

In determining the amount held in any fund under any of the provisions of the Bond Resolutions, obligations shall be valued at the fair market value.

GENERAL COVENANTS AND PROVISIONS

Efficient and Economical Operation. The Water District will maintain in good repair and working order its Water System and will operate the same in an efficient manner and at reasonable cost. The Water District shall take all reasonable measures permitted by law to enforce prompt payment to it of all fees, taxes and charges and other revenues.

Rate Covenant. The Water District will fix, establish, maintain and collect such rates, fees and charges for water or water service furnished by or through the Water System, and revise the same from time to time whenever necessary, which rates, fees and charges shall be sufficient to pay the wages and salaries of all officers and employees, any amount owed the Equivalent Security Provider, costs of operation, improvement and maintenance of the Water System, provide adequate depreciation, improvement and extension reserves, provide for the payment at maturity or applicable mandatory redemption, of the principal of the Parity Bonds and pay the interest thereon when due, and create reasonable reserves for such purposes, and sufficient to allow for miscellaneous and emergency or unforeseen expenses. Such rates, fees and charges shall at all times be sufficient so that the Net Revenues of the Water System for a given Fiscal Year, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change into any Hedge Agreement, shall be not less than 125% of the Annual Debt Service for the corresponding Fiscal Year.

If in any Fiscal Year the Revenues are insufficient to satisfy the above requirements, within **120** days after the end of such Fiscal Year, the Water District shall increase the rates, fees and charges for water or water service furnished by or through the Water System, and reduce Water System expenses, in such manner as may be necessary such that the above requirements shall be met for the following Fiscal Year. If the Water District fails to take such action within **135** days after the end of such Fiscal Year, or if the Revenues are insufficient to meet the above requirements in any two consecutive Fiscal Years, the Water District shall employ a Consultant within **30** days thereafter to make recommendations as to a revision of the schedule of rates, fees and charges and/or reductions in Water System expenses in order to provide that the above requirements shall be met for subsequent Fiscal Years. A copy of the Consultant's report and recommendations shall be filed with the Water District within **180** days after the end of such Fiscal Year and shall be furnished to any Owner of the Bonds requesting a copy of the same at such

requesting Owner's cost. The Water District shall follow the recommendations of the Consultant to the extent feasible. So long as provisions of this paragraph are complied with and so long as the Bond Reserve Fund has not been drawn upon to pay debt service as a result of the failure of the Water District to satisfy the provisions of this paragraph and no other Event of Default shall have occurred and be continuing, this paragraph shall be deemed to have been complied with for such Fiscal Year even if the Revenues are insufficient to satisfy the above requirements for such Fiscal Year and will not constitute an Event of Default under the 2025 Bond Resolution.

Reasonable Charges for all Services. None of the facilities or services afforded by the Water System will be furnished to any user without a reasonable charge being made therefore; provided, however, the Board may determine that it is reasonable to provide without charge facilities or services in the case of emergency services, mutual aid to other governmental entities or the de minimis use of facilities or services for public purposes.

Restrictions on Mortgage or Sale of System. The Water District will not mortgage, pledge or otherwise encumber the Water System or any part thereof, or any extension or improvement thereof nor will it sell, lease or otherwise dispose of the Water System or any material part thereof; provided, however, the Water District may: (a) sell any portion of such property which shall have been replaced by other similar property of at least equal value or which shall cease to be necessary for the efficient operation of the Water System or (b) lease, as lessor or lessee, any portion of the Water System as long as said lease does not materially adversely affect the security of the Registered Owners of any of the Parity Bonds. The proceeds of any such sale or lease shall be paid and deposited into the Water System General Fund. The Water District may cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Water District.

Insurance. The Water District will carry and maintain a reasonable amount of fire and extended coverage insurance upon all of the properties forming a part of the Water System insofar as the same are of an insurable nature, such insurance to be of the character and coverage and in an amount that is comparable to insurance held by similar municipalities in the State and in accordance with K.S.A. 75-6101 *et seq*., the Kansas Tort Claims Act. In the event of loss or damage, the Water District, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or, if such reconstruction or replacement be unnecessary, then the Water District will pay and deposit the proceeds of such insurance into the Water System General Fund. The Water District in operating the Water System will carry and maintain public liability, worker's compensation and fidelity insurance in such amounts as would normally be maintained by a private corporation engaged in a similar type of business, and the proceeds derived from such insurance shall be used in paying the claims on account of which such proceeds were received. The cost of all insurance obtained pursuant to the requirements of this subsection shall be paid as an operating cost out of the revenues of the Water System.

Books, Records and Accounts. The Water District will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Water District) in which complete and correct entries will be made of all dealings and transactions of or in relation to the Water System of the Water District. Such accounts shall show the amount of revenues received from the Water System, the application of such revenues, and all financial transactions in connection therewith. Said books shall be kept by the Water District according to standard accounting practices as applicable to the operation of water utilities.

Annual Audit. After the end of each Fiscal Year, the Water District will annually cause an audit of the Water District's financial statements in accordance with auditing standards generally accepted in the United States of America to be made for the preceding Fiscal Year by a certified public accountant to be employed for that purpose and paid from the revenues of the Water System. After completion of each such audit, a copy thereof shall be filed in the office of the Secretary to the Board and in accordance with the provisions of the Act.

Consulting Engineer Report. As long as the Parity Bonds are Outstanding, at least once every five years, the Water District will cause the Consulting Engineer to make an examination of and report on the condition and operations of the Water System, such report to include recommendations as to any changes in such operations deemed desirable. Each such report shall also make reference to any unusual or extraordinary items of maintenance and repair and any extensions or improvements that may be needed in the ensuing five-year period for the Parity Bonds. A copy of each such report shall be filed in the office of the Secretary to the Board and, upon request, sent to any Registered Owner.

Upon the date on which no Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, the requirements described in this Section will be deleted from the 2025 Bond Resolution.

Right of Inspection. The Registered Owner or Registered Owners, and the Beneficial Owners of any of the 2025 Bonds shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, and any such Registered Owner shall be furnished all such information concerning the Water System and the operation thereof which such Registered Owner may reasonably request.

Performance of Duties. The Water District will faithfully and punctually perform all duties and obligations with respect to the operation of the Water System, including all extensions and improvements thereto, now or hereafter imposed upon the Water District by the Constitution and laws of the State and by the provisions of the 2025 Bond Resolution.

DEFAULT AND REMEDIES

Remedies. The provisions of the 2025 Bond Resolution shall constitute a contract between the Water District and the Registered Owners of the 2025 Bonds. If Event of Default occurs and is continuing, the Registered Owner or Registered Owners of not less than 10% in principal amount of the 2025 Bonds at the time Outstanding and any Qualified Hedge Provider shall have the right for the equal benefit and protection of all Registered Owners of 2025 Bonds similarly situated and the Qualified Hedge Provider:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the Registered Owner's or Registered Owners' rights and the Qualified Hedge Provider's rights against the Water District and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the 2025 Bond Resolution or by the constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Water District, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owner of the 2025 Bonds and any Qualified Hedge Provider.

Limitation on Rights of Registered Owners and Qualified Hedge Provider. No one or more Registered Owners or any Hedge Provider secured hereby shall have any right in any manner whatever by such Registered Owner's or Qualified Hedge Provider's action to affect, disturb or prejudice the security granted and provided for, or to enforce any right hereunder, except in the manner provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds and any Qualified Hedge Provider.

Remedies Cumulative. No remedy conferred upon the Registered Owners or any Qualified Hedge Provider is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Registered Owner of any 2025 Bond or any Qualified Hedge Provider shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Registered Owner or any Qualified Hedge Provider to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the 2025 Bonds or any Qualified Hedge Provider by the 2025 Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Registered Owner or any Qualified Hedge Provider on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Registered Owner or any Qualified Hedge Provider, then, and in every such case, the Water District and the Registered Owners of the 2025 Bonds and any Qualified Hedge Provider shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the

Registered Owners and any Qualified Hedge Provider shall continue as if no such suit, action or other proceedings had been brought or taken.

Third Party Beneficiaries. Each Beneficial Owner shall be a third party beneficiary to the 2025 Bond Resolution and shall have ownership rights reserved to them under the applicable provisions of Section 17A of the Securities Exchange Act of 1934, and the same control, protections, remedies and privileges as given to the Registered Owners by the terms of the 2025 Bond Resolution, except for those functions as may be assigned to the Registered Owners to be exercised for the use and benefit of the Beneficial Owners by the rules relating to Beneficial Owners of securities that are applicable to DTC and its Participants as that term is defined in said rules and which are on file with the Securities and Exchange Commission, by the terms of the 2025 Bond Resolution, or as otherwise limited by applicable law or regulation.

No Obligation to Levy Taxes. Nothing contained in the 2025 Bond Resolution shall be construed as imposing on the Water District any duty or obligation to levy any taxes either to meet any obligation incurred or to pay the principal of or interest on the 2025 Bonds.

DEFEASANCE

When all of the 2025 Bonds shall have been paid and discharged, then the requirements contained in the 2025 Bond Resolution and the pledge of revenues made hereunder and all other rights granted hereby shall terminate. 2025 Bonds shall be deemed to have been paid and discharged within the meaning of the 2025 Bond Resolution if there shall have been deposited with the Paying Agent or a bank having trust powers, at or prior to the maturity or redemption date of said 2025 Bonds, in trust for and irrevocably appropriated thereto, moneys and/or direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America or as otherwise permitted under State law which, together with the interest to be earned on any such obligations, will be sufficient for the payment of the principal of said 2025 Bonds, the redemption premium thereon, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that the amount to be deposited for any Variable Rate Bonds issued by the Water District shall be an amount which in the opinion of Bond Counsel is sufficient to defease such Variable Rate Bonds in accordance with the supplemental resolution authorizing such Variable Rate Bonds; and provided, further that if any such 2025 Bonds shall be redeemed prior to the maturity thereof, the Water District shall have elected to redeem such 2025 Bonds and notice of such redemption shall have been given. Any moneys and obligations which at any time shall be deposited with said Paying Agent or bank by or on behalf of the Water District, for the purpose of paying and discharging any of the 2025 Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or bank in trust for the respective Registered Owners of the 2025 Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge of the 2025 Bond Resolution. All moneys deposited with the Paying Agent or bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the 2025 Bond Resolution.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. In the 2025 Bond Resolution the Water District covenants with the Original Purchaser and the Beneficial Owners of the 2025 Bonds to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the 2025 Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners of the 2025 Bonds.

Failure to Comply with Continuing Disclosure Requirements. In the event the Water District fails to comply in a timely manner with its continuing disclosure covenants, the Original Purchaser and/or any Beneficial Owner of the 2025 Bonds may make demand for such compliance by written notice to the Water District. In the event the Water District does not remedy such noncompliance within 10 days of receipt of such written notice, the Original Purchaser or any Beneficial Owner of the 2025 Bonds may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Original Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of

the duties of the Water District under the Continuing Disclosure Undertaking. Notwithstanding any other provision of the 2025 Bond Resolution, failure of the Water District to comply with its continuing disclosure covenants contained in the 2025 Bond Resolution shall not be considered an Event of Default under the 2025 Bond Resolution.

TAX COVENANTS

General Covenants. The Water District covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2025 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Chair of the Board, Secretary to the Board, and Director of Finance are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Water District. The Water District will, in addition, adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the 2025 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Water District.

Survival of Covenants. The covenants contained in the 2025 Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the 2025 Bonds pursuant to the 2025 Bond Resolution or any other provision of the 2025 Bond Resolution until such time as is set forth in the Federal Tax Certificate.

MISCELLANEOUS PROVISIONS

Amendments. The rights and duties of the Water District and the Registered Owners, and the terms and provisions of the Parity Bonds or of the Parity Bond Resolutions, may be amended or modified at any time in any respect by resolution of the Water District with the written consent of any applicable Equivalent Security Provider for the Parity Bonds and with written acknowledgement by any Rating Agency which has assigned a rating to the Parity Bonds at the request of the Water District that such amendment or modification will not, in and of itself, result in a downgrade of the current rating on the Parity Bonds, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Parity Bond;

(b) effect a reduction in the amount which the Water District is required to pay by way of principal of or interest on any Parity Bond;

(c) permit the creation of a lien on the Revenues of the Water System prior or equal to the lien of the Parity Bonds;

(d) permit preference or priority of any Parity Bonds over any other Parity Bonds; or

(e) reduce the percentage in principal amount of Parity Bonds required for the written consent to any modification or alteration of the provisions of the Parity Bond Resolutions.

Any provision of the 2025 Bonds or of the 2025 Bond Resolution may, however, be amended or modified by resolution duly adopted by the Board at any time in any respect with the written consent of any applicable Equivalent Security Provider and the Registered Owners of all of the 2025 Bonds at the time Outstanding.

Any and all modifications made in the manner provided shall not become effective until there has been filed with the Secretary to the Board a copy of the resolution of the Water District, duly certified, as well as proof of consent to such modification by any Equivalent Security Provider and, if required, the Registered Owners of the Parity Bonds then Outstanding.

Notices, Consents and Other Instruments by Registered Owners. Any notice, consent, request, direction, approval, objection or other instrument required by the 2025 Bond Resolution to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or

executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of the 2025 Bonds, if made in the following manner, shall be sufficient for any of the purposes of the 2025 Bond Resolution, and shall be conclusive in favor of the Water District and the Paying Agent and Bond Registrar with regard to any action taken, suffered or omitted under any such instrument, namely: (a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof or by affidavit of any witness to such execution; and (b) The fact of ownership of the 2025 Bonds, the amount or amounts, numbers and other identification of the 2025 Bonds, and the date of holding the same shall be proved by the Bond Register maintained by the Bond Registrar.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Inconsistent Provisions. As long as the 2017A Bonds, 2017B Bonds, 2019 Bonds, 2020 Bonds or KDHE Loans are Outstanding, the Water District shall comply with the terms and provisions of the applicable Parity Bond Resolutions (after giving effect to any future amendments of such Parity Bond Resolutions). In case any one or more of the provisions of the 2025 Bond Resolution or of the 2025 Bonds issued hereunder shall for any reason be inconsistent with the provisions of any Parity Bond Resolution, as amended, or any Parity Bonds: (a) the provisions of any Parity Bond Resolution, including any amendments thereto, adopted prior to or contemporaneously with the 2025 Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of the 2025 Bond Resolution shall prevail with respect to any Parity Bond Resolution adopted subsequent to the 2025 Bond Resolution, so long as any 2025 Bonds are Outstanding.

Electronic Transactions. The issuance of the 2025 Bonds and the transactions related thereto and described herein may be conducted and documents may be sent, received, executed and stored by electronic means.

Governing Law. The 2025 Bond Resolution shall be governed exclusively by and constructed in accordance with the applicable laws of the State.

AMENDMENTS TO 2025 BOND RESOLUTION

Upon the date on which no Parity Bonds issued prior to the Dated Date of the 2025 Bonds remain Outstanding, (a) the definitions of Annual Debt Service and Required Reserve Amount will be revised as described above under "**DEFINITIONS**" and (b) the Section above entitled "**GENERAL COVENANTS AND PROVISIONS – Consulting Engineer Report**" will be deleted from the 2025 Bond Resolution and the Water District will not be required to cause a Consulting Engineer to examine and report on the condition and operations of the Water System.

The purchasers and Registered Owners of the 2025 Bonds and any Parity Bonds issued after the Dated Date of the 2025 Bonds are deemed to have consented to such amendments by their purchase of such Bonds.

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WATER DISTRICT NO. 1 OF JOHNSON COUNTY, KANSAS
FINANCIAL STATEMENTS

DECEMBER 31, 2024

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Water District Board
Water District No. 1 of Johnson County, Kansas
Lenexa, Kansas

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Water District No. 1 of Johnson County, Kansas, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Water District No. 1 of Johnson County, Kansas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of Water District No. 1 of Johnson County, Kansas, as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Water District No. 1 of Johnson County, Kansas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Emphasis Of Matters

As discussed in Note 1 to the financial statements, Water District No. 1 of Johnson County, Kansas implemented the provisions of Governmental Accounting Standards Board Statement Number 100, *Accounting Changes and Error Corrections* and Governmental Accounting Standards Board Statement Number 101, *Compensated Absences*. Our opinions are not modified with respect to these matters.

Responsibilities Of Management For The Financial Statements

Water District No. 1 of Johnson County, Kansas' management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Water District No. 1 of Johnson County, Kansas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Water District No. 1 of Johnson County, Kansas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Water District No. 1 of Johnson County, Kansas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the schedule of changes in OPEB liability and related ratios on page 57 and the schedules of selected pension information of the employee retirement plan on pages 55 and 56 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional supplementary information on pages 58 through 64 but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RubinBrown LLP

March 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

This section of Water District No. 1 of Johnson County, Kansas' (WaterOne's) annual financial report presents an analysis of WaterOne's financial performance during the fiscal years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. This information is presented in conjunction with the audited financial statements which follow this section.

Financial Highlights

Operating revenues in 2024 were $157.36 million. Operating revenues in 2023 were $150.32 million.

Operating expenses in 2024 were $75.76 million, excluding depreciation. Operating expenses in 2023 were $73.33 million, excluding depreciation.

During 2024 and 2023, WaterOne received $22.22 million and $21.13 million, respectively, in capital contributions.

Investment income before unrealized gains and losses for 2024 was approximately $6.77 million compared to $4.58 million in 2023. The 2024 average funds invested of $146.45 million was less than the 2023 balance of $151.07 million and the 2024 rate of return of 4.61 percent was more than the 2023 rate of 3.03 percent.

WaterOne's capital assets were $1,282 million in 2024 compared to $1,248 million in 2023.

The debt service coverage ratio for Debt Service (excluding System Development Charges) was 4.14 for 2024, compared to 3.11 for 2023.

Overview Of The Financial Statements

The annual Financial Report is presented in the following sections: The Independent Auditor's Report, Management's Discussion and Analysis, Financial Statements with Notes, Required Supplementary Information and Supplementary Information.

Required Financial Statements

The financial statements of WaterOne utilize the full accrual basis of accounting. The financial statements conform to accounting principles that are generally accepted in the United States of America. The Statement of Net Position includes information on WaterOne's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to WaterOne's creditors (liabilities). The Statement of Revenues, Expenses, and Changes in Net Position identifies WaterOne's revenues, expenses, and capital contributions for the years ended 2024 and 2023. The other required financial statement is the Statement of Cash Flows. From the Statement of Cash Flows, the reader can obtain comparative information on the sources and uses of cash and the change in the cash balance for each of the last two fiscal years. This statement provides information on WaterOne's cash receipts, cash payments and changes in cash resulting from operations, investments, and financing activities.

Financial Analysis Of WaterOne

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide an indication of WaterOne's financial condition and indicate if the financial condition has improved over the previous year. WaterOne's total net position increased $73.59 million (6.18 percent) in 2024 and $64.81 million (5.75 percent) in 2023.

Table 1
Net Position
(Dollars In Thousands)

	December 31,		Variance		December 31,	Variance	
			Dollars	Percentage		Dollars	Percentage
	2024	2023	Increase (Decrease)		2022	Increase (Decrease)	
Capital assets	**$ 1,282,217**	$ 1,248,859	$ 33,358	2.67%	$ 1,201,278	$ 47,581	3.96%
Total special funds	**38,119**	36,536	1,583	4.33%	39,008	(2,472)	(6.34)%
Total current assets	**177,059**	164,801	12,258	7.44%	151,307	13,494	8.92%
Deferred outflows of resources	**27,843**	28,219	(376)	(1.33)%	18,012	10,207	56.67%
Total Assets And Deferred Outflows	**$ 1,525,238**	$ 1,478,415	$ 46,823	3.17%	$ 1,409,605	$ 68,810	4.88%
Long-term liabilities and other liabilities	**$ 213,929**	$ 235,399	$ (21,470)	(9.12)%	$ 232,264	$ 3,135	1.35%
Current liabilities	**39,612**	44,434	(4,822)	(10.85)%	42,025	2,409	5.73%
Deferred inflows of resources	**6,735**	7,215	(480)	(6.65)%	8,757	(1,542)	(17.61)%
Total Liabilities And Deferred Inflows Of Resources	**260,276**	287,048	(26,772)	(9.33)%	283,046	4,002	1.41%
Net investment in capital assets	**1,102,260**	1,053,904	48,356	4.59%	988,305	65,599	6.64%
Restricted	**36,034**	34,448	1,586	4.60%	32,446	2,002	6.17%
Unrestricted	**126,668**	103,015	23,653	22.96%	105,808	(2,793)	(2.64)%
Total Net Position (2023 restated)	**1,264,962**	1,191,367	73,595	6.18%	1,126,559	64,808	5.75%
Total Liabilities, Deferred Inflows Of Resources, And Net Position	**$ 1,525,238**	$ 1,478,415	$ 46,823	3.17%	$ 1,409,605	$ 68,810	4.88%

Table 2
Statement Of Revenues, Expenses, And Changes In Net Position
(Dollars In Thousands)

	December 31,		Variance		December 31,	Variance	
	2024	2023	**Dollars Increase (Decrease)**	**Percentage Increase (Decrease)**	2022	**Dollars Increase (Decrease)**	**Percentage Increase (Decrease)**
Operating revenues	**$ 157,355**	$ 150,325	$ 7,030	4.68%	$ 137,345	$ 12,980	9.45%
Operating expenses	**75,763**	73,539	2,224	3.02%	65,182	8,357	12.82%
Net Operating Income (Before Depreciation)	**81,592**	76,786	4,806	6.26%	72,163	4,623	6.41%
Depreciation/Amortization	**32,221**	31,928	293	0.92%	30,859	1,069	3.46%
Net Operating Income	**49,371**	44,858	4,513	10.06%	41,304	3,554	8.60%
Total other income	**8,114**	8,589	(475)	(5.53)%	871	7,718	886.11%
Total other expenses	**6,114**	6,537	(423)	(6.47)%	9,021	(2,484)	(27.54)%
Net Income Before Capital Contributions	**51,371**	46,910	4,461	9.51%	33,154	13,756	41.49%
Capital contributions	**22,223**	21,128	1,095	5.18%	25,125	(3,997)	(15.91)%
Change In Net Position	**73,594**	68,038	5,556	8.17%	58,279	9,759	16.75%
Beginning Net Position (2023 restated)	**1,191,367**	1,123,329	68,038	6.06%	1,068,279	55,050	5.15%
Ending Net Position	**$ 1,264,961**	$ 1,191,367	$ 73,594	6.18%	$ 1,126,558	$ 64,809	5.75%
Total Revenues	**$ 165,469**	$ 158,914			$ 138,216		
Total Expenses	**$ 114,098**	$ 112,004			$ 105,062		

The largest source of WaterOne's operating revenue is water sales. Additional sources of operating revenue include income received from late payment fees, administrative service charges, and miscellaneous income. WaterOne's other income is derived from interest income earned on WaterOne investments and gains and losses from investments.

Operating expenses are the expenses necessary to keep the water system in good repair and working order and include (but are not limited to) salaries, benefits, costs of materials, supplies, insurance, power and chemicals, and depreciation. Other expenses primarily include the payment of interest on WaterOne's outstanding Bonds.

Variances in water sales revenues from year to year are generally the product of three major factors: water rate changes, changes in customer consumption patterns due to weather influences, and changes in the number of customers.

1. **Water Rate Changes -** Effective January 1, 2024, WaterOne's retail water rates increased 4.8 percent. Effective January 1, 2023, WaterOne's retail water rates increased 5.8 percent.

2. **Changes In Customer Consumption Due To Weather Influences -** 2024 water sales were $155.01 million. Sales in 2024 were $16.57 million more than projected and $7.43 million more than those in 2023. 2023 water sales were $147.58 million. Sales in 2023 were $16.07 million more than projected and $11.89 million more than those in 2022. Approximately 62.82 percent of the water sales revenue was from sales to single-family residences. The remaining 37.18 percent represent sales to multifamily, commercial customers and one wholesale customer.

   Gallons sold in 2024 were 21.18 billion which was 0.17 billion less than gallons sold in 2023 and 1.58 billion more than projected. Gallons sold in 2023 were 21.35 billion which was 0.69 billion more than gallons sold in 2022 and 1.77 billion more than projected.

3. **Changes In The Number Of Customers -** Excluding temporary fire hydrant meters and wholesale customers, 1,299 new retail customers were added in 2024, which was 144 more than the 1,155 new customers added in 2023. The new 2023 customers were 338 less than the 1,493 new customers added in 2022. WaterOne served one wholesale customer in 2024 and 2023.

Investment income (before unrealized gain/loss on investments) increased from approximately $4.58 million in 2023 to $6.77 million in 2024. Investment income (before unrealized gain/loss on investments) increased from $1.34 in 2022 to approximately $4.58 million in 2023.

	2024	2023	2022
Average Funds Invested	146.5 Million	$151.1 Million	$143.01 Million
Average Rate Of Return	4.61%	3.03%	0.99%

As reflected on the Statement of Revenues, Expenses, and Changes in Net Position, the operating expenses for WaterOne are divided into the following five functional categories: Water Source, Treatment, and Pumping; Transmission and Distribution; Customer Service; Administrative and General; and Depreciation.

1. **Total Operating Expenses** (before depreciation) were $2.22 million (3.02 percent) more in 2024 than in 2023. The increase in operating expenses during 2024 was primarily due to an increase in retirement expenses due to plan changes.
    - **Water Source, Treatment, And Pumping** expenses were about $936,000 (2.45 percent) lower in 2024 than in 2023, primarily due to:
        - Power expenses in 2024 were approximately $680,000 lower than in 2023 due to a rate decrease from our largest power provider.
        - Labor costs in 2024 were lower than 2023 due to a reorganization of divisions and vacancies.
    - **Administrative And General** expenses were approximately $2.78 million (17.49 percent) higher in 2024 than in 2023 primarily due to:
        - Retirement costs increased $1.20 million due to plan changes for the defined benefit and the other post-employment benefits plans.
        - Contracted labor increased mainly due to implementation of a virtual information security officer (vISO).
    - **Transmission And Distribution** expenses were about $250,000 (1.89 percent) higher in 2024 than in 2023. The primary drivers were slightly lower labor costs offset by an increase in the maintenance costs for the distribution system.
    - **Customer Service** expenses were approximately $140,000 (2.14 percent) higher in 2024 than in 2023. The primary driver of the increase was an increase in retirement costs.

2. **Total Operating Expenses** (before depreciation) were $8.36 million (12.82 percent) more in 2023 than in 2022. The increase in operating expenses during 2023 was primarily due to a required defined benefit calculation, higher labor costs, increases in software fees, difficult events on the river, and increased gallons produced due to dry weather.
    - **Water Source, Treatment, And Pumping** expenses were $3.78 million (11.00 percent) higher in 2023 than in 2022, primarily due to:
        - Chemical expenses in 2023 were $1.71 million higher than in 2022. Increased water production requires more chemical utilization. Also, multiple river events in 2023 required increased chemical utilization.

- Power expenses in 2023 were about $900,000 higher than in 2022. Increased water production requires more power utilization.
- Maintenance and Other Treatment and Pumping expenses were approximately $690,000 higher in 2023 than in 2022. The primary driver of the increase was the required defined benefit contribution calculation.

- **Administrative And General** expenses were approximately $2.95 million (23.12 percent) higher in 2023 than in 2022. The primary drivers of the increase were the required defined benefit contribution calculation, temporary labor assistance due to retirements and a challenging labor market, and increased software fees.
- **Transmission And Distribution** expenses were about $810,000 (6.59 percent) higher in 2023 than in 2022. The primary driver of the increase was the required defined benefit contribution calculation.
- **Customer Service** expenses were approximately $600,000 (10.55 percent) higher in 2023 than in 2022. The primary driver of the increase was the required defined benefit contribution calculation.

Capital Contributions

Capital contributions are recognized as "Contributions" on the Statements of Revenues, Expenses, and Changes in Net Position. Capital contributions for the years 2024, 2023, and 2022 consisted of the following:

Table 3
Capital Contributions
(Dollars In Thousands)

	December 31,		Variance		December 31,	Variance	
			Dollars	Percentage		Dollars	Percentage
	2024	2023	**Increase (Decrease)**		2022	**Increase (Decrease)**	
Main extensions	**$ 7,825**	$ 8,969	$ (1,144)	(12.76)%	$ 14,025	$ (5,056)	(36.05)%
System development charges	**9,588**	9,223	365	3.96%	9,272	(49)	(0.53)%
Benefit areas	**152**	202	(50)	(24.75)%	88	114	129.55%
New services	**1,655**	1,683	(28)	(1.66)%	1,525	158	10.36%
Grant funds	**3,002**	1,050	1,952	185.90%	215	835	388.37%
Total Capital Contributions	**$ 22,222**	$ 21,127	$ 1,095	5.18%	$ 25,125	$ (3,998)	(15.91)%

Capital Assets

As of December 31, 2024, WaterOne's investment in net capital assets totaled $1.28 billion which is an increase of $34.36 million (2.75 percent) over the 2023 balance. Net capital assets in 2023 totaled $1.25 billion, which was an increase of $46.48 million (3.87 percent) over the 2022 balance of $1.20 billion. WaterOne's major capital assets includes land, infrastructure assets, water treatment facilities, water mains, services, hydrants, pump stations, reservoirs, administrative/service center facilities, fleet, and other general assets. A comparison of WaterOne's capital assets over the past three years is presented in Table 4 below.

Table 4
Capital Assets
(Dollars In Thousands)

	December 31, 2024	2023	Variance Dollars Increase (Decrease)	Variance Percentage Increase (Decrease)	December 31, 2022	Variance Dollars Increase (Decrease)	Variance Percentage Increase (Decrease)
Land	**$ 33,494**	$ 33,494	$ —	0.00%	$ 31,986	$ 1,508	4.71%
Intake, purification and pumping system	**489,063**	481,527	7,536	1.57%	476,952	4,575	0.96%
Transmission and distribution system	**1,095,837**	1,035,647	60,190	5.81%	980,651	54,996	5.61%
Buildings, improvements, furniture and equipment	**60,429**	55,940	4,489	8.02%	54,980	960	1.75%
Subscription assets	**—**	7,416	(7,416)	(100.00)%	7,416	—	n/a
Construction work in progress	**145,481**	148,928	(3,447)	(2.31)%	135,250	13,678	10.11%
Capital Assets Before Depreciation	**$ 1,824,304**	$ 1,762,952	$ 61,352	3.48%	$ 1,687,235	$ 75,717	4.49%
Less: Accumulated depreciation	**$ (542,087)**	$ (514,093)	$ (27,994)	5.45%	$ (485,957)	$ (28,136)	5.79%
Net Capital Assets (2023 restated)	**$ 1,282,217**	$ 1,248,859	$ 33,358	2.67%	$ 1,201,278	$ 47,581	3.96%

Additions to WaterOne's capital assets reflect a capital plan to replace and maintain existing facilities and equipment, adopt more efficient technologies, ensure compliance with applicable water quality rules and regulations and provide for the expansion of supply, treatment and distribution facilities per WaterOne's long-term capital expansion program.

Long-Term Debt

WaterOne finances its capital assets through a combination of water rates, investment income, system development charges and revenue bonds. As indicated in the Notes to Financial Statements, WaterOne's General Fund makes a monthly prorated deposit to the Principal and Interest Fund to fund the semi-annual principal and interest payments on the outstanding debt.

In 2024, the Second Lien bonds were rated Aaa by Moody's and AAA by Standard and Poor's.

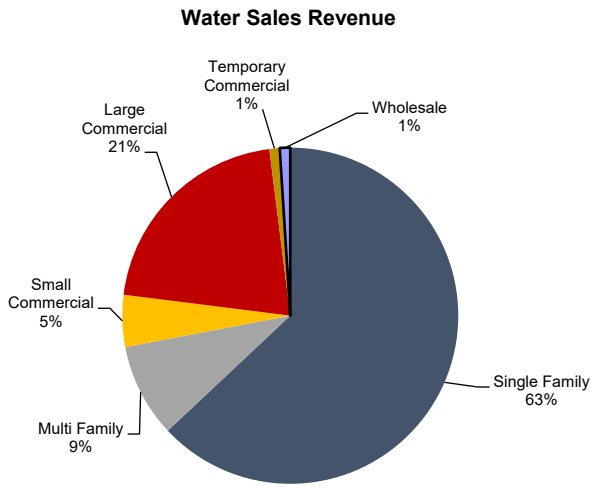
At the end of 2024, WaterOne had $169.38 million of outstanding bonds, compared to $186.33 million at the end of 2023. The decrease was the result of principal payments of $16.95 million.

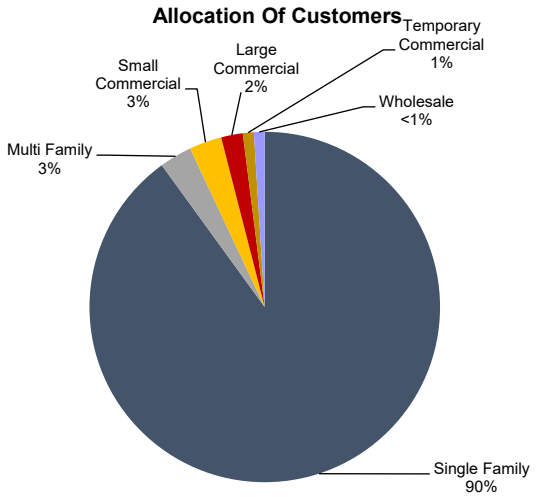
At the end of 2023, WaterOne had $186.33 million of outstanding bonds, compared to $207.03 million at the end of 2022. The decrease was the result of principal payments of $20.71 million.

As discussed in Note 4 of the Notes to Financial Statements, the current debt service schedule extends to 2042 and includes bonds with interest rates ranging from 2.00 percent to 5.00 percent. Bond covenants require that WaterOne maintain a debt service coverage ratio on its Water Revenue bonds of 1.25; however, current Board policy stipulates that the budgeted debt service coverage ratio be maintained at a minimum of 2.00 (before inclusion of System Development Charges). For 2024, the actual debt service coverage ratio for WaterOne's bonds (excluding System Development Charges) was 4.14 which was higher than the comparable ratio of 3.11 for 2023 and higher than the 2022 ratio of 3.38.

Economic Factors And Next Year's Projections And Rates

WaterOne's service territory includes approximately 272 square miles, located primarily in Johnson County, Kansas. In addition, WaterOne has the exclusive right to provide potable water to all or a portion of 17 municipalities as well as unincorporated areas. As of December 31, 2024, WaterOne served 155,853 customers compared to 154,573 customers served as of December 31, 2023 and 153,404 served as of December 31, 2022. As of December 31, 2024, 90.94 percent of the customers served were single-family residential homes.





Of annual water sales 62.82 percent were to single family residential homes, and the remaining 37.18 percent was scattered among many relatively small commercial users. For the year ended December 31, 2024, WaterOne's top 15 commercial customers contributed only 3.49 percent of total 2024 annual water sales revenue.

WaterOne budgets revenues and expenses based on anticipated water consumption for a "normal" weather year. Revenues for a given budget year need to be sufficient to provide funds for operation and maintenance expenses, debt service funding and annual capital expenditures. In addition, revenues for a given year may be budgeted to provide funds for contributions to the Master Plan capital program, the Transmission & Distribution capital program and/or the Negative Cash Flow Reserve. Finally, Board Policy #16 stipulates that rates must be at such a level that budgeted net operating income (before depreciation) combined with budgeted investment income must be at least two times the combined annual debt service for all of WaterOne's Revenue bonds.

WaterOne Contact Information

This financial report is designed to provide customers and creditors with a general overview of WaterOne's finances and to demonstrate accountability for the funds it receives. Anyone who has questions regarding this report or desiring additional information may contact:

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WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF NET POSITION
Page 1 Of 2

	For The Years Ended December 31,	
	2024	(As Restated) 2023
Assets And Deferred Outflows Of Resources		
Current Assets		
Cash, cash equivalents and short-term investments:		
Water system general fund	**$ 145,395,468**	$ 136,586,631
System development account	**2,861,881**	1,484,410
Accounts receivable and accrued water sales, net	**13,462,291**	11,920,422
Interest receivable	**1,328,391**	1,314,276
Materials and supplies	**8,485,069**	7,215,121
Contractor extension receivables	**3,182,684**	4,038,608
Prepayments and deposits	**2,342,957**	2,242,001
Total Current Assets	**177,058,741**	164,801,469
Noncurrent Assets		
Capital Assets		
Nondepreciable capital assets:		
Land	**33,494,265**	33,494,265
Construction in progress	**145,481,531**	148,927,588
Total nondepreciable capital assets	**178,975,796**	182,421,853
Capital assets, net of accumulated depreciation/amortization		
Intake, purification, and pumping system	**246,676,318**	251,770,030
Transmission and distribution system	**829,211,133**	784,088,876
Building, improvements, furniture, and equipment	**27,353,902**	25,578,166
Subscription assets	**—**	5,000,550
Total depreciable capital assets, net of accumulated depreciation/amortization	**1,103,241,353**	1,066,437,622
Net Capital Assets	**1,282,217,149**	1,248,859,475
Restricted Cash And Investments		
Special funds created by bond resolutions:		
Principal and interest	**698,977**	517,576
Second lien bond reserve fund	**13,401,510**	13,404,995
Water system general fund	**24,018,089**	22,613,055
Total Special Funds Created By Bond Resolutions	**38,118,576**	36,535,626
Total Noncurrent Assets	**1,320,335,725**	1,285,395,101
Total Assets	**1,497,394,466**	1,450,196,570
Deferred Outflows Of Resources		
Pensions	**21,077,366**	21,152,411
Other post employment benefits	**3,492,730**	3,423,037
Deferred amounts on refunding	**3,273,002**	3,643,132
Total Assets And Deferred Outflows Of Resources	**$ 1,525,237,564**	$ 1,478,415,150

See the notes to the financial statements.

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF NET POSITION
Page 2 Of 2

	For The Years Ended December 31,	
		(As Restated)
	2024	2023
Liabilities, Deferred Inflows Of Resources And Net Position		
Current Liabilities		
Accounts payable	**$ 11,898,807**	$ 14,743,377
Subscription liability	**—**	1,201,068
Customer advances for system development charges	**3,595,200**	3,085,000
Retainage on construction contracts	**616,984**	2,385,443
Current maturities of revenue bonds payable	**17,360,000**	16,945,000
Compensated employee absences	**2,033,496**	1,913,011
Other current liabilities	**4,107,590**	4,161,617
Total Current Liabilities	**39,612,077**	44,434,516
Noncurrent And Other Liabilities		
Bonds and Notes Payable, Net	**155,877,986**	169,833,219
Premium on revenue bonds payable	**6,646,076**	7,446,785
Customer advances for construction	**8,803,666**	9,244,863
Net pension liability	**19,802,874**	24,685,730
Subscription liability	**—**	3,805,511
Compensated employee absences	**4,673,831**	4,534,294
Other post-employment	**18,124,736**	15,848,175
Total Noncurrent And Other Liabilities	**213,929,169**	235,398,577
Total Liabilities	**253,541,246**	279,833,093
Deferred Inflows Of Resources		
Pensions	**752,091**	—
Other post employment benefits	**5,982,712**	7,215,427
Total Liabilities And Deferred Inflows Of Resources	**260,276,049**	287,048,520
Net Position		
Net investment in capital assets	**1,102,260,025**	1,053,903,807
Restricted by bond resolution	**36,033,984**	34,447,549
Unrestricted	**126,667,506**	103,015,274
Total Net Position	**1,264,961,515**	1,191,366,630
Total Liabilities, Deferred Inflows Of Resources And Net Position	**$ 1,525,237,564**	$ 1,478,415,150

See the notes to the financial statements.

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For The Years Ended December 31,	
	2024	(As Restated) 2023
Operating Revenues		
Water sales	**$ 155,007,429**	$ 147,576,430
Other operating revenues	**2,347,846**	2,748,381
Total Operating Revenues	**157,355,275**	150,324,811
Operating Expense		
Water source, treatment and pumping	**37,312,532**	38,248,489
Transmission and distribution	**13,321,641**	13,074,223
Customer service	**6,478,661**	6,343,091
Administrative and general	**18,649,986**	15,873,249
Depreciation/Amortization of utility plant and subscription assets	**32,220,845**	31,927,791
Total Operating Expense	**107,983,665**	105,466,843
Operating Income	**49,371,610**	44,857,968
Nonoperating Revenues (Expense)		
Investment income	**7,030,649**	7,425,091
Miscellaneous, net	**282,814**	186,557
Bond interest expense	**(4,424,908)**	(5,153,236)
Amortization expense - refunded bonds	**(370,129)**	(370,129)
Amortization of premiums	**800,734**	976,700
Loss on disposal of capital assets	**(1,318,801)**	(1,013,221)
Net Nonoperating Revenues (Expense)	**2,000,359**	2,051,762
Income Before Capital Contributions	**51,371,969**	46,909,730
Capital Contributions	**22,222,916**	21,127,519
Change In Net Position	**73,594,885**	68,037,249
Net Position - Beginning of Year	**1,191,366,630**	1,123,329,381
Net Position - End of Year	**$ 1,264,961,515**	$ 1,191,366,630

See the notes to the financial statements.

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF CASH FLOWS
Page 1 Of 2

	For The Years Ended December 31,	
	2024	(As Restated) 2023
Cash Flows From Operating Activities		
Receipts from customers	**$ 155,589,722**	$ 149,517,697
Payments to suppliers	**(47,932,743)**	(45,973,247)
Payments to employees	**(29,468,788)**	(23,612,372)
Net Cash Provided By Operating Activities	**78,188,191**	79,932,078
Cash Flows Provided By Noncapital Financing Activities, Miscellaneous	**282,817**	310,291
Cash Flows From Capital And Related Financing Activities		
Proceeds from sale of capital assets	**196,987**	—
System development charges	**10,097,900**	8,010,000
Acquisition and construction of capital assets	**(62,643,265)**	(58,710,796)
Principal payments on revenue bonds	**(16,945,000)**	(20,705,000)
Interest payments on revenue bonds	**(4,424,908)**	(5,153,236)
Payments on subscriptions (including interest)	**—**	(1,437,086)
Net Cash Used In Capital And Related Financing Activities	**(73,718,286)**	(77,996,118)
Cash Flows From Investing Activities		
Purchase of short-term investments	**(88,429,237)**	(92,732,516)
Interest received on investments	**6,758,106**	3,983,846
Maturities of short-term investments	**85,390,000**	87,646,000
Net Cash Provided By (Used In) Investing Activities	**3,718,869**	(1,102,670)
Net Increase In Cash	**8,471,591**	1,143,581
Cash - Beginning Of Year	**15,236,510**	14,092,929
Cash - End Of Year	**$ 23,708,101**	$ 15,236,510
Investments	**$ 162,667,824**	$ 159,370,157
Cash	**23,708,101**	15,236,510
Total Cash And Investments	**$ 186,375,925**	$ 174,606,667
Principal and interest fund - restricted	**$ 698,977**	$ 517,576
Water system general fund	**145,395,468**	136,586,631
Water system general fund - restricted	**24,018,089**	22,613,055
Cash bond reserve fund - restricted	**13,401,510**	13,404,995
System development account	**2,861,881**	1,484,410
	$ 186,375,925	$ 174,606,667

See the notes to the financial statements.

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF CASH FLOWS
Page 2 Of 2

	For The Years Ended December 31,	
		(As Restated)
	2024	2023
Net Cash From Operating Activities		
Reconciliation of operating income to net cash from operating activities:		
Operating income	**$ 49,371,610**	$ 44,857,968
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	**32,220,845**	31,927,791
Changes in assets and liabilities:		
Receivables and accrued water sales	**(1,765,554)**	(807,114)
Materials and supplies	**(1,097,760)**	1,152,510
Prepayments, deposits, net pension and OPEB liability	**(3,214,009)**	2,574,015
Other assets	**468,249**	(86,150)
Accounts payable	**1,969,099**	(51,908)
Other liabilities and compensation	**235,711**	364,966
Net Cash Provided By Operating Activities	**$ 78,188,191**	$ 79,932,078
Noncash capital and related financing activities:		
Property contributed to WaterOne	**$ 12,635,216**	$ 11,904,594
Capital assets related to retainage payable	**(1,768,459)**	1,491,492
Capital assets related to accounts payable	**(4,813,671)**	5,990,065
Noncash retirement of capital assets	**1,508,334**	1,012,532
Noncash investing activities:		
Appreciation of fair value	**258,430**	2,842,982

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF FIDUCIARY NET POSITION
Pension Trust Fund

	December 31,	
	2024	2023
Assets		
Cash	**$ 76,770**	$ 54,438
Mutual Funds	**64,777,474**	51,946,122
Due from brokers	**249,414**	449,202
Total Assets	**65,103,658**	52,449,762
Liabilities		
Due to brokers	**326,184**	503,640
Net Position Restricted For Pensions	**$ 64,777,474**	$ 51,946,122

See the notes to the financial statements.

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Pension Trust Fund

	For The Years Ended December 31,	
Additions	**2024**	2023
Contributions		
Employer contributions	**$ 8,762,356**	$ 2,876,250
Employee contributions	**—**	512,077
Total Contributions	**8,762,356**	3,388,327
Investment Income (Expense)		
Interest	**200,865**	151,534
Dividends	**1,317,228**	995,319
Realized gain (loss)	**582,366**	507,563
Unrealized gain (loss)	**5,746,563**	5,875,554
Investment expense	**(197,925)**	(189,816)
Total Investment Income (Expense), Net	**7,649,097**	7,340,154
Total Additions	**16,411,453**	10,728,481
Deductions		
Benefits paid	**3,580,101**	2,745,131
Total Deductions	**3,580,101**	2,745,131
Net Increase In Fiduciary Net Position	**12,831,352**	7,983,350
Net Position Restricted For Pensions - Beginning Of Year	**51,946,122**	43,962,772
Net Position Restricted For Pensions - End Of Year	**$ 64,777,474**	$ 51,946,122

See the notes to the financial statements.

Note 1. Summary Of Significant Accounting Policies

Water District No. 1 of Johnson County, Kansas (WaterOne) is a water utility that provides service to 155,853 and 154,573 customers as of December 31, 2024 and 2023, respectively. WaterOne was organized on November 2, 1953 as a quasi-municipal body corporate with the power of eminent domain. WaterOne is governed by a seven-member Water District Board. Election is for overlapping terms voted on by the qualified electors residing in the WaterOne service area.

Reporting Entity

WaterOne defines its reporting entity to include all component units for which WaterOne's governing body is financially accountable. A primary government is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit or the relationship has the potential for creating specific financial benefits to, or imposing specific financial burdens on, the primary government. WaterOne's financial reporting entity consists of the utility and its component unit: the Water District No. 1 of Johnson County (Kansas) Sixth Revised Retirement Plan and the Water District No. 1 of Johnson County Cash Balance Plan (collectively, the Plan).

The Plan is a single employer, defined benefit pension plan, as discussed further in Note 7. The Plan is a legally separate trust. The Plan is included in WaterOne's financial reporting entity because it is ultimately governed by WaterOne's board, and WaterOne has a financial burden related to the Plan because it is legally obligated to make contributions to the plan in order to provide future benefits to the Plan's participants.

In accordance with GASB Statement No. 84, Fiduciary Activities, the balances and transactions of this component unit are presented in a separate fiduciary fund (the Pension Trust Fund). The Plan does not issue a stand-alone financial report.

Basis Of Accounting

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. WaterOne has authority to issue bonded debt without the approval of another government. It has the right to sue and be sued and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, WaterOne is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

WaterOne accounts for the water utility as a governmental enterprise fund. The economic resources measurement focus and accrual basis of accounting is utilized, under which revenues are recognized when earned, and expenses are recorded when liabilities are incurred or deferred charges are amortized. Under this basis of accounting, all assets and all liabilities associated with the operation of WaterOne are included in the statement of net position.

The Financial Statements of the Pension Trust Fund have been prepared using the economic resources measurement focus accrual basis of accounting. Benefits and refunds are recognized when due and payable. Investments are reported at fair value.

WaterOne follows accounting principles and financial reporting requirements as established by the Governmental Accounting Standards Board (GASB).

WaterOne prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as applied to regulated utilities. The accounting and rates of WaterOne are established by the Water District Board.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. Non-operating revenues and expenses include those derived from capital and related financing activities, non-capital financing activities, and investing activities.

When both restricted and unrestricted resources are available for use, it is WaterOne's policy to use restricted resources first and then unrestricted resources, as they are needed.

Capital Assets

Utility plant is stated at cost, or cost of construction, including overhead costs. WaterOne does not capitalize interest during construction. Fully depreciated plant and equipment are included in the accounts until their disposal. WaterOne recognizes a lease liability and an intangible right-to-use lease asset at the commencement of a qualifying lease term. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset. WaterOne's capitalization threshold is $5,000 for all capital assets other than lease assets. The capitalization threshold is $40,000 for all lease assets. There were no lease assets at December 31, 2024 or 2023.

Depreciation is provided on the straight-line method using the following useful lives:

Intake, purification and pumping system	20 - 100 years
Transmission and distribution systems	10 - 100 years
Buildings, improvements, furniture and equipment	3 - 50 years

Accounts Receivable And Unbilled Revenue

WaterOne utilizes cycle billing and accrues an estimated amount of revenues for sales unbilled at the end of each reporting period. The unbilled amount plus any amounts billed to customers but not yet received by WaterOne is recorded as accounts receivable and accrued water sales. The unbilled amount plus any amounts billed to customers but not yet received by WaterOne is recorded as accounts receivable and accrued water sales, net of an allowance for uncollectable accounts of $55,000 as of December 31, 2024 and 2023.

Investments

Authorized investments consist of direct obligations of the United States of America, debt obligations of certain United States Government Sponsored Enterprises (Agencies) and collateralized bank certificates of deposit. Investments are reported at fair value, based on quoted market prices.

Special Funds Created By Bond Resolutions

Special funds created by bond resolutions consist of cash and investments restricted for debt service on WaterOne's outstanding bonds (P & I Fund), bond reserve funds, and bond covenant required reserves in the general fund.

Materials And Supplies

Materials and supplies inventories are reported at average cost.

Unamortized Refunding Charges

Deferred amounts related to gains or losses from refunding debt are classified as Deferred Outflows or Inflows of Resources and are amortized over the shorter of either 1) the original life of the refunded debt or 2) the life of the refunding debt.

Bond Premium

Bond premiums are amortized over the life of the related issue using a method which approximates the interest method.

Cash And Cash Equivalents

WaterOne considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Leases

Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, and less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that WaterOne will exercise that option. WaterOne has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred. These leases are not included as lease liabilities or right-to-use lease assets. For individual lease contracts where information about the discount rate implicit in the lease is not included, WaterOne has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Lease receivables are reported for lease arrangements in which WaterOne is providing the right for another entity to use its nonfinancial assets as stated in a contract for a period of time in an exchange or exchange like transaction. An allowance for uncollectible leases is determined by identifying known leases that will not be collected and by estimating the remaining leases that are likely not to be collected.

There were no material lease liabilities or receivables at December 31, 2024 or 2023.

New Accounting Standard - Accounting Changes And Error Corrections

Effective January 1, 2024, WaterOne implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The change in accounting principle for WaterOne's compensated absences has been applied in accordance with this standard.

New Accounting Standard - Compensated Absences

Effective for fiscal years beginning after December 15, 2023, WaterOne retroactively implemented GASB Statement No. 101, *Compensated Absences*. This new statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The guidance states that a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. WaterOne's has two main leave types that qualify for liability recognition for compensated absences – vacation and sick leave.

Vacation

Under the terms of WaterOne's personnel policy, employees are granted vacation in varying amounts. In the event of retirement or termination, an employee is paid for accumulated vacation if proper notice is given by the employee.

Sick Leave

Under the terms of WaterOne's personnel policy, employees are granted sick leave in varying amounts. In the event of retirement or termination, sick leave is not paid out. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

The cumulative effect of the change from adopting GASB 101 on periods prior to those presented is reported as a restatement of beginning net position of the earliest period presented. The application of GASB 101 impacted financial statement line items such as construction in progress because labor costs are applied to construction projects. Identification of the financial statement line items (excluding totals and subtotals) affected by the application of GASB Statement 101 is summarized in the following table:

	2023 As Previously Reported	Additions	Reductions	2023 Restated Balance
Statement of Net Position				
Noncurrent Assets				
Capital Assets				
Construction in progress	$ 147,925,513	$ 1,002,075	$ -	$ 148,927,588
Liabilities, Deferred Inflows Of Resources And Net Position				
Current Liabilities				
Accounts Payable	$ 14,427,742	$ 315,635	$ -	$ 14,743,377
Compensated Employee Absences	$ 2,321,350	$ -	$ (408,339)	$ 1,913,011
Noncurrent And Other Liabilities				
Compensated Employee Absences	$ -	$ 4,534,294	$ -	$ 4,534,294
Net Position				
Unrestricted Net Position	$ 106,454,789	$ -	$ (3,439,515)	$ 103,015,274
Statements of Revenues, Expenses, and Changes in Net Position				
Operating Expense				
Water source, treatment and pumping	$ 38,170,628	$ 77,861	$ -	$ 38,248,489
Transmission and distribution	$ 13,145,277	$ -	$ (71,054)	$ 13,074,223
Customer service	$ 6,317,297	$ 25,794	$ -	$ 6,343,091
Administrative and general	$ 15,696,446	$ 176,803	$ -	$ 15,873,249
Net Position - Beginning	$ 1,126,559,492	$ -	$ (3,230,111)	$ 1,123,329,381
Statement of Revenues, Expenses, and Changes in Net Position				
Cash Flows From Operating Activities				
Payments to suppliers	$ (46,019,384)	$ -	$ 46,137	$ (45,973,247)
Cash Flows From Capital And Related Financing Activities				
Acquisition and construction of capital assets	$ (58,664,659)	$ (46,137)	$ -	$ (58,710,796)
Net Cash From Operating Activities				
Reconciliation of operating income to net cash from operating activities:				
Operating income	$ 45,067,372	$ -	$ (209,404)	$ 44,857,968
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in assets and liabilities:				
Accounts payable	$ (70,068)	$ -	$ 18,160	$ (51,908)
Other liabilities and compensation	$ 127,586	$ 237,380	$ -	$ 364,966

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Water District No. 1 of Johnson County, Kansas Sixth Revised Retirement Plan and the Water District No. 1 of Johnson County Cash Balance Plan (collectively, the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Water District No. 1 of Johnson County, Kansas Other Postemployment Benefit Plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The Plan is not funded, therefore the Plan has no fiduciary net position to report.

Use Of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the financial statements. Net investment in capital assets consists of capital assets and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt used for acquisition, construction, or improvement of those assets and any other related liabilities. Net investment in capital assets excludes unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Any remaining net position is considered unrestricted.

Note 2. Capital Assets

Capital asset activity for the year ended December 31, 2024 is as follows:

	(As Restated) Balance - December 31, 2023	Increases	Decreases	Balance - December 31, 2024
Capital assets not being depreciated:				
Land	$ 33,494,265	$ —	$ —	$ 33,494,265
Construction work in progress	148,927,588	72,100,862	(75,546,919)	145,481,531
Total	182,421,853	72,100,862	(75,546,919)	178,975,796
Capital assets being depreciated:				
Intake, purification and pumping system	481,527,077	7,552,216	(16,573)	489,062,720
Transmission and distribution systems	1,035,646,659	62,587,554	(2,397,086)	1,095,837,127
Building, improvements, furniture and equipment	55,941,470	5,407,149	(919,992)	60,428,627
Subscription assets	7,415,900	—	(7,415,900)	—
Total	1,580,531,106	75,546,919	(10,749,551)	1,645,328,474
Less accumulated depreciation for:				
Intake, purification, and pumping system	229,757,047	12,640,797	(11,442)	242,386,402
Transmission and distribution systems	251,557,783	15,950,921	(882,710)	266,625,994
Building, improvements, furniture and equipment	30,363,304	3,629,127	(917,706)	33,074,725
Subscription assets	2,415,350	—	(2,415,350)	—
Total	514,093,484	32,220,845	(4,227,208)	542,087,121
Total capital assets being depreciated/amortized, net	1,066,437,622	43,326,074	(6,522,343)	1,103,241,353
Net Capital Assets	$ 1,248,859,475	$ 115,426,936	$ (82,069,262)	$ 1,282,217,149

Capital asset activity for the year ended December 31, 2023 is as follows:

	Restated Balance - December 31, 2022	Increases	Decreases	Restated Balance - December 31, 2023
Capital assets not being depreciated:				
Land	$ 31,986,350	$ 1,507,915	$ —	$ 33,494,265
Construction work in progress	136,205,534	87,517,600	(74,795,546)	148,927,588
Total	168,191,884	89,025,515	(74,795,546)	182,421,853
Capital assets being depreciated:				
Intake, purification and pumping system	476,951,772	4,575,305	—	481,527,077
Transmission and distribution systems	980,651,347	57,379,833	(2,384,521)	1,035,646,659
Building, improvements, furniture and equipment	54,980,264	3,380,733	(2,419,527)	55,941,470
Subscription assets	7,415,900	—	—	7,415,900
Total	1,519,999,283	65,335,871	(4,804,048)	1,580,531,106
Less accumulated depreciation/amortization for:				
Intake, purification, and pumping system	217,726,293	12,030,754	—	229,757,047
Transmission and distribution systems	237,825,590	15,104,182	(1,371,989)	251,557,783
Building, improvements, furniture and equipment	29,249,641	3,533,190	(2,419,527)	30,363,304
Subscription assets	1,155,685	1,259,665	—	2,415,350
Total	485,957,209	31,927,791	(3,791,516)	514,093,484
Total capital assets being depreciated/amortized, net	1,034,042,074	33,408,080	(1,012,532)	1,066,437,622
Net Capital Assets	$ 1,202,233,958	$ 122,433,595	$ (75,808,078)	$ 1,248,859,475

Note 3. Deposits And Investments

Kansas statutes authorize WaterOne, with certain restrictions, to deposit or invest in various accounts and instruments. Pursuant to WaterOne's bond resolutions, operating funds and bond funds are to be invested in direct obligations of the United States of America or any agency thereof, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, including debt obligations of the Government National Mortgage Association.

Operating and bond funds may also be invested in debt obligations of United States Government Sponsored Enterprises (GSE). Operating and bond funds may also be invested in collateralized repurchase agreements which are collateralized at 100 percent of fair market value by direct obligations of the United States of America or any agency thereof or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, or by debt obligations of United States GSE.

Operating and bond funds may be invested in Municipal General Obligation Bonds issued by any municipality of the state of Kansas defined in KSA 10-1101. Bonds must have a minimum rating at the time of purchase as follows from at least one rating agency:

Rating Agency	Minimum Rating
Moody's	A3
Standard & Poor's	A-
Fitch Ratings	A-

Operating and bond funds may also be invested in guaranteed investment contracts (GICs) with any bank, non-bank financial institution, or insurance company that has long-term debt (or claims paying ability for insurance companies) rated at least "A" or "A2" by Standard & Poor's or Moody's, respectively. In the case of a guaranteed corporation, the long-term debt (or claims-paying ability for insurance companies) of the guarantor must be rated at least "A" or "A2" by Standard & Poor's or Moody's, respectively. Upon downgrade below these ratings, the GIC provider must either post collateral or assign the agreement to a provider meeting the rating qualifications above. Acceptable collateral and margin requirements, if any, are to be specified in the GIC agreement.

Statutes also require that collateral pledged for deposits must have a fair market value equal to 100.00 percent, less insured amounts, and must be assigned for the benefit of WaterOne. Acceptable collateral is limited to securities that are direct obligations of the United States of America or any agency thereof, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America including U.S. Treasuries and debt obligations of the Government National Mortgage Association, or debt obligations of United States GSE.

Deposits

As of December 31, 2024 and 2023, the bank balance of WaterOne's deposits were $23,996,208 and $16,119,358, respectively, which were covered by federal depository insurance or by collateral held by the Federal Reserve Bank in WaterOne's name under a joint custody arrangement with WaterOne's bank.

Investments

All of WaterOne's investments are registered and held by WaterOne or its agent in WaterOne's name. A summary of investments and deposits of the Business-Type Activity as of December 31, 2024 and 2023 is as follows:

Business-Type Activity	Fair Value/Carrying Value 2024	2023	Moody's / Standard & Poor's Rating
U.S. Treasury securities	**$ 109,906,023**	$ 82,935,215	N/A
Federal Home Loan Bank securities	**20,007,760**	44,905,010	Aaa/AA+
Federal Home Loan Discount Note	**2,966,333**	—	P-1/A-1+
Federal Farm Credit Bank	**22,913,528**	24,901,592	Aaa/AA+
Federal National Mortgage Association	**6,874,180**	6,628,340	Aaa/AA+
Deposits	**23,707,801**	15,236,210	N/A
Petty cash	**300**	300	N/A
	$ 186,375,925	$ 174,606,667	

The investments and deposits at December 31, 2024 and 2023 are shown on the statement of net position as follows:

	2024	2023
Cash and temporary investments:		
General account	**$ 145,395,467**	$ 136,586,631
System development account	**2,861,881**	1,484,410
Special funds created by bond resolutions	**38,118,577**	36,535,626
	$ 186,375,925	$ 174,606,667

A summary of investments and deposits of the Pension Trust Fund as of December 31, 2024 and 2023 is as follows:

Pension Trust Fund	Fair Value/Carrying Value 2024	2023
Mutual Fund - Domestic Equity	**$ 33,388,710**	$ 26,621,227
Mutual Fund - Fixed Income	**19,381,490**	15,463,164
Mutual Fund - International Equity	**8,367,698**	6,695,826
Mutual Fund - Money Market	**3,639,576**	3,165,905
Deposits	**76,770**	54,438
	$ 64,854,244	$ 52,000,560

Fair Value

WaterOne categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

WaterOne has the following recurring fair value measurements as of December 31, 2024 and 2023:

- U.S. Treasury securities of $109,906,023 and $82,935,215, respectively, valued using quoted market prices (Level 1 inputs).
- Government Agency securities of $52,761,801 and $76,434,942, respectively, valued using quoted market prices (Level 1 inputs).

The Pension Plan has the following recurring fair value measurements as of December 31, 2024 and 2023:

- Mutual Funds - Domestic Equity, Fixed Income, and International Equity Funds of $61,137,898 and $48,780,217, respectively, valued using quoted market prices (Level 1 inputs).
- Money Market Mutual Funds of $3,639,576 and $3,165,905, respectively, valued at amortized cost.

Credit Risk And Concentration Of Credit Risk

Credit risk is the risk that the counterparty will not fulfill its obligations. WaterOne limits credit risk and concentration of credit risk by investing only in obligations explicitly guaranteed by the U.S. government, which are not considered to have credit risk, and obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Government National Mortgage Association and Federal Farm Credit Bank. As of December 31, 2024, WaterOne held 12.3% of its investment securities in Federal Home Loan Bank securities, 1.82% in Federal Home Loan Discount Note, 14.09% in Federal Farm Credit Bank securities, 4.23% in Federal National Mortgage Association securities, with the remainder being held in U.S Treasury Securities. As of December 31, 2023, WaterOne held 28.18% of its investment securities in Federal Home Loan Bank securities, 15.63% in Federal Farm Credit Bank securities, 4.16% in Federal National Mortgage Association securities, with the remainder being held in U.S Treasury Securities.

The Pension Plan's investment policy does not address credit risk and concentration of credit risk. The Pension Plan's investments in the category of Mutual Fund - Fixed Income are unrated. Because the Pension Plan's investments are in mutual funds, the investments of the Pension Plan are not exposed to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of WaterOne's investments will decrease as a result of an increase in interest rates. In accordance with Kansas Statute 12-1675(4), WaterOne manages its exposure to declines in fair values by limiting the total remaining maturity of any single investment to less than two years, with the exception of reserve funds which may be invested in longer maturities to coincide with the expected use of funds, and by structuring the portfolio so that securities mature to meet cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity.

The weighted average maturity in years of investments is 1.05 and 1.07 as of December 31, 2024 and 2023, respectively.

The Pension Plan's investment policy does not address interest rate risk. The weighted average maturity in years of fixed income mutual funds held by the Pension Plan is 5.00 years at December 31, 2024 and 5.28 years at December 31, 2023.

Custodial Credit Risk

Custodial credit risk is the risk that WaterOne will not recover its investments due to the inability of the counterparty to fulfill its obligation. WaterOne's deposits up to $250,000 are guaranteed by depository insurance and balances above this threshold are collateralized with U.S. government securities held by the counterparty in WaterOne's name.

The Pension Plan's investment policy does not address custodial credit risk.

Note 4. Bonds and Notes Payable

Bonded Indebtedness

Details of revenue bonds outstanding at December 31, 2024 and 2023 are as follows:

Outstanding Bonds	Original Principal	Principal 2024	Principal 2023
Water revenue refunding bonds:			
Series 2017A (2.0% to 5.0%), due 2018 - 2033	$ 110,205,000	$ 57,965,000	$ 61,580,000
Series 2019 (2.0% to 4.0%), due 2020 - 2030	18,610,000	9,510,000	12,210,000
Series 2020 (3.0% to 5.0%), due 2021 - 2033	87,255,000	69,450,000	78,720,000
Water revenue improvement bonds:			
Series 2017B (2.0% to 5.0%), due 2018 - 2042	40,105,000	32,455,000	33,815,000
	$ 256,175,000	169,380,000	186,325,000
Less principal amount of bonds payable within one year		17,360,000	16,945,000
		$ 152,020,000	$ 169,380,000

Principal maturities occur twice a year on January 1 and July 1.

The annual requirement to retire the revenue bonds outstanding as of December 31, 2024 is as follows:

Year Ending December 31:	Principal	Interest	Total
2025	$ 17,360,000	$ 4,008,104	$ 21,368,104
2026	17,820,000	3,547,625	21,367,625
2027	18,170,000	3,199,174	21,369,174
2028	18,480,000	2,885,589	21,365,589
2029	18,805,000	2,562,729	21,367,729
2030 - 2034	62,795,000	6,214,110	69,009,110
2035 - 2039	10,310,000	1,994,588	12,304,588
2040 - 2042	5,640,000	297,500	5,937,500
	$ 169,380,000	$ 24,709,419	$ 194,089,419

Following is a schedule of bond activity in 2024:

	Balance - January 1, 2024	Bonds Issued	Principal Payments	Bonds Retired	Balance - December 31, 2024	Debt Due Within One Year	Interest Paid
Water revenue refunding bonds:							
Series 2017A	$ 61,580,000	$ —	$ 3,615,000	$ —	$ 57,965,000	$ 3,890,000	$ 1,907,500
Series 2019	12,210,000	—	2,700,000	—	9,510,000	2,785,000	455,200
Series 2020	78,720,000	—	9,270,000	—	69,450,000	9,255,000	960,752
Water revenue improvement bonds:							
Series 2017B	33,815,000	—	1,360,000	—	32,455,000	1,430,000	1,101,456
	$ 186,325,000	$ —	$ 16,945,000	$ —	$ 169,380,000	$ 17,360,000	$ 4,424,908

Following is a schedule of bond activity in 2023:

	Balance - January 1, 2023	Bonds Issued	Principal Payments	Bonds Retired	Balance - December 31, 2023	Debt Due Within One Year	Interest Paid
Water revenue refunding bonds:							
Series 2017A	$ 68,220,000	$ —	$ 6,640,000	$ —	$ 61,580,000	$ 3,615,000	$ 2,239,500
Series 2019	13,920,000	—	1,710,000	—	12,210,000	2,700,000	523,600
Series 2020	84,600,000	—	5,880,000	—	78,720,000	9,270,000	997,905
Water revenue improvement bonds:							
Series 2014	5,180,000	—	5,180,000	—	-	—	225,400
Series 2017B	35,110,000	—	1,295,000	—	33,815,000	1,360,000	1,166,831
	$ 207,030,000	$ —	$ 20,705,000	$ —	$ 186,325,000	$ 16,945,000	$ 5,153,236

The 2017A, 2017B, 2019, and 2020 Series Bonds have early redemption provisions at the option of WaterOne. The 2017B and 2019 Series Bonds have certain mandatory sinking fund provisions beginning in 2029 and 2021, respectively. All outstanding Water Revenue Refunding and Water Revenue Improvement Bond Series constitute a lien on the water supply and distribution system and on the revenue produced by the system.

Under terms of the Second Lien Bond resolution, WaterOne must maintain debt service coverage of at least 1.25 times the annual debt service requirement. Under the formula for computing debt service coverage in the Bond resolutions, 2024 net revenues designated as available to meet debt service requirements (operating income before depreciation, plus system development charges and interest income) equaled 4.59 times the annual Second Lien debt service requirement.

The revenue bond resolutions also require that, after all amounts due for operation and maintenance expenses are paid, certain monies be segregated or restricted in special reserves and accounts, as follows:

WaterOne shall deposit on the first day of each month, into the principal and interest account, such amount equal to not less than the pro rata amount of interest and principal that will become due on the bonds on the next succeeding payment date plus amounts that may be required for fiscal agent fees and expenses.

WaterOne shall maintain bond reserve funds for Second Lien Bonds. The funds shall consist of either cash or equivalent security irrevocably available as long as the bonds remain outstanding. The reserve requirement for each fund is equal to the lesser of the maximum annual debt service or 125 percent of the average annual debt service for the respective group of Second Lien bonds. As of December 31, 2024 and 2023, there was $0 and $3,485 in the 2014 Bond Reserve, respectively. As of December 31, 2024 and 2023, there was $5,920,713 in the 2017A Bond Reserve, $2,084,592 in the 2017B Bond Reserve, $1,033,455 in the 2019 Bond Reserve, and $4,362,750 in the 2020 Bond Reserve.

After all the requirements in the preceding provisions have been met, the remaining monies may be expended for any lawful purpose, provided WaterOne maintains a general fund balance sufficient to provide for renewal and replacement costs, operating expenses, material purchases and unfunded contracts and contingencies in an amount equal to 1/6 of budgeted revenue requirements.

As of December 31, WaterOne had committed cash and short-term investments as provided by bond resolutions or Board actions as follows:

	2024	2023
General Fund cash and short-term investments	**$ 169,413,557**	$ 159,199,686
Less funds reserved by bond resolution (Section 703)	**24,018,089**	22,613,055
General Fund after bond resolution reserves (Section 703)	**$ 145,395,468**	$ 136,586,631

WaterOne, by Board action, can reserve remaining general funds to cover negative cash flows, to fund a Rate Stabilization Reserve, and to provide a reserve for current and future Master Plan construction projects as well as Transmission and Distribution projects. The reserving of these Master Plan and Transmission and Distribution funds reduces the necessity or size of future bond issues, thus reducing future debt service expense, and provides funding for the obligations of construction and other related contracts that have been awarded.

Additionally, WaterOne, by Board resolution, has established an account consisting of revenues collected from system development charges for the purpose of funding major improvements to the supply and distribution system. As of December 31, 2024 and 2023, the account totaled $2,861,881 and $1,484,410, respectively.

In 2024 and 2023, WaterOne did not carry an alternative debt in the form of bank loans and all debt of WaterOne is on parity.

Notes Payable

In 2023, WaterOne entered into a direct-placement loan agreement with the State of Kansas through the Kansas Department of Health and Environment's (KDHE) State Revolving Fund (SRF). The SRF loan amount is not to exceed $1,828,870. The funds must be utilized for a distribution main replacement project at a specific location as detailed in the agreement. The gross interest rate on the loan is 2.13%. The loan qualifies for a 30% principal forgiveness of the final loan amount due to the project area being in a designated Disadvantaged Community. Payments are scheduled to begin in August of 2025. However, since the final draw has not been made on the loan, the final principal amount is not known, and a formal repayment schedule has not been determined. At December 31, 2024, the total amount of notes payable due to the SRF loan is $816,676. At December 31, 2023, the total amount of notes payable due to the SRF loan was $453,219.

In 2023, WaterOne entered into a second direct-placement loan agreement with the State of Kansas through KDHE SRF. The SRF loan amount is not to exceed $36,770,423. The funds must be utilized for construction of certain horizontal collector and vertical wells and replacement of specific transmission and distribution mains detailed in the agreement. The gross interest rate on the loan is 2.21% and is due semi-annually during the construction period for the project and may be capitalized and repaid as part of the loan. Since the final draw has not been made on the loan, a formal repayment schedule has not been determined. At December 31, 2024, the total amount of the notes payable due to this SRF loan is $3,041,310. There were no draws on the loan prior to 2024.

Note 5. Customer Advances For Construction

Customer advances for construction are primarily for construction of water main extensions. These are valued at acquisition value at the time of contribution. Some advances are contingently refundable in accordance with WaterOne's rules and regulations. However, substantially all main extension contracts executed provide for no refunds. The nonrefundable advances are recognized as contributed capital after construction is completed.

Note 6. Other Capital Contributions

Customer advances for new services and system development charges are collected at the time the applicant requests a tapping permit. If the tap related to the permit is completed, the new service and system development charges are recognized as contributed capital. If the permit lapses, the new service amount and the system development amount are refunded to the applicant.

Contributed capital from WaterOne-owned Benefit Areas (BA) consists of nonrefundable charges to those entities that request a hook-up to specifically designated water mains. These pre-designated mains are usually installed in "leap frog" development areas and the BA charges are designed to recuperate only the actual cost of the specific main that is being hooked on to.

New services contributions consist of a nonrefundable charge assessed on completed new service connections. The new service charge is designed to compensate for the applicable cost of service materials and WaterOne labor and overhead costs related to the permitting, tapping and inspection process.

In 2022, WaterOne applied for and received approval for the Pre-Disaster Mitigation Grant Program through the Kansas Division of Emergency Management under the Department of Homeland Security - Federal Emergency Management Agency. The grant program will provide up to $4,837,500 in funding. The grant funds were approved for a specific capital improvement project to add redundant power at the Wyss Pump Station. At December 31, 2024, since the inception of the grant, WaterOne has received approximately $4.03 million. At December 31, 2023 the reimbursements were approximately $929,000.

In 2023, WaterOne applied for and received approval to be a subrecipient for the Electric Vehicle Stimulation in Divested Economies grant by the U.S. Department of Energy through the Metropolitan Energy Center (MEC). The grant program will provide up to $158,166 in funding. At December 31, 2024, since the inception of the grant, WaterOne has received approximately $132,000. At December 31, 2023 the reimbursements were approximately $120,000.

Capital Contributions
(Dollars In Thousands)

	December 31,		Variance	
	2024	2023	**Dollars Increase (Decrease)**	**Percentage**
Main extensions	**$ 7,825**	$ 8,969	$ (1,144)	(12.76)%
System development charges	**9,588**	9,223	365	3.96%
Benefit areas	**152**	202	(50)	(24.75)%
New services	**1,655**	1,683	(28)	(1.66)%
Grant funds	**3,002**	1,050	1,952	185.90%
Total Capital Contributions	**$ 22,222**	$ 21,127	$ 1,095	5.18%

Note 7. Retirement Plan

Defined Benefit Plan Description

Water District No. 1 of Johnson County (Kansas) Sixth Revised Retirement Plan and the Water District No. 1 of Johnson County Cash Balance Plan (collectively, the Plan) are a single-employer defined benefit pension plan administered by WaterOne to provide pension benefits for its employees. The primary oversight of the Plan has been delegated to the Retirement Committee by the WaterOne Board. The Retirement Committee is comprised of six voting members, three of which are appointed by the WaterOne Board, and three of which are employees of WaterOne. Among the delegated duties of the Retirement Committee are the responsibility for interpreting the Plan, making recommendations to the Board of any Plan changes, the hiring of consultants as well as establishing and monitoring compliance with approved investment policies. The Plan does not issue a stand-alone financial report.

Benefits Provided

All full-time employees are covered under the Plan. Employees hired prior to January 1, 2014, participate in the Final Average Pay Plan, after attaining age 21 and one year of service. Employees hired on or after January 1, 2014, participate immediately in the Cash Balance Plan. The main benefits provided are retirement benefits. However, the Plan also provides ancillary benefits in the event of pre-retirement death, disability, or termination of employment prior to meeting the eligibility requirements to retire.

Final Pay Plan: Retirement is at age 65 with benefits calculated as the greater of: (1) 1.91% of average monthly earnings (AME) (AME is the highest five consecutive year average of January 1 base rates of pay) plus 0.48% of AME in excess of monthly integration multiplied by the years of credited service (max of 25) plus 0.50% of AME times credited service in excess of 25 years, (2) 1.5% of monthly base rate of pay for each plan year in which the participant earns credited service, or (3) the December 31, 1988 accrued benefit. The calculation varies with early retirement including unreduced benefits at age 62 with 15 years of service. Benefits vest after five years of service.

Cash Balance Plan: Retirement is at age 65 with benefits calculated using base pay and a schedule of pay credits ranging from 3% to 6%, based on years of service, plus interest credits at an effective annual rate of 5.25%. Early and late retirement benefits are actuarial equivalent of the participant's account balance as of the annuity starting date. Benefits vest after five years of service.

The benefit paid to a retired Final Pay Plan member is subject to an ad hoc COLA. No such COLA has been granted in the recent past. Benefit and contribution provisions are specified in the Plan document and may only be amended by WaterOne.

Employees Covered By Benefit Terms

At December 31, the following employees were covered by the benefit terms:

	2024	2023
Membership Data		
Retirees and Beneficiaries	**119**	116
Inactive Vested Members	**112**	104
Inactive Nonvested Members	**30**	16
Active Employees	**376**	367
Total Membership	**637**	603

Contributions

An actuarial valuation is performed each year to determine the employer actuarial required contribution. Contribution provisions are specified in the Plan document and may only be amended by WaterOne. Effective January 1, 2024, members do not have to contribute to the plan. Prior to 2024, members of the Cash Balance Plan were required to contribute 3.0% of compensation. WaterOne contributes for the full employer actuarial contribution amount as determined in the annual actuarial valuation. For the years ended December 31, 2024 and 2023, the Plan received $8,762,356 and $2,876,250, respectively, in employer contributions.

Net Pension Liability

WaterOne's net pension liability for the reporting period ended December 31, 2024, was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Asset Valuation Method	5 year smoothed market
Amortization Method	Level percent of payroll, closed
Inflation	3.50% wage; 2.50% price
Salary Increases	3.50% - 7.75% per year
Investment Rate of Return, Net of Investment Expense	7.00%

Mortality rates were based on the Pub-2010 General Employees Median Mortality Table set forward one year with generational mortality improvements using scale MP-2019.

Long-Term Expected Rate Of Return

The long-term expected rate of return on Plan assets is reviewed as part of regular experience studies prepared periodically. During August 2020, the Water District adopted Experience Study recommendations to be effective for the January 1, 2021 Actuarial Valuation. The approved changes included several demographic, economic and other plan specific assumptions.

Generally, several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan's investment consultant. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant often cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the long-term inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2024, as provided by the Plan's investment consultant, Benefit Trust, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate Of Return
Domestic Equity	52.00%	4.26%
Foreign Equity	13.00%	6.48%
Fixed Income	30.00%	1.59%
Cash/Cash Equivalents	5.00%	0.00%
Total	100.00%	

Discount Rate And Annual Money-Weighted Rate Of Return

The discount rate used to measure the total pension liability at December 31, 2024 and 2023 was 7.00%. The annual money-weighted rate of return on investments was 13.16% in 2024 and 17.99% in 2023. The annual money-weighted rate of return expresses investment performance, net of pension plan expense, adjusted for the changing amounts actually invested.

The projection of cash flows used to determine the discount rate assumed that plan contributions from employees and WaterOne will be made at the current contribution amounts as set out in the funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability at the measurement date. Projected future benefit payments for all current plan members were projected through 2123.

Changes In The Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances At December 31, 2022	$ 74,303,907	$ 70,669,331	$ 3,634,576
Changes For The Year:			
Service cost at end of year	2,092,597	—	2,092,597
Interest on total pension liability	4,535,045	—	4,535,045
Differences between expected and actual experience	7,020,357	—	7,020,357
Assumption changes	58,685	—	58,685
Employer contributions	—	2,260,862	(2,260,862)
Employee contributions	—	418,470	(418,470)
Net investment income	—	(9,782,820)	9,782,820
Benefit payments, including member refunds	(19,361,637)	(19,361,637)	—
Administrative expenses	—	(240,982)	240,982
Net changes	(5,654,953)	(26,706,107)	21,051,154
Balances At December 31, 2023	68,648,954	43,963,224	24,685,730
Changes For The Year:			
Service cost at end of year	1,989,555	—	1,989,555
Interest on total pension liability	4,710,941	—	4,710,941
Benefit provision changes	11,346	—	11,346
Differences between expected and actual experience	(707,088)	—	(707,088)
Assumption changes	(159,129)	—	(159,129)
Employer contributions	—	2,876,250	(2,876,250)
Employee contributions	—	512,077	(512,077)
Net investment income	—	7,529,970	(7,529,970)
Benefit payments, including member refunds	(2,745,131)	(2,745,131)	—
Administrative expenses	—	(189,816)	189,816
Net changes	3,100,494	7,983,350	(4,882,856)
Balances At December 31, 2024	$ 71,749,448	$ 51,946,574	$ 19,802,874

Sensitivity Of The Net Pension Liability To Changes In The Discount Rate

The following presents the net pension liability of WaterOne, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Current Single Discount Rate Assumption		
	1.0% Decrease (6.00%)	**(7.00%)**	**1.0% Increase (8.00%)**
Net Pension Liability (Asset)	$ 27,840,447	$ 19,802,874	$ 13,006,385

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the years ended December 31, 2024 and 2023, WaterOne recognized pension expense under GASB 68 of $4,706,636 and $5,549,279, respectively. WaterOne reported deferred outflows and inflows of resources related to pensions from the following sources for 2024 and 2023:

	2024	
	Deferred Outflows Of Resources	**Deferred Inflows Of Resources**
Differences between expected and actual experience	$ 6,966,151	$ 613,928
Changes of assumptions	2,936,658	138,163
Differences between projected and actual earnings	2,412,201	—
Contributions subsequent to the measurement date	8,762,356	—
Total	$ 21,077,366	$ 752,091

	2023	
	Deferred Outflows Of Resources	**Deferred Inflows Of Resources**
Differences between expected and actual experience	$ 8,546,173	$ —
Changes of assumptions	3,767,922	—
Differences between projected and actual earnings	5,962,066	—
Contributions subsequent to the measurement date	2,876,250	—
Total	$ 21,152,411	$ —

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of $8,762,356 will be recognized as a reduction in the net pension liability for the year ending December 31, 2025.

Experience gains/losses and the impact of changes in actuarial assumptions, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period. Investment gains and losses are recognized equally over a five-year period. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		Net Deferred Outflows Of Resources
2025	$	2,447,900
2026		3,179,767
2027		3,968,409
2028		657,518
2029		983,799
Thereafter		325,526
Total	$	11,562,919

Note 8. Other Postemployment Benefits (OPEB)

Plan Description

WaterOne provides a single-employer health care plan that provides medical and prescription drugs to all employees who retire under the provisions of the Water District No. 1 of Johnson County, Kansas, Revised Retirement Plan. WaterOne pays 50 percent of the health care coverage and 100 percent of life insurance. Effective January 1, 2024, all employees regardless of hire date are now eligible for this benefit. Previously only employees hired before January 1, 2008, qualified for the benefit. The current funding policy of WaterOne is to pay premiums as they occur on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

Employees who have attained age 55 and retire from active employment with 10 consecutive years of service are eligible for retiree benefits. Eligible retirees and their spouses receive medical and prescription drug insurance coverage through a fully-insured plan. These are the same plans that are available for active employees. WaterOne establishes and amends contribution requirements. WaterOne pays a portion of the health insurance premiums for the District's group medical insurance plan and/or an AARP (Medicare supplement plan) plan and/or a COBRA plan. The type of plan covering the retiree and spouse depends on the age of the retiree and spouse, and as each becomes 65 years old, the coverage changes from WaterOne's group medical plan to a Medicare supplement plan.

Employees Covered By Benefit Terms

At December 31, the following employees were covered by the benefit terms:

	2024	2023
Membership Data		
Active Employees (Health And Life)	**368**	368
Retiree Health Benefits Plan:		
Retired Members	**125**	125
Spouses of Retired Members	**70**	70
Total Retiree Health Plan	**195**	195
Retiree Life Insurance Plan:		
Retired Members	**187**	187

Total OPEB Liability And Changes In OPEB Liability

WaterOne's total OPEB liability was based on an actuarial valuation dated January 1, 2024. GASB statement number 75 requires a measurement date no earlier than the end of WaterOne's prior year end. For the year ended December 31, 2024, the measurement date used is December 31, 2023. Changes in the OPEB liability are as follows:

	2024	2023
Net OPEB liability - beginning of year	**$ 16,258,914**	$ 22,483,689
Service costs	**343,636**	796,222
Interest	**581,142**	454,706
Benefit term changes	**1,121,265**	—
Differences between expected and actual experience	—	(2,699,432)
Changes in assumptions and inputs	**881,312**	(4,167,244)
Employer contributions (benefit payments)	**(680,511)**	(609,027)
Net changes to OPEB liability	**2,246,844**	(6,224,775)
Net OPEB liability - end of year	**$ 18,505,758**	$ 16,258,914

The current portion of the net OPEB liability of $381,022 and $410,739 as of December 31, 2024 and 2023, respectively, is presented within other current liabilities on the Statement of Net Position.

Actuarial valuations reflect a long-term perspective and involve estimates of the value reported amounts and assumptions about the probability of events far into the future. Actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities. These calculations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial calculations have been based on the substantive plan in place at the time of valuation and on the pattern of cost sharing between the employers and members to that point.

Actuarial Assumptions And Other Inputs:

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions		
Actuarial cost method	Entry Age Normal	
Valuation date	January 1, 2024	
Measurement date	December 31, 2023	
Salary scale	3.50% - 7.75%	
Price inflation	2.50%	
UAAL amortization method	Level dollar amount	
UAAL amortization period, closed/open	5 years, open	
Discount rate	3.38% (Measurement Date) 3.65% (Prior Measurement Date)	
Mortality	Pub-2010 General Employees Median Mortality Table set forward one year with generational mortality improvements using Scale MP-2019	
	Pre-Medicare	Medicare
Health care cost trend rate	6.75%	5.15%
Ultimate trend rate	4.50%	4.50%
Year of Ultimate trend rate	2033	2027

To the extent OPEB Plan assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent the OPEB Plan is not projected to be sufficient to make future benefit payments, the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to WaterOne's program. In order to determine the municipal bond rate we took the monthly average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer. The selected average rates are 3.38% (measurement date) and 3.65% (prior measurement date). These were used as the discount rates to determine present value costs.

Sensitivity Of The Total OPEB Liability To Changes In The Discount Rate:

The following presents the total OPEB liability of WaterOne, as well as what WaterOne's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	Current Single Discount Rate Assumption		
	1% Decrease (2.38%)	(3.38%)	1% Increase (4.38%)
Total OPEB Liability	$ 21,233,390	$ 18,505,758	$ 16,274,820

Sensitivity Of The Total OPEB Liability To Changes In The Healthcare Cost Trend Rates:

The following presents the total OPEB liability of WaterOne, as well as what WaterOne's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing to 3.50%) or one percentage point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	$ 16,286,346	$ 18,505,758	$ 21,284,271

OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB:

For the year ended December 31, 2024, WaterOne recognized OPEB expense of $914,719. At December 31, 2024, WaterOne reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 220,234	$ 2,307,425
Changes of assumptions	2,891,474	3,675,287
Contributions subsequent to the measurement date	381,022	—
Total	$ 3,492,730	$ 5,982,712

For the year ended December 31, 2023, WaterOne recognized OPEB expense of $83,872. At December 31, 2023, WaterOne reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows Of Resources	**Deferred Inflows Of Resources**
Differences between expected and actual experience	$ 273,950	$ 2,769,553
Changes of assumptions	2,738,348	4,445,874
Contributions subsequent to the measurement date	410,739	—
Total	$ 3,423,037	$ 7,215,427

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of $381,022 will be recognized as a reduction in the OPEB liability for the year ending December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Outflows Of Resources	Net Deferred Inflows Of Resources
2025	$ 781,902	$ 1,232,715
2026	781,902	1,224,769
2027	773,696	835,362
2028	371,589	835,362
2029	158,747	835,362
Thereafter	243,872	1,019,142
Total	$ 3,111,708	$ 5,982,712

Note 9. Employee Benefits

Deferred Compensation

WaterOne offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time and part-time WaterOne employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Defined Contribution

WaterOne offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The defined contribution plan has four parts, consisting of the following:

Employees hired before January 1, 2014:

WaterOne offers its employees a defined contribution plan, available to all full-time and part-time WaterOne employees, which provides for a WaterOne contribution matching 50.0% of an employee's contribution to the 457 plan, up to 4.0% of the employee's eligible annual compensation. The maximum WaterOne contribution is 2.0% of the employee's eligible compensation.

WaterOne offers its employees a defined contribution plan, available to all full-time WaterOne employees with at least six months of service, which provides for a contribution of 2.5% of the employee's eligible annual compensation.

Employees hired on or after January 1, 2014:

WaterOne offers its employees a defined contribution plan, available to all full-time and part-time WaterOne employees, which provides for a WaterOne contribution matching 100% of an employee's contribution to the 457 plan, up to the first 2.0% of the employee's eligible annual compensation and a match of 50.0% on the next 5.0% of eligible annual compensation.

WaterOne offers its employees a defined contribution plan, available to all full-time WaterOne employees with at least six months of service, which provides for a contribution of 4.0% of the employee's eligible annual compensation.

Assets of all portions of the 401(a) plan are not available to employees until termination, retirement, death or unforeseen emergency. New employees are subject to a five-year vesting schedule consisting of 20.0% vested at the end of each year until the employee has five years of service. After five years of service is obtained, all subsequent employer contributions are 100% vested.

WaterOne had deposited assets for the matching portions of the 401(a) plan in the amount of $941,864 and $836,956 during 2024 and 2023, respectively. As of December 31, 2024 and 2023, a liability had been recorded by WaterOne for the annual percent base contributions in the amounts of $1,080,471 and $1,003,376, respectively. These amounts were subsequently deposited to the defined contribution plan in January 2025 and February 2024. The defined contribution plan assets are held in trust for the exclusive benefit of employees and their beneficiaries. In 2024, WaterOne also made an additional 3.0% contribution for all employees totaling $973,737.

Compensated Absences

Under the terms of WaterOne's personnel policy, employees are granted leave in varying amounts based on length of service and full-time or part-time status. In the event of retirement or termination, an employee is paid for accumulated vacation. Accumulated sick leave is not paid out at termination.

Liability At 12/31/2023	Net Change	Liability At 12/31/2024	Due Within One Year
$ 6,447,305	$ 260,022	$ 6,707,327	$ 2,033,496

Liability At 12/31/2022	Net Change	Liability At 12/31/2023	Due Within One Year
$ 6,001,355	$ 445,950	$ 6,447,305	$ 1,913,011

Note 10. Commitments And Contingencies

Master Plan projects are part of a comprehensive plan developed by WaterOne's consulting engineers to meet WaterOne's long-term water system needs. As of December 31, 2024, WaterOne had total contractor commitments of $13.12 million related to various Master Plan projects. Approximately $11.00 million of the Master Plan commitments have been charged to the projects as of December 31, 2023, leaving $2.13 million in amounts committed at December 31, 2024. WaterOne has sufficient monies designated in the system development account and the general account to fund any unpaid Phase V outstanding costs and retainages. Also included in the December 31, 2024 balance of the system development account and the general account are monies for anticipated engineering, legal services and contingencies that may be required to bring these projects to completion.

WaterOne has various lawsuits and claims pending which arise through the normal course of operations. Management believes the ultimate liabilities, if any, of these lawsuits would not be material to the financial position or results of operations of WaterOne.

Note 11. Risk Management

WaterOne is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; and malpractice. WaterOne purchases commercial insurance for property and casualty, workers' compensation, employee health, life, and dental insurance. During the last three years, settled claims have not exceeded insurance coverage.

Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Schedules Of Selected Pension Information
December 31, 2024

Schedule 1

Schedule Of Employer Contributions
Year Ended December 31,
($ In Thousands)

Year	Actuarially Determined Contribution	Contribution In Relation To The Required Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution As A Percentage Of Covered Payroll
2015	3,081	3,081	—	23,045	13.4%
2016	2,672	2,672	—	23,878	11.2%
2017	2,709	2,709	—	22,373	12.1%
2018	2,683	2,683	—	22,855	11.7%
2019	2,718	10,629	7,911	27,216	39.1%
2020	1,727	1,731	4	27,396	6.3%
2021	2,216	2,214	(2)	28,883	7.7%
2022	2,252	2,261	9	29,963	7.5%
2023	2,806	2,876	70	31,643	9.1%
2024	3,208	8,762	5,554	32,239	27.2%

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution reported for the year ended December 31, 2024 (based on the January 1, 2024 actuarial valuation).

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	Charge and credit amortizations range from 1 to 23 years (Single Equivalent Amortization Period is 12 years)
Asset valuation method	5-year smoothed market
Salary increases, including wage inflation	3.50 to 7.75 percent
Long-term rate of return, net of investment expense, and including inflation	7.00 percent
Key assumption changes from the prior year:	None

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
Schedules Of Selected Pension Information
December 31, 2024

Schedule 2

Schedule Of Changes In The Net Pension Liability

	As Of The Most Recent Measurement Date December 31,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total Pension Liability										
Service cost	$ 1,989,555	$ 2,092,597	$ 1,944,009	$ 1,568,859	$ 1,543,042	$ 1,539,682	$ 1,508,239	$ 1,539,973	$ 1,595,654	$ 1,469,574
Interest	4,710,941	4,535,045	4,803,562	4,710,696	4,486,767	4,218,831	3,973,168	3,741,788	3,627,117	3,605,427
Benefit provision changes	11,346	—	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(707,088)	7,020,357	2,032,069	520,422	495,375	491,479	672,001	1,042,069	(301,417)	962,367
Assumption changes	(159,129)	58,685	80,334	6,091,090	—	—	—	—	—	1,975,401
Benefit payments, including member refunds	(2,745,131)	(19,361,637)	(5,858,718)	(4,642,184)	(2,680,339)	(2,901,079)	(3,063,012)	(3,603,463)	(3,285,912)	(3,950,945)
Net Change In Total Pension Liability	3,100,494	(5,654,953)	3,001,256	8,248,883	3,844,845	3,348,913	3,090,396	2,720,367	1,635,442	4,061,824
Total Pension Liability - Beginning	68,648,954	74,303,907	71,302,651	63,053,768	59,208,923	55,860,010	52,769,614	50,049,247	48,413,805	44,351,981
Total Pension Liability - Ending (a)	71,749,448	68,648,954	74,303,907	71,302,651	63,053,768	59,208,923	55,860,010	52,769,614	50,049,247	48,413,805
Plan Fiduciary Net Position										
Employer contributions	2,876,250	2,260,862	2,214,212	1,731,940	10,629,371	2,683,768	2,709,157	2,672,247	3,080,900	2,683,598
Employee contributions	512,077	418,470	363,980	319,256	288,753	232,795	158,469	127,371	77,736	27,199
Net investment income	7,529,970	(9,782,820)	8,765,893	8,541,216	9,403,422	(1,782,436)	5,773,920	2,657,466	(359,276)	2,554,880
Benefit payments, including member refunds	(2,745,131)	(19,361,637)	(5,858,718)	(4,642,184)	(2,680,339)	(2,901,079)	(3,063,012)	(3,603,463)	(3,285,912)	(3,950,945)
Administrative expenses	(189,816)	(240,982)	(240,325)	(237,196)	(247,091)	(180,056)	(170,751)	(278,054)	(261,439)	(267,041)
Net Change In Plan Fiduciary Net Position	7,983,350	(26,706,107)	5,245,042	5,713,032	17,394,116	(1,947,008)	5,407,783	1,575,567	(747,991)	1,047,691
Plan Fiduciary Net Position - Beginning	43,963,224	70,669,331	65,424,289	59,711,257	42,317,141	44,264,149	38,856,366	37,280,799	38,028,790	36,981,099
Plan Fiduciary Net Position - Ending (b)	51,946,574	43,963,224	70,669,331	65,424,289	59,711,257	42,317,141	44,264,149	38,856,366	37,280,799	38,028,790
Net Pension Liability - Ending (a) - (b)	$ 19,802,874	$ 24,685,730	$ 3,634,576	$ 5,878,362	$ 3,342,511	$ 16,891,782	$ 11,595,861	$ 13,913,248	$ 12,768,448	$ 10,385,015
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	72.40%	64.04%	95.11%	91.76%	94.70%	71.47%	79.24%	73.63%	74.49%	78.55%
Covered payroll	$ 31,643,378	$ 29,963,340	$ 28,882,999	$ 27,395,738	$ 27,215,678	$ 22,855,398	$ 22,373,092	$ 23,878,000	$ 23,044,509	$ 22,832,055
Employers' Net Pension Liability as a percentage of covered payroll	62.58%	82.39%	12.58%	21.46%	12.28%	73.91%	51.83%	58.27%	55.41%	45.48%
Annual Money-Weighted Rate of Return on Investments	13.16%	17.99%	-14.85%	13.2%	14.4%	-4.4%	14.2%	6.45%	-1.63%	6.29%

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
Schedule Of Changes In The Total Other Postemployment Liability And Related Ratios
December 31, 2024

Schedule 3

	As Of The Most Recent Measurement Date: December 31,						
Total OPEB Liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Service cost	$ 343,636	$ 796,222	$ 755,895	$ 647,216	$ 447,562	$ 554,185	$ 479,840
Interest	581,142	454,706	451,945	517,046	619,992	601,632	615,238
Changes in benefit terms	1,121,265	—	—	—	—	—	—
Differences between expected and actual experience	—	(2,699,432)	—	435,098	—	(1,067,169)	—
Changes in assumptions or other inputs	881,312	(4,167,244)	228,928	1,480,461	3,274,298	(2,103,709)	1,010,202
Benefit payments	(680,511)	(609,027)	(539,587)	(585,998)	(516,937)	(510,633)	(496,547)
Net change in total OPEB liability	2,246,844	(6,224,775)	897,181	2,493,823	3,824,915	(2,525,694)	1,608,733
Total OPEB liability - beginning	16,258,914	22,483,689	21,586,508	19,092,685	15,267,770	17,793,464	16,184,731
Total OPEB liability - ending	$ 18,505,758	$ 16,258,914	$ 22,483,689	$ 21,586,508	$ 19,092,685	$ 15,267,770	$ 17,793,464
Covered payroll	$ 31,192,400	$ 30,580,784	$ 29,039,125	$ 28,469,730	$ 26,793,561	$ 26,013,166	$ 13,957,525
Total OPEB liability as a percentage of covered payroll	59.33%	53.17%	77.43%	75.82%	71.26%	58.69%	127.48%

Notes: The above schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Assets are not accumulated in a trust that meets the criteria of paragraph 4 in GASB 75.

Changes Of Benefit Terms Or Assumptions

1) The plan eligibility requirements were changed January 1, 2024 to include all employees regardless of hire date.
2) The discount rate was changed from 3.65% to 3.38% in the most recent valuation.

ADDITIONAL SUPPLEMENTARY INFORMATION
Insurance Coverage (Unaudited) Page 1 Of 5
For The Year Ended December 31, 2024

Schedule 4

WATER DISTRICT NO. 1 OF
JOHNSON COUNTY, KANSAS
INSURANCE COVERAGE - LOCKTON

Coverage	Limits	Deductibles	Carrier	Policy no.	Policy term	Annual premium
Crime			Hartford Fire Ins. Co.	37 FA 0244006-24	7/1/2024-2025	$10,432.00
	Insuring Agreement 1 Employee Theft: $3,000,000	$30,000				
	Insuring Agreement 3 Computer And Funds Transfer Fraud: $3,000,000	$30,000				
	Insuring Agreement 4 Inside The Premises Money, Securities and Other Property: $3,000,000	$30,000				
Drone			American Alternative Ins. Corp.	9010462	7/1/2024-2025	$6,538.00
	Each Occurrence Limit: $1,000,000	Nil				
Workplace Violence			Federal Ins. Co.	J06615041	7/1/2024-2025	$1,324.00
	A. Expense: $1,000,000	$0				
	B. Loss of Life: $100,000	None				
Environmental Storage Tank			Great American Alliance Ins. Co.	KST7731871-33	7/1/2024-2025	$516.00
	Limit of Insurance: $500,000 per environmental incident $1,000,000 annual aggregate Limit of Defense: $100,000 per environmental incident	$2,500 per environmental incident				

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

ADDITIONAL SUPPLEMENTARY INFORMATION
Insurance Coverage (Unaudited) Page 2 Of 5
For The Year Ended December 31, 2024

Schedule 4 *(Continued)*

Property			Continental Casualty Co.	2010729912	7/1/2024-2025	$716,000.00
	Blanket Real and Personal Property: $400,000,000 Blanket Business Interruption (Gross Earnings): $35,000,000	$50,000				
	Earth Movement – Annual Aggregate at all Locations inclusive of Locations further limited as follows: $50,000,000	$100,000				
	BOILER & MACHINERY COVERAGE Equipment Breakdown (refer to addendum form): $200,000,000 Expediting Expense: $1,000,000 Extra Expense: $5,000,000 Fine Arts: $500,000	Physical Damage: $50,000 Time Element: Multiple of Daily Value: 2				
	Flood – Annual Aggregate at all Locations inclusive of Locations further limited as follows: $50,000,000	$100,000				
	Locations wholly or partially situated in those areas designated as 100 Year (1% annual chance of flooding) floodplains by the Federal Emergency Management Agency or other governmental authority – Annual Aggregate: $1,000,000	$500,000/$100,000				
	Locations outside of 100 Year (1% annual chance of flooding) floodplains, but wholly or partially situated in those areas designated as 500 Year (0.2% annual chance of flooding) floodplains by the Federal Emergency Management Agency or other governmental authority - or areas where the flood hazard has not been determined by the Federal Emergency Management Agency or other governmental authority – Annual Aggregate: $10,000,000	$100,000				
	Named Storm per occurrence all covered loss or damage for all Locations inclusive of all applicable sublimits, and Locations further limited as follows: $400,000,000	$250,000				
	Named Storm per occurrence all Locations in Puerto Rico and the U.S. Virgin Islands, the states of Florida and Hawaii and First Tier Areas in all other states: $400,000,000	5% Subject to a minimum of $250,000				
Workers Compensation			The Phoenix Insurance Company	UB-4J995164-24-PB-G	7/1/2024-2025	$620,413.00
	Bodily Injury by Accident: $500,000 Each Accident Bodily Injury by Disease: $500,000 Policy Limit Bodily Injury by Disease: $500,000 Each Employee					

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

ADDITIONAL SUPPLEMENTARY INFORMATION
Insurance Coverage (Unaudited) Page 3 Of 5
For The Year Ended December 31, 2024

Schedule 4 *(Continued)*

Package			The Charter Oak Fire Insurance Co	ZLP-15T48479-24-PB	7/1/2024-2025	$308,694.00
General Liability	General Aggregate Limit: $3,000,000					
	Products-Completed Operations Aggregate Limit: $3,000,000	BI and PD: $10,000				
	Personal & Advertising Injury Limit: $1,000,000					
	Each Occurrence Limit: $1,000,000					
	Damage To Premises Rented to You Limit (any one premises): $1,000,000					
Employee Benefits Liability	Aggregate Limit: $3,000,000					
	Each Employee Limit: $1,000,000	$1,000				
Public Entity Management Liability	Aggregate Limit: $3,000,000					
	Each Wrongful Act Limit: $1,000,000	$5,000				
Public Entity Employment-Related Practices Liability	Aggregate Limit: $3,000,000					
	Each Wrongful Employment Practice Offense Limit: $1,000,000	$5,000				
Auto			The Travelers Indemnity Company	810-2C412861-IND-23	7/1/2024-2025	$216,305.00
	Liability coverage single limit for bodily injury and property: $1,000,000					
	KS Statutory Limit: $500,000					
	Comprehensive	$1,000 each ded.				
	Collision	$1,000 each ded.				
	50,000 limit on hired car	$1000 ded comp/$1,000 coll				
	Single Accident all auto PD aggregate	$25,000				
Umbrella			Travelers Property Casualty Co Of America	ZUP-51M63005-24-PB	7/1/2024-2025	$43,768.00
	General Aggregate: $5,000,000					
	Products-Completed Operations Aggregate: $5,000,000					
	Occurrence Limit: $5,000,000	$10,000				
	all Crisis Management Events: $50,000					
Marine Hull -Boat			Atlantic Specialty Ins. Co.	B5JH41917	7/15/2024-2025	$1,032.00
	Agreed Value & Amount of Ins: $15,935	$500				
Pollution Liability	Environmental Impairment Liability (claims-made)	$25,000. Ded. Each Loss	Illinois Union Ins. Co. (Chubb)	PPLG28137060-003	7-1-2022 /7-1-2025	$104,040.00
	$2,000,000 Per Occurrence/Aggr.				3 yr policy	
Fiduciary Liability	Claims-made oplicy form for breach of fiduciary duty					
	$3,000,000 Aggregate limit	$25,000 each claim	RLI Ins. Co.	EPG0023634	7-1-2024-7-1-2025	$20,609.00

WATER DISTRICT NO. 1 OF JOHNSON COUNTY KANSAS

ADDITIONAL SUPPLEMENTARY INFORMATION
Insurance Coverage (Unaudited) Page 4 Of 5
For The Year Ended December 31, 2024

Schedule 4 *(Continued)*

Bond Number	Principal Name	Oblige	Bond Description	Bond Amount	Current Effective Date	Expiration Date
674027043	Darin Lee Kamradt	Water District No. 1 of Johnson County	Public Official Bond; Director of Finance	$ 500,000.00	02/01/2024	02/01/2025
674217352	Jill R. Westra	Water District No. 1 of Johnson County	Liberty Public Official Bond	$ 10,000.00	01/12/2022	01/12/2026
674207329	Kay Elizabeth Heley	Water District No. 1 of Johnson County, Kansas	Public Official Bond	$ 10,000.00	04/30/2022	04/30/2026
674212502	Melanie S. Kraft	Water District No. 1 of Johnson County	Public Official Bond	$ 10,000.00	01/13/2024	01/13/2028
674222461	Renee Dinsmore	Water District No. 1 of Johnson County	Liberty Public Official Bond	$ 10,000.00	01/04/2024	01/04/2028
32S110342	Robert Reese	Water District No. 1 of Johnson County	Public Official Bond, Board Member	$ 10,000.00	04/30/2021	04/30/2025
674221211	Shaun Pietig	Water District No. 1 of Johnson County, KS	Public Official Bond, General Manager	$ 500,000.00	08/08/2023	12/31/2026
674212503	Whitney Wilson	Water District No. 1 of Johnson County	Public Official Bond	$ 10,000.00	01/13/2024	01/13/2028
674222460	Ullyses Wright	Water District No. 1 of Johnson County	Liberty Public Official Bond	$ 10,000.00	01/04/2024	01/04/2028
5983959	Water District No. 1 of Johnson County, Kansas	City of Leawood	Line Extensions and Line Repair for the City of Leawood, Kansas	$ 5,000.00	02/08/2024	02/08/2025
674010642	Water District No. 1 of Johnson County, Kansas	City of Lenexa	KS Street Right of Way Excavation Maintenance Bond	$ 10,000.00	12/31/2024	12/31/2025
E7835050	Water District No. 1 of Johnson County, Kansas	City of Merriam	Excavation License Bond	$ 2,000.00	07/05/2023	07/05/2026
107775265	Water District No. 1 of Johnson County, Kansas	City of Mission Hills, KS	Completion of Installations on Road ROW Bond	$ 50,000.00	02/01/2024	02/01/2025
674011858	Water District No. 1 of Johnson County, Kansas	City of Mission Woods	Right of Way Bond	$ 10,000.00	05/07/2024	05/07/2025
674019454	Water District No. 1 of Johnson County, Kansas	City of Olathe	Right of Way Bond	$ 1,000.00	03/09/2024	03/09/2027
E7835060	Water District No. 1 of Johnson County, Kansas	City of Roeland Park	Excavation Permit Bond	$ 1,000.00	07/05/2023	07/05/2026
EX790410	Water District No. 1 of Johnson County, Kansas	City of Shawnee	KS Performance and Maintenance Bond for Right of Way	$ 5,000.00	11/08/2023	11/08/2026
674213930	Water District No. 1 of Johnson County, Kansas	City of Spring Hill, Kansas	KS Right of Way Permit Bond for Maintenance and Construction; 25 Permits per Year	$ 30,000.00	10/09/2024	10/09/2025
EX803026	Water District No. 1 of Johnson County, Kansas	City of Westwood	Right of Way Bond	$ 10,000.00	03/12/2024	03/12/2027
E7312730	Water District No. 1 of Johnson County, Kansas	Johnson County	Excavation Permit Bond	$ 5,000.00	05/01/2023	05/01/2026
674014712	Water District No. 1 of Johnson County, Kansas	Miami County Public Works	Right of Way Performance Bond	$ 50,000.00	01/09/2024	01/09/2025
68809375	Water District No. 1 of Johnson County, Kansas	State of Kansas	Kansas Blanket Notary Errors & Omissions Policy	$ 25,000.00	01/04/2024	01/04/2025
E7822710	Water District No. 1 of Johnson County, Kansas	State of Kansas	KS DOT Perf Bond for Hwy Permit Agreement - Right of Way	$ 10,000.00	05/29/2023	05/29/2026

ADDITIONAL SUPPLEMENTARY INFORMATION
Fidelity Bonds In Force (Unaudited)
For The Year Ended December 31, 2024

Schedule 5

Water District No. 1 Of Johnson County, Kansas

Fidelity Bonds In Force (Unaudited)

Water District Board Members:		
Whitney Wilson - Chair	$	10,000
Melanie S. Kraft - Vice Chair		10,000
Robert Reese - Member		10,000
Kay Elizabeth Heley- Member		10,000
Jill R. Westra - Member		10,000
Renee Dinsmore - Member		10,000
Ullyses Wright - Member		10,000
Shaun Pietig - General Manager		500,000
Darin Lee Kamradt - Director of Finance		500,000
Public Employees' Blanket Bond		3,000,000

All employees are included under the blanket crime section of the comprehensive business policy listed herein.

ADDITIONAL SUPPLEMENTARY INFORMATION
Operating Data (Unaudited) Page 1 Of 2
For The Years Ended 2024 And 2023

Schedule 6

Customers Served by WaterOne: During 2024, WaterOne served a weighted average of 155,193 customers, as compared to 153,969 customers during 2023; this is an increase of 1,224 customers in 2024, as compared to an increase of 1,333 customers in 2023.

Water Sales and Water Delivered Summary: Water sales by class of customer for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Residential:		
Single family	**$ 97,377,576**	$ 94,290,801
Multifamily	**14,305,775**	13,366,089
Commercial:		
Small	**8,279,565**	7,845,224
Large	**33,942,749**	31,208,130
Temporary	**551,988**	609,931
Wholesale	**549,776**	256,257
Total water sales	**$ 155,007,429**	$ 147,576,432

During the year ended December 31, 2024, water sales and water delivered to the distribution lines, in terms of thousands of gallons, as compared to 2023 were as follows:

	2024	2023
Delivered to distribution system		
Water produced	**24,130,266**	24,507,119
Water sales		
Metered water	**21,178,853**	21,352,537
Unmetered water	**2,951,413**	3,154,582
Unmetered water as percentage of total water delivered	**12.23%**	12.87%

ADDITIONAL SUPPLEMENTARY INFORMATION
Operating Data (Unaudited) Page 2 Of 2
Years Ended 2024 And 2023

Schedule 6 *(Continued)*

The weighted average number of customers served, the average annual revenue, and usage per customer were as follows:

		2024		2023
Residential - single family:				
Average number of customers		**141,127**		140,000
Average gallons per customer		**89,338**		92,427
Average revenue per customer	**$**	**690**	$	673
Residential - multifamily:				
Average number of customers		**5,134**		5,103
Average gallons per customer		**434,805**		428,673
Average revenue per customer	**$**	**2,786**	$	2,619
Commercial - small:				
Average number of customers		**5,156**		5,128
Average gallons per customer		**206,065**		210,931
Average revenue per customer	**$**	**1,606**	$	1,530
Commercial - large:				
Average number of customers		**3,515**		3,474
Average gallons per customer		**1,453,519**		1,443,773
Average revenue per customer	**$**	**9,657**	$	8,983
Commercial - temporary:				
Average number of customers		**260**		263
Average gallons per customer		**234,796**		191,401
Average revenue per customer	**$**	**2,123**	$	2,319
Wholesale:				
Number of customers		**1**		1
Thousand gallons per class		**105,911**		77,595
Revenue per class	**$**	**549,776**	$	256,257

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WaterOne
Water District No. 1 of Johnson County

Administrative Offices
10747 Renner Boulevard
Lenexa, KS 66219

913.895.5500
WaterOneCustomerService@waterone.org
www.waterone.org

WaterOne Board
General Manager and Senior Staff

YTD August 2025 Financial Statements are enclosed. Operating results have been compared to the current year budget and to 2024.

Operating results and Debt Service Coverage are summarized on the **Statement of Income** (Schedule A). Various customer statistical data are shown by customer categories on the **Schedule of Customer, Water Sales and Supply Statistics** (Schedule 4A).

Financial Data:

- Revenues Available for Debt Service and Capital | $6.4M (15.5%) *more* than budget.
- Operating Revenues | $3.1M (3.7%) *more* than budget.
- Investment Income | $1.1M (30.1%) *more* than budget.
- Operating Expenses | $2.1M (4.3%) *less* than budget.
- Debt Service Coverage Ratio (12 MTD budget has a target minimum 2.0):
  - YTD 2025 | 4.14
  - 12 months-to-date | 4.27
- System Development Contributions | $645,000 (12.9%) *more* than budget.
- Main Extension Contributions | $570,000 (13.6%) *more* than budget.

Operating Data:

- Customer Growth (excluding temporary and wholesale customers) | 64 (7.4%) *more* than budget
- Gallons Produced | 622.6 million gallons (4.1%) *more* than budget
- Gallons Sold | 118.4 million gallons (1.0%) *more* than budget

If you have any questions, please contact me at cgunther@waterone.org or call at 913.895.5525.

Thank you,
Cassandra Gunther
Manager-Accounting

WATER DISTRICT NO. 1 OF JOHNSON COUNTY - STATEMENT OF INCOME

COMPARING YEAR TO DATE, ACTUAL AT AUGUST 31, 2025 TO BUDGET AT AUGUST 31, 2025 AND ACTUAL AT AUGUST 31, 2024

	ACTUAL 08/31/25	BUDGET 08/31/25	DIFFERENCE	% OVER <UNDER>	ACTUAL 08/31/24	DIFFERENCE	% OVER <UNDER>
OPERATING REVENUES:							
Sales of Water	$87,778,536.14	$85,412,976.00	$2,365,560.14	2.77	$86,311,161.99	$1,467,374.15	1.70
Other Operating Revenues	1,517,571.08	737,104.00	780,467.08	105.88	1,466,043.12	51,527.96	3.51
Total Operating Revenues	$89,296,107.22	$86,150,080.00	$3,146,027.22	3.65	$87,777,205.11	$1,518,902.11	1.73
OPERATING EXPENSES:							
Total Salaries and Wages	$24,338,636.77	$25,599,629.75	($1,260,992.98)	(4.93)	$22,992,128.60	$1,346,508.17	5.86
Labor Transfers to Capital	(6,814,869.04)	(7,048,352.65)	233,483.61	(3.31)	(6,082,621.81)	(732,247.23)	12.04
Labor Transfers to other Cost Centers	(381,987.70)	(332,230.00)	(49,757.70)	14.98	(358,219.45)	(23,768.25)	6.64
Net Salaries and Wages	$17,141,780.03	$18,219,047.10	($1,077,267.07)	(5.91)	$16,551,287.34	$590,492.69	3.57
Purchased Potable Water	$0.00	$0.00	$0.00	0.00	$0.00	$0.00	0.00
Power	7,712,033.36	7,913,602.03	(201,568.67)	(2.55)	7,917,063.09	(205,029.73)	(2.59)
Chemicals	4,922,927.68	5,051,273.00	(128,345.32)	(2.54)	5,168,868.33	(245,940.65)	(4.76)
Maint & Other Treatment & Pumping Expenses	4,582,342.76	4,906,043.44	(323,700.68)	(6.60)	4,965,648.71	(383,305.95)	(7.72)
Maint & Other Trans & Distribution Expenses	3,803,082.92	3,899,749.80	(96,666.88)	(2.48)	3,835,704.53	(32,621.61)	(0.85)
Customer Services	1,969,261.98	2,051,429.35	(82,167.37)	(4.01)	1,909,978.08	59,283.90	3.10
Administration & General Expenses	6,608,492.83	6,786,965.59	(178,472.76)	(2.63)	6,223,092.11	385,400.72	6.19
Total Operating Expense	$46,739,921.56	$48,828,110.31	($2,088,188.75)	(4.28)	$46,571,642.19	$168,279.37	0.36
NET OPERATING INCOME	$42,556,185.66	$37,321,969.69	$5,234,215.97	14.02	$41,205,562.92	$1,350,622.74	3.28
OTHER INCOME:							
Investment Income Available for Debt Service	$4,858,379.86	$3,733,336.00	$1,125,043.86	30.14	$4,316,503.74	$541,876.12	12.55
BALANCE OF REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL	**$47,414,565.52**	**$41,055,305.69**	**$6,359,259.83**	**15.49**	**$45,522,066.66**	**$1,892,498.86**	**4.16**
Unrealized Gain <Loss> on Investments	$270,514.34	$0.00	$270,514.34	n/a	$752,647.76	($482,133.42)	n/a
Miscellaneous Income Credits	222,048.22	166,664.00	55,384.22	33.23	141,567.60	80,480.62	56.85
SUBTOTAL NET INCOME BEFORE OTHER CHARGES	$47,907,128.08	$41,221,969.69	$6,685,158.39	16.22	$46,416,282.02	$1,490,846.06	3.21
DEPRECIATION BOND INTEREST & OTHER CHARGES:							
Depreciation and Amortization	$23,183,669.76	$23,183,669.79	($0.03)	(0.00)	$21,997,403.04	$1,186,266.72	5.39
Interest on Water Revenue Bonds and Other Debt	2,700,813.18	2,690,920.86	9,892.32	0.37	2,967,978.76	(267,165.58)	(9.00)
Amortization of Refunding Loss	246,752.88	246,752.88	0.00	0.00	246,752.88	0.00	0.00
Other Charges and Deductions	193,363.82	(133,333.60)	326,697.42	(245.02)	(38,989.84)	232,353.66	(595.93)
Total Income Deductions	$26,324,599.64	$25,988,009.93	$336,589.71	1.30	$25,173,144.84	$1,151,454.80	4.57
NET INCOME FROM OPERATIONS	$21,582,528.44	$15,233,959.76	$6,348,568.68	41.67	$21,243,137.18	$339,391.26	1.60
Total Capital Contributions (see next page)	11,564,484.30	10,162,410.00	1,402,074.30	13.80	14,686,443.11	(3,121,958.81)	(21.26)
NET INCREASE IN RETAINED EARNINGS	$33,147,012.74	$25,396,369.76	7,750,642.98	30.52	$35,929,580.29	($2,782,567.55)	(7.74)
DEBT SERV COVERAGE - YTD ONLY:							
Balance of Revenues Available for Debt Service	$47,414,565.52	$41,055,305.69	$6,359,259.83	15.49	$45,522,066.66	$1,892,498.86	4.16
Annual Debt Service Funding	$11,450,813.16	$11,486,979.61	($36,166.45)	(0.31)	$11,656,312.09	($205,498.93)	(1.76)
COVERAGE OF ANNUAL DEBT	4.14	3.57	0.57	15.97	3.91	0.23	5.88

WATER DISTRICT NO. 1 OF JOHNSON COUNTY - CAPITAL CONTRIBUTION SCHEDULE

COMPARING YEAR TO DATE, ACTUAL AT AUGUST 31, 2025 TO BUDGET AT AUGUST 31, 2025 AND ACTUAL AT AUGUST 31, 2024

	ACTUAL 08/31/25	BUDGET 08/31/25	DIFFERENCE	% OVER <UNDER>	ACTUAL 08/31/24	DIFFERENCE	% OVER <UNDER>
CAPITAL CONTRIBUTIONS - Mergers	$0.00	$0.00	$0.00	n/a	$0.00	$0.00	n/a
CAPITAL CONTRIBUTIONS - Grant Funds	0.00	0.00	0.00	n/a	2,496,023.75	(2,496,023.75)	n/a
CAPITAL CONTRIBUTIONS - Benefit Areas	19,858.36	0.00	19,858.36	n/a	103,009.07	(83,150.71)	n/a
CAPITAL CONTRIBUTIONS - SDCs	5,669,600.00	5,022,800.00	646,800.00	12.88	6,702,400.00	(1,032,800.00)	(15.41)
CAPITAL CONTRIBUTIONS - KWC	(2,426.95)	0.00	(2,426.95)	n/a	0.00	(2,426.95)	n/a
CAPITAL CONTRIBUTIONS - New Services	1,105,477.99	939,610.00	165,867.99	17.65	1,104,313.11	1,164.88	0.11
CAPITAL CONTRIBUTIONS - Main Extension	4,771,974.90	4,200,000.00	571,974.90	13.62	4,280,697.18	491,277.72	11.48
Total Capital Contributions	$11,564,484.30	$10,162,410.00	$1,402,074.30	13.80	$14,686,443.11	($3,121,958.81)	(21.26)

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
BALANCE SHEET
AUGUST 31, 2025

ASSETS AND DEFERRED OUTFLOW OF RESOURCES	08/31/2025		Restated 08/31/2024	
CURRENT ASSETS				
Cash, Cash Equivalents and Short-term Investments:				
Water System General Fund	$130,614,976.41		$118,420,797.91	
System Development Account	2,482,523.87		4,199,180.54	
Accounts Receivable and Accrued Water Sales	19,989,941.95		15,198,305.40	
Interest Receivable from Investments	1,727,384.81		1,350,605.41	
Materials & Supplies	8,396,256.21		6,955,592.03	
Chemicals	1,272,214.50		1,258,012.42	
Customer Deposit & Line Extension Receivable	2,182,552.93		3,075,426.82	
Prepayments	6,666,813.46		2,694,913.18	
Total Current Assets		$173,332,664.14		$153,152,833.71
NONCURRENT ASSETS				
Plant in Service	$1,698,098,088.22		$1,620,371,715.24	
Construction Work in Progress	168,136,328.57		185,241,252.76	
Deferred Debits	4,487,014.21		4,314,322.46	
Total Utility Plant	$1,870,721,431.00		$1,809,927,290.46	
Less: Accumulated Depreciation	(568,555,914.94)		(535,908,611.86)	
Net Utility Plant		$1,302,165,516.06		$1,274,018,678.60
RESTRICTED CASH AND INVESTMENTS				
Principal and Interest Fund	$6,127,948.46		$6,103,602.15	
Bond Reserve Funds	13,469,788.82		13,401,510.39	
Water System General Fund reserved by Bond Resolution	25,415,793.00		24,018,089.00	
Total Special Funds		$45,013,530.28		$43,523,201.54
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Defined Benefit Plan Liability	$30,380,698.39		$32,914,439.04	
Deferred OPEB Plan Liability	3,492,730.04		3,423,037.40	
Deferred Loss on Refunding Debt	3,026,249.56		3,396,378.88	
Total Deferred Outflow of Resources		$36,899,677.99		$39,733,855.32
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES		$1,557,411,388.47		$1,510,428,569.17

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
BALANCE SHEET
AUGUST 31, 2025

LIABILITES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY	08/31/2025		Restated 08/31/2024	
CURRENT LIABILITIES				
Accounts Payable	$7,179,917.29		$6,439,068.64	
Customer Advances for System Development Charges	4,298,100.00		3,222,300.00	
Retainages on Construction Contracts	879,819.51		2,350,062.71	
Current Maturities of Revenue Bonds Payable	18,270,000.00		16,830,000.00	
Accrued Interest on Bonds and Other Debt	658,591.48		728,464.38	
Customer Security Deposits	1,845,448.89		2,344,343.49	
Short Term Compensated Employee Absences	2,033,496.65		3,525,230.38	
Short Term OPEB Liability	381,021.99		410,739.35	
Short Term Subscription Liability	-		1,201,068.00	
Other Current Liabilities	3,364,185.73		3,455,595.80	
Total Current Liabilities		$38,910,581.54		$40,506,872.75
NONCURRENT AND OTHER LIABILITIES				
Revenue Bonds Payable	$146,665,000.00		$164,935,000.00	
Premium on Revenue Bonds Payable	6,646,076.23		7,446,784.96	
Customer Advances for Construction	9,610,694.55		8,055,724.26	
Net Pension Liability	19,802,874.00		24,685,730.00	
Compensated Employee Absences	4,673,830.96		-	
OPEB Liability	18,124,736.01		20,382,468.69	
Subscription Liabilities	-		3,805,511.00	
Other Noncurrent Liabilities	8,134,264.57		2,846,660.54	
Total Noncurrent and Other Liabilities		$213,657,476.32		$232,157,879.45
DEFERRED INFLOWS OF RESOURCES				
Deferred Defined Benefit Plan Liability	$752,091.00		$5,355,810.00	
Deferred OPEB Plan Liability	5,982,712.00		7,215,427.00	
Total Deferred Inflows of Resources		$6,734,803.00		$12,571,237.00
DISTRICT EQUITY				
Capital Surplus	$114,535.59		$114,535.59	
Prior Period Adjustments Due to GASB Pronouncements	(14,299,217.35)		(14,299,217.35)	
Retained Earnings - Operations	735,228,665.39		683,517,302.85	
Retained Earnings - Contributions	393,210,940.11		372,006,355.01	
Contributed Capital	183,853,603.87		183,853,603.87	
Total District Equity		$1,298,108,527.61		$1,225,192,579.97
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY		$1,557,411,388.47		$ 1,510,428,569.17

SCH. D

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
ANALYSIS OF INVESTED ASSETS AND INTEREST ON WATER REVENUE BONDS
COMPARING YEAR TO DATE, ACTUAL AT AUGUST 31, 2025 TO BUDGET AT AUGUST 31, 2025 AND ACTUAL AT AUGUST 31, 2024

	ACTUAL YTD 08/31/25	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED	BUDGET YTD 08/31/25	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED	ACTUAL YTD 08/31/24	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED
INVESTED ASSETS:									
AVERAGE FUNDS INVESTED	$159,964,487.32			$131,945,453.08			$142,383,014.54		
GROSS INVESTMENT INCOME	$4,858,379.86	$31.09	$0.306	$3,733,333.33	$23.89	$0.245	$4,316,503.74	$27.85	$0.271
AVERAGE RATE OF RETURN (%)	4.5620			4.2500			4.5350		
INTEREST ON WATER REVENUE BONDS:									
AVERAGE OUTSTANDING BONDS	$167,697,119.34	$1,073.08		$167,697,119.34	$1,073.21		$184,605,655.74	$1,191.27	
INTEREST ON BONDS	$2,690,920.86	$17.22	$0.170	$2,690,920.86	$17.22	$0.177	$2,967,978.78	$19.15	$0.186
AVERAGE INTEREST RATE (%)	2.4102			2.4102			2.4050		
NUMBER OF CUST. SERVED	156,276			156,258			154,965		
THOUSAND GALLONS PRODUCED	15,861,492.0			15,238,854.0			15,935,902.0		

Averages may not add down due to rounding

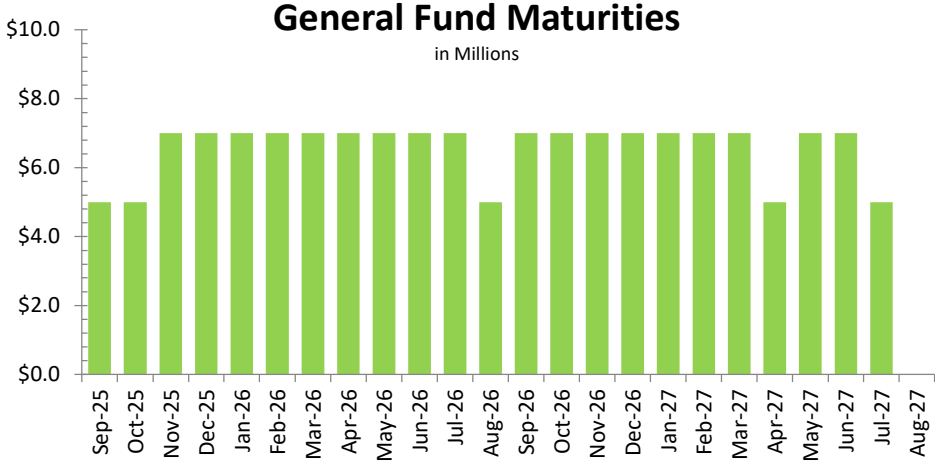
WATER DISTRICT NO 1 OF JOHNSON COUNTY
INVESTMENT PORTFOLIO
AUGUST 31, 2025

SCH. D-1

End of Month Cash Balance	$18.3 M	Average Yield	4.3%	Checking Account Interest	4.4%	Average Maturity in Months	12.0

General Fund Maturities

in Millions

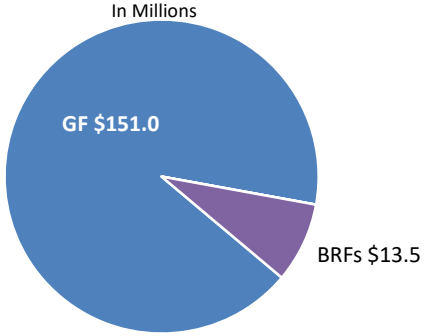


Fiscal Policy [60-] 1.2.2 and [60-] 1.9

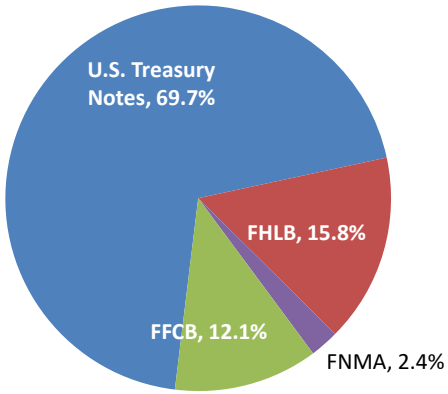
Par Value of Investments

Total $164.5

In Millions



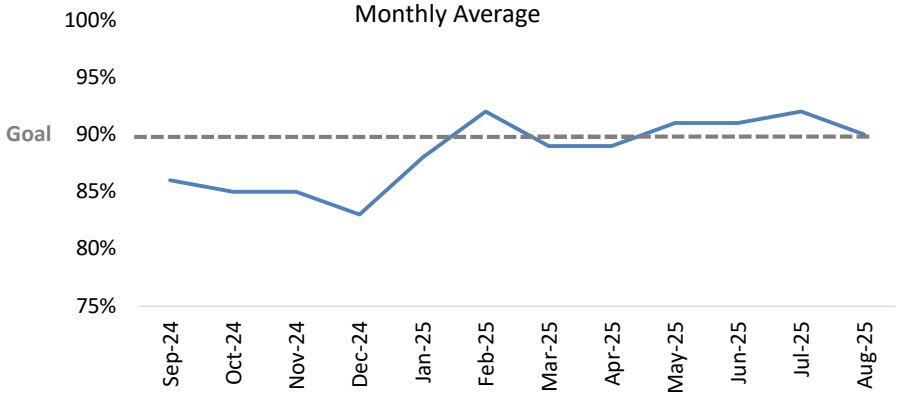
Investment Type



Fiscal Policy [60-] 1.6.1 and [60-] 1.8

Percent of Funds Invested

Monthly Average



June and December have significant cash requirements due to debt service.
High yields on checking account balances have incentivized a higher cash balance.

Schedule D-1 provides a look forward at outstanding investments currently held by WaterOne that have not yet matured, while Schedule D provides a look back at average funds invested and actual investment income earned year to date.

SCH. E

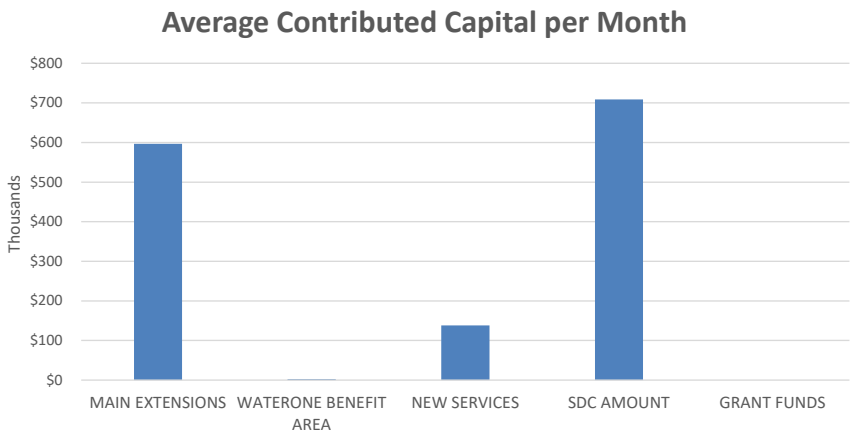
WATER DISTRICT NO 1 OF JOHNSON COUNTY
YEAR TO DATE EQUITY ROLLFORWARD
AUGUST 31, 2025

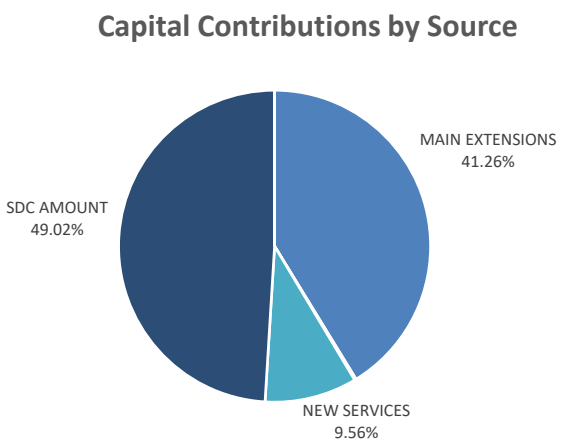
	CAPITAL SURPLUS	RETAINED EARNINGS	PRIOR PERIOD ADJUSTMENTS DUE TO GASB PRONOUNCEMENTS	CONTRIBUTED CAPITAL	TOTAL EQUITY	COMPONENT YTD INCREASE AS % TOTAL INCOME
Equity Balance at December 31, 2024	$114,535.59	$1,095,292,592.76	($14,299,217.35)	$183,853,603.87	$1,264,961,514.87	
Earned surplus		21,582,528.44			21,582,528.44	65.11%
CONTRIBUTED CAPITAL - Line Extensions		4,771,974.90			4,771,974.90	14.40%
CONTRIBUTED CAPITAL - WaterOne Benefit Area		19,858.36			19,858.36	0.06%
CONTRIBUTED CAPITAL - System Dev. Charges		5,669,600.00			5,669,600.00	17.10%
CONTRIBUTED CAPITAL - Kansas Water Company		(2,426.95)			(2,426.95)	-0.01%
CONTRIBUTED CAPITAL - New Services		1,105,477.99			1,105,477.99	3.34%
CONTRIBUTED CAPITAL - Merger		-			-	0.00%
CONTRIBUTED CAPITAL - Grant Funds		-			-	0.00%
Net Increase (Decrease) in current year	$0.00	$33,147,012.74	$0.00	$0.00	$33,147,012.74	100.00%
Equity balance at AUGUST 31, 2025	$114,535.59	$1,128,439,605.50	($14,299,217.35)	$183,853,603.87	$1,298,108,527.61	
Component As a % of Total Equity	0.01%	86.93%	-1.10%	14.16%	100.00%	

SCH. E-1

WATER DISTRICT NO 1 OF JOHNSON COUNTY
MONTHLY DETAIL OF CONTRIBUTED CAPITAL
AUGUST 31, 2025

G/L Accts	280000	280020	280025	280010	280015	280005	280030	
	MAIN EXTENSIONS	WATERONE BENEFIT AREA	NEW SERVICES	SDC AMOUNT	KWC SDC	CONTRIBUTION MERGER	GRANT FUNDS	TOTAL CHANGE
January	$243,558.68	-	$106,640.00	$591,300.00	-	-	-	$941,498.68
February	1,020,745.66	-	52,265.00	241,700.00	-	-	-	1,314,710.66
March	752,954.28	-	109,060.00	499,900.00	-	-	-	1,361,914.28
April	803,137.66	-	127,420.00	638,800.00	-	-	-	1,569,357.66
May	442,734.59	-	226,099.07	1,257,200.00	-	-	-	1,926,033.66
June	1,010,810.26	-	175,050.00	902,700.00	(2,426.95)	-	-	2,086,133.31
July	276,112.79	-	126,625.00	579,300.00	-	-	-	982,037.79
August	221,920.98	19,858.36	182,318.92	958,700.00	-	-	-	1,382,798.26
September								-
October								-
November								-
December								-
2025 Total	$4,771,974.90	$19,858.36	$1,105,477.99	$5,669,600.00	($2,426.95)	$0.00	$0.00	$11,564,484.30





SCH. F

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
ANALYSIS OF OPERATING EXPENSES PER CUSTOMER AND THOUSAND GALLONS PRODUCED
COMPARING YEAR TO DATE, ACTUAL AT AUGUST 31, 2025 TO BUDGET AT AUGUST 31, 2025 AND ACTUAL AT AUGUST 31, 2024

	ACTUAL YTD 08/31/25	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED	BUDGET YTD 08/31/25	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED	ACTUAL YTD 08/31/24	AVG PER CUSTOMER	AVG PER THOU GAL PRODUCED
OPERATING EXPENSES:									
TOTAL SALARIES AND WAGES	$24,338,636.77	$155.74	$1.53	$25,599,629.75	$163.83	$1.68	$22,992,128.60	$148.37	$1.44
TRANSFERS to CAPITAL	(6,814,869.04)	(43.61)	(0.43)	(7,048,352.65)	(45.11)	(0.46)	(6,082,621.81)	(39.25)	(0.38)
TRANSFERS to other COST CENTERS	(381,987.70)	(2.44)	(0.02)	(332,230.00)	(2.13)	(0.02)	(358,219.45)	(2.31)	(0.02)
NET SALARIES AND WAGES	$17,141,780.03	$109.69	$1.08	$18,219,047.10	$116.60	$1.20	$16,551,287.34	$106.81	$1.04
PURCHASED WATER	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
POWER	7,712,033.36	49.35	0.49	7,913,602.03	50.64	0.52	7,917,063.09	51.09	0.50
CHEMICALS	4,922,927.68	31.50	0.31	5,051,273.00	32.33	0.33	5,168,868.33	33.36	0.32
MAINT. & OTHER TREAT. & PUMPING EXPENSES	4,582,342.76	29.32	0.29	4,906,043.44	31.40	0.32	4,965,648.71	32.04	0.31
MAINT & OTHER TRANS & DIST EXP	3,803,082.92	24.34	0.24	3,899,749.80	24.96	0.26	3,835,704.53	24.75	0.24
CUSTOMER SERVICES	1,969,261.98	12.60	0.12	2,051,429.35	13.13	0.14	1,909,978.08	12.33	0.12
ADMINISTRATIVE & GENERAL EXP	6,608,492.83	42.29	0.42	6,786,965.59	43.43	0.45	6,223,092.11	40.16	0.39
TOTAL OPERATING EXPENSES	$46,739,921.56	$299.09	$2.95	$48,828,110.31	$312.48	$3.20	$46,571,642.19	$300.53	$2.92
NUMBER OF CUST. SERVED	156,276			156,258			154,965		
THOUSAND GALLONS PRODUCED	15,861,492.0			15,238,854.0			15,935,902.0		

Averages may not add down due to rounding

SCH. 4A

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
CUSTOMER, WATER SALES AND SUPPLY STATISTICS
AUGUST 31, 2025

	Actual 08/31/25	Budget 08/31/25	Actual > (<) Budget	% Change	YTD Actual 08/31/25	YTD Budget 08/31/25	Actual > (<) Budget	% Change
RESIDENTIAL - SINGLE FAMILY (R,1)								
CUSTOMERS BEGINNING OF PERIOD	142,564.00	142,446.00	118.00	0.08%	141,766.00	141,766.00	0.00	0.00%
CUSTOMERS END OF PERIOD	142,659.00	142,560.00	99.00	0.07%	142,659.00	142,560.00	99.00	0.07%
GAIN OR (LOSS)	95.00	114.00	(19.00)	-16.67%	893.00	794.00	99.00	12.47%
WEIGHTED AVG CUSTOMERS SERVED	142,612.00	142,503.00	109.00	0.08%	142,168.00	142,141.00	27.00	0.02%
% OF TOTAL CUSTOMERS SERVED	90.98	90.96	0.02	0.02%	90.97	90.97	0.00	0.00%
THOUSAND GALLONS SOLD	1,318,939.50	1,259,988.60	58,950.90	4.68%	6,578,168.00	6,498,423.40	79,744.60	1.23%
% OF TOTAL GALLONS SOLD	53.78	51.31	2.47	4.81%	57.22	57.11	0.11	0.19%
AVG GAL SOLD PER CUST SERVED	9,248.00	8,842.00	406.00	4.59%	46,270.00	45,718.00	552.00	1.21%
WATER SALES REVENUE	$10,575,896.47	$9,541,592.00	$1,034,304.47	10.84%	$53,423,138.28	$52,167,337.00	$1,255,801.28	2.41%
% OF TOTAL WATER SALES REV	56.38	53.92	2.46	4.56%	60.86	61.08	(0.22)	-0.36%
AVG REV PER CUSTOMER SERVED	$74.16	$66.96	$7.20	10.75%	$375.77	$367.01	$8.76	2.39%
AVG REV PER THOU GAL SOLD	$8.02	$7.57	$0.45	5.94%	$8.12	$8.03	$0.09	1.12%
RESIDENTIAL - MULTI FAMILY (M,1)								
CUSTOMERS BEGINNING OF PERIOD	5,178.00	5,178.00	0.00	0.00%	5,153.00	5,153.00	0.00	0.00%
CUSTOMERS END OF PERIOD	5,185.00	5,181.00	4.00	0.08%	5,185.00	5,181.00	4.00	0.08%
GAIN OR (LOSS)	7.00	3.00	4.00	133.33%	32.00	28.00	4.00	14.29%
WEIGHTED AVG CUSTOMERS SERVED	5,182.00	5,180.00	2.00	0.04%	5,167.00	5,166.00	1.00	0.02%
% OF TOTAL CUSTOMERS SERVED	3.31	3.31	0.00	0.00%	3.31	3.31	0.00	0.00%
THOUSAND GALLONS SOLD	236,850.10	242,359.30	(5,509.20)	-2.27%	1,346,942.90	1,333,674.50	13,268.40	0.99%
% OF TOTAL GALLONS SOLD	9.66	9.87	(0.21)	-2.13%	11.72	11.72	0.00	0.00%
AVG GAL SOLD PER CUST SERVED	45,706.00	46,788.00	(1,082.00)	-2.31%	260,682.00	258,164.00	2,518.00	0.98%
WATER SALES REVENUE	$1,628,125.94	$1,608,830.00	$19,295.94	1.20%	$8,952,445.89	$8,832,369.00	$120,076.89	1.36%
% OF TOTAL WATER SALES REV	8.68	9.09	(0.41)	-4.51%	10.20	10.34	(0.14)	-1.35%
AVG REV PER CUSTOMER SERVED	$314.19	$310.58	$3.61	1.16%	$1,732.62	$1,709.71	$22.91	1.34%
AVG REV PER THOU GAL SOLD	$6.87	$6.64	$0.23	3.46%	$6.65	$6.62	$0.03	0.45%
COMMERCIAL - SMALL (C, 1)								
CUSTOMERS BEGINNING OF PERIOD	5,156.00	5,178.00	(22.00)	-0.42%	5,165.00	5,165.00	0.00	0.00%
CUSTOMERS END OF PERIOD	5,161.00	5,181.00	(20.00)	-0.39%	5,161.00	5,181.00	(20.00)	-0.39%
GAIN OR (LOSS)	5.00	3.00	2.00	N/A	(4.00)	16.00	(20.00)	N/A
WEIGHTED AVG CUSTOMERS SERVED	5,159.00	5,180.00	(21.00)	-0.41%	5,159.00	5,171.00	(12.00)	-0.23%
% OF TOTAL CUSTOMERS SERVED	3.29	3.31	(0.02)	-0.60%	3.30	3.31	(0.01)	-0.30%
THOUSAND GALLONS SOLD	163,856.30	180,194.40	(16,338.10)	-9.07%	592,176.60	595,470.00	(3,293.40)	-0.55%
% OF TOTAL GALLONS SOLD	6.68	7.34	(0.66)	-8.99%	5.15	5.23	(0.08)	-1.53%
AVG GAL SOLD PER CUST SERVED	31,761.00	34,787.00	(3,026.00)	-8.70%	114,785.00	115,156.00	(371.00)	-0.32%
WATER SALES REVENUE	$1,304,247.29	$1,356,378.00	($52,130.71)	-3.84%	$4,845,439.45	$4,734,383.00	$111,056.45	2.35%
% OF TOTAL WATER SALES REV	6.95	7.67	(0.72)	-9.39%	5.52	5.54	(0.02)	-0.36%
AVG REV PER CUSTOMER SERVED	$252.81	$261.85	($9.04)	-3.45%	$939.22	$915.56	$23.66	2.58%
AVG REV PER THOU GAL SOLD	$7.96	$7.53	$0.43	5.71%	$8.18	$7.95	$0.23	2.89%

SCH. 4A

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
CUSTOMER, WATER SALES AND SUPPLY STATISTICS
AUGUST 31, 2025

	Actual 08/31/25	Budget 08/31/25	Actual > (<) Budget	% Change	YTD Actual 08/31/25	YTD Budget 08/31/25	Actual > (<) Budget	% Change
COMMERCIAL - LARGE (C, 2)								
CUSTOMERS BEGINNING OF PERIOD	3,541.00	3,554.00	(13.00)	-0.37%	3,530.00	3,530.00	0.00	0.00%
CUSTOMERS END OF PERIOD	3,539.00	3,558.00	(19.00)	-0.53%	3,539.00	3,558.00	(19.00)	-0.53%
GAIN OR (LOSS)	(2.00)	4.00	(6.00)	-150.00%	9.00	28.00	(19.00)	-67.86%
WEIGHTED AVG CUSTOMERS SERVED	3,540.00	3,556.00	(16.00)	-0.45%	3,537.00	3,541.00	(4.00)	-0.11%
% OF TOTAL CUSTOMERS SERVED	2.26	2.27	(0.01)	-0.44%	2.26	2.27	(0.01)	-0.44%
THOUSAND GALLONS SOLD	702,174.00	757,241.10	(55,067.10)	-7.27%	2,878,307.30	2,846,549.10	31,758.20	1.12%
% OF TOTAL GALLONS SOLD	28.63	30.84	(2.21)	-7.17%	25.04	25.02	0.02	0.08%
AVG GAL SOLD PER CUST SERVED	198,354.00	212,947.00	(14,593.00)	-6.85%	813,771.00	803,883.00	9,888.00	1.23%
WATER SALES REVENUE	$5,072,635.33	$5,086,187.00	($13,551.67)	-0.27%	$19,911,705.87	$19,021,430.00	$890,275.87	4.68%
% OF TOTAL WATER SALES REV	27.04	28.74	(1.70)	-5.92%	22.68	22.27	0.41	1.84%
AVG REV PER CUSTOMER SERVED	$1,432.95	$1,430.31	$2.64	0.18%	$5,629.55	$5,371.77	$257.78	4.80%
AVG REV PER THOU GAL SOLD	$7.22	$6.72	$0.50	7.44%	$6.92	$6.68	$0.24	3.59%
SUB-TOTAL RETAIL CUSTOMERS								
CUSTOMERS BEGINNING OF PERIOD	156,439.00	156,356.00	83.00	0.05%	155,614.00	155,614.00	0.00	0.00%
CUSTOMERS END OF PERIOD	156,544.00	156,480.00	64.00	0.04%	156,544.00	156,480.00	64.00	0.04%
GAIN OR (LOSS)	105.00	124.00	(19.00)	-15.32%	930.00	866.00	64.00	7.39%
WEIGHTED AVG CUSTOMERS SERVED	156,493.00	156,419.00	74.00	0.05%	156,031.00	156,019.00	12.00	0.01%
% OF TOTAL CUSTOMERS SERVED	99.83	99.85	(0.02)	-0.02%	99.84	99.85	(0.01)	-0.01%
THOUSAND GALLONS SOLD	2,421,819.90	2,439,783.30	(17,963.40)	-0.74%	11,395,594.80	11,274,116.90	121,477.90	1.08%
% OF TOTAL GALLONS SOLD	98.76	99.35	(0.59)	-0.59%	99.12	99.08	0.04	0.04%
AVG GAL SOLD PER CUST SERVED	15,476.00	15,598.00	(122.00)	-0.78%	73,034.00	72,261.00	773.00	1.07%
WATER SALES REVENUE	$18,580,905.03	$17,592,987.00	$987,918.03	5.62%	$87,132,729.49	$84,755,519.00	$2,377,210.49	2.80%
% OF TOTAL WATER SALES REV	99.05	99.43	(0.38)	-0.38%	99.26	99.23	0.03	0.03%
AVG REV PER CUSTOMER SERVED	$118.73	$112.47	$6.26	5.57%	$558.43	$543.24	$15.19	2.80%
AVG REV PER THOU GAL SOLD	$7.67	$7.21	$0.46	6.38%	$7.65	$7.52	$0.13	1.73%
COMMERCIAL - TEMPORARY (C, 3)								
CUSTOMERS BEGINNING OF PERIOD	267.00	238.00	29.00	12.18%	238.00	238.00	0.00	0.00%
CUSTOMERS END OF PERIOD	257.00	238.00	19.00	7.98%	257.00	238.00	19.00	7.98%
GAIN OR (LOSS)	(10.00)	0.00	(10.00)	N/A	19.00	0.00	19.00	N/A
WEIGHTED AVG CUSTOMERS SERVED	262.00	238.00	24.00	10.08%	244.00	238.00	6.00	2.52%
% OF TOTAL CUSTOMERS SERVED	0.17	0.15	0.02	13.33%	0.16	0.15	0.01	6.67%
THOUSAND GALLONS SOLD	19,412.40	4,442.30	14,970.10	336.99%	48,087.90	21,570.80	26,517.10	122.93%
% OF TOTAL GALLONS SOLD	0.79	0.18	0.61	338.89%	0.42	0.19	0.23	121.05%
AVG GAL SOLD PER CUST SERVED	74,093.00	18,665.00	55,428.00	296.96%	197,082.00	90,634.00	106,448.00	117.45%
WATER SALES REVENUE	$125,267.44	$48,302.00	$76,965.44	159.34%	$388,218.34	$272,997.00	$115,221.34	42.21%
% OF TOTAL WATER SALES REV	0.67	0.27	0.40	148.15%	0.44	0.32	0.12	37.50%
AVG REV PER CUSTOMER SERVED	$478.12	$202.95	$275.17	135.59%	$1,591.06	$1,147.05	$444.01	38.71%
AVG REV PER THOU GAL SOLD	$6.45	$10.87	($4.42)	-40.66%	$8.07	$12.66	($4.59)	-36.26%

SCH. 4A

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
CUSTOMER, WATER SALES AND SUPPLY STATISTICS
AUGUST 31, 2025

	Actual 08/31/25	Budget 08/31/25	Actual > (<) Budget	% Change	YTD Actual 08/31/25	YTD Budget 08/31/25	Actual > (<) Budget	% Change
TOTAL ALL RETAIL CUSTOMERS								
CUSTOMERS BEGINNING OF PERIOD	156,706.00	156,594.00	112.00	0.07%	155,852.00	155,852.00	0.00	0.00%
CUSTOMERS END OF PERIOD	156,801.00	156,718.00	83.00	0.05%	156,801.00	156,718.00	83.00	0.05%
GAIN OR (LOSS)	95.00	124.00	(29.00)	-23.39%	949.00	866.00	83.00	9.58%
WEIGHTED AVG CUSTOMERS SERVED	156,755.00	156,657.00	98.00	0.06%	156,275.00	156,257.00	18.00	0.01%
% OF TOTAL CUSTOMERS SERVED	100.00	100.00	0.00	0.00%	100.00	100.00	0.00	0.00%
THOUSAND GALLONS SOLD	2,441,232.30	2,444,225.60	(2,993.30)	-0.12%	11,443,682.70	11,295,687.70	147,995.00	1.31%
% OF TOTAL GALLONS SOLD	99.55	99.53	0.02	0.02%	99.54	99.27	0.27	0.27%
AVG GAL SOLD PER CUST SERVED	15,574.00	15,602.00	(28.00)	-0.18%	73,228.00	72,289.00	939.00	1.30%
WATER SALES REVENUE	$18,706,172.47	$17,641,289.00	$1,064,883.47	6.04%	$87,520,947.83	$85,028,516.00	$2,492,431.83	2.93%
% OF TOTAL WATER SALES REV	99.71	99.70	0.01	0.01%	99.71	99.55	0.16	0.16%
AVG REV PER CUSTOMER SERVED	$119.33	$112.61	$6.72	5.97%	$560.04	$544.16	$15.88	2.92%
AVG REV PER THOU GAL SOLD	$7.66	$7.22	$0.44	6.09%	$7.65	$7.53	$0.12	1.59%
WHOLESALE - (W, 1)								
CUSTOMERS BEGINNING OF PERIOD	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%
CUSTOMERS END OF PERIOD	1.00	1.00	0.00	N/A	1.00	1.00	0.00	N/A
GAIN OR (LOSS)	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
WEIGHTED AVG CUSTOMERS SERVED	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%
% OF TOTAL CUSTOMERS SERVED	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
THOUSAND GALLONS SOLD	11,080.00	11,467.00	(387.00)	-3.37%	53,086.50	82,683.30	(29,596.80)	-35.80%
% OF TOTAL GALLONS SOLD	0.45	0.47	(0.02)	-4.26%	0.46	0.73	(0.27)	-36.99%
AVG GAL SOLD PER CUST SERVED	11,080,000.00	11,467,020.00	(387,020.00)	-3.38%	53,086,500.00	82,683,270.00	(29,596,770.00)	-35.80%
WATER SALES REVENUE	$53,654.50	$53,252.00	$402.50	0.76%	$257,588.31	$384,460.00	($126,871.69)	-33.00%
% OF TOTAL WATER SALES REV	0.29	0.30	(0.01)	-3.33%	0.29	0.45	(0.16)	-35.56%
AVG REV PER CUSTOMER SERVED	$53,654.50	$53,252.00	$402.50	0.76%	$257,588.31	$384,460.00	($126,871.69)	-33.00%
AVG REV PER THOU GAL SOLD	$4.84	$4.64	$0.20	4.31%	$4.85	$4.65	$0.20	4.30%
TOTAL - ALL CUSTOMER CLASSES								
CUSTOMERS BEGINNING OF PERIOD	156,707.00	156,595.00	112.00	0.07%	155,853.00	155,853.00	0.00	0.00%
CUSTOMERS END OF PERIOD	156,802.00	156,719.00	83.00	0.05%	156,802.00	156,719.00	83.00	0.05%
GAIN OR (LOSS)	95.00	124.00	(29.00)	-23.39%	949.00	866.00	83.00	9.58%
WEIGHTED AVG CUSTOMERS SERVED	156,756.00	156,658.00	98.00	0.06%	156,276.00	156,258.00	18.00	0.01%
% OF TOTAL CUSTOMERS SERVED	100.00	100.00	0.00	0.00%	100.00	100.00	0.00	0.00%
THOUSAND GALLONS SOLD	2,452,312.30	2,455,692.60	(3,380.30)	-0.14%	11,496,769.20	11,378,371.00	118,398.20	1.04%
% OF TOTAL GALLONS SOLD	100.00	100.00	0.00	0.00%	100.00	100.00	0.00	0.00%
AVG GAL SOLD PER CUST SERVED	15,644.00	15,676.00	(32.00)	-0.20%	73,567.00	72,818.00	749.00	1.03%
WATER SALES REVENUE	$18,759,826.97	$17,694,541.00	$1,065,285.97	6.02%	$87,778,536.14	$85,412,976.00	$2,365,560.14	2.77%
% OF TOTAL WATER SALES REV	100.00	100.00	0.00	0.00%	100.00	100.00	0.00	0.00%
AVG REV PER CUSTOMER SERVED	$119.68	$112.95	$6.73	5.96%	$561.69	$546.62	$15.07	2.76%
AVG REV PER THOU GAL SOLD	$7.65	$7.21	$0.44	6.10%	$7.64	$7.51	$0.13	1.73%

SCH. 4A

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
CUSTOMER, WATER SALES AND SUPPLY STATISTICS
AUGUST 31, 2025

	Actual 08/31/25	Budget 08/31/25	Actual > (<) Budget	% Change	YTD Actual 08/31/25	YTD Budget 08/31/25	Actual > (<) Budget	% Change
COST OF PURCHASED WATER								
THOUSAND GALLONS PURCHASED	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
AVG GAL PURCHASED PER CUST	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
COST OF PURCHASED WATER	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A
AVG COST PER CUST SERVED	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A
AVG COST PER THOU GAL PUR	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A
PRODUCED WATER								
THOUSAND GALLONS PRODUCED	3,238,130.00	2,964,670.00	273,460.00	9.22%	15,861,492.00	15,238,854.00	622,638.00	4.09%
AVG GAL PRODUCED PER CUST	20,657.00	18,924.00	1,733.00	9.16%	101,497.00	97,524.00	3,973.00	4.07%
COST OF PRODUCED WATER	$2,514,823.58	$2,549,048.00	($34,224.42)	-1.34%	$17,165,883.00	$18,243,982.00	($1,078,099.00)	-5.91%
AVG COST PER CUST SERVED	$16.04	$16.27	($0.23)	-1.41%	$109.84	$116.76	($6.92)	-5.93%
AVG COST PER THOU GAL PROD	$0.78	$0.86	($0.08)	-9.30%	$1.08	$1.20	($0.12)	-10.00%
TOTAL COST OF WATER AVAILABLE								
THOU GAL AVAIL FOR DISTR'N	3,238,130.00	2,964,670.00	273,460.00	9.22%	15,861,492.00	15,238,854.00	622,638.00	4.09%
AVG GAL AVAIL PER CUST	20,657.00	18,924.00	1,733.00	9.16%	101,497.00	97,524.00	3,973.00	4.07%
TOTAL COST WATER AVAILABLE	$2,514,823.58	$2,549,048.00	($34,224.42)	-1.34%	$17,165,883.00	$18,243,982.00	($1,078,099.00)	-5.91%
AVG CUST PER CUST SERVED	$16.04	$16.27	($0.23)	-1.41%	$109.84	$116.76	($6.92)	-5.93%
AVG COST PER THOU GAL	$0.78	$0.86	($0.08)	-9.30%	$1.08	$1.20	($0.12)	-10.00%
% OF WATER AVAILABLE SOLD	75.73	82.83	(7.10)	-8.57%	72.48	74.67	(2.19)	-2.93%
% OF WATER UNMETERED (1)	24.27	17.17	7.10	41.35%	27.52	25.33	2.19	8.65%
PURCHASED WARM WATER								
THOUSAND GALLONS PURCHASED	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
AVG GAL PURCHASED PER CUST	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
COST OF PURCHASED WATER	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A
AVG COST PER CUST SERVED	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A
AVG COST PER THOU GAL PUR	$0.00	$0.00	$0.00	N/A	$0.00	$0.00	$0.00	N/A

(1) Annual unmetered water for 2025 is budgeted to be 13.0%.

EXHIBIT B-1

WATER DISTRICT NO. 1 OF JOHNSON COUNTY
MONTHLY CASH POSITION REPORT
AUGUST 31, 2025

	CASH	INTER-FUND RECEIVABLE/PAYABLE	TEMPORARY INVESTMENTS	08/31/25 TOTAL	YTD CHANGE IN MV GAIN / (LOSS)	08/31/25 BALANCE SHEET	Restated 08/31/24 BALANCE SHEET
SPECIAL FUNDS:							
Water System General Fund	$0.00	$0.00	$25,415,793.00	$25,415,793.00	$0.00		
Principal & Interest Fund	5,016,332.95	1,180,193.94	0.00	6,196,526.89	0.00		
2017A Bond Reserve Fund	269,879.29	(266,394.03)	5,806,855.40	5,810,340.66	110,372.60		
2017B Bond Reserve Fund	136,213.09	(86,406.24)	1,868,139.00	1,917,945.85	166,646.15		
2019 Bond Reserve Fund	59,457.30	(43,836.55)	954,159.38	969,780.13	63,375.00		
2020 Bond Reserve Fund	364,421.26	(532,257.22)	4,390,839.84	4,223,003.88	139,746.12		
Total Special Funds	$5,846,303.89	$251,299.90	$38,435,786.62	$44,533,390.41	$480,139.87	$45,013,530.28	$43,523,201.54
OTHER FUNDS:							
Water System General Fund	$5,079,407.26	($174,873.12)	$124,699,534.42	$129,604,068.56	$1,010,907.85	130,614,976.41	118,420,797.91
System Development Reserve	2,558,950.65	(76,426.78)	0.00	2,482,523.87	0.00	2,482,523.87	4,199,180.54
GRAND TOTAL - ALL FUNDS	$13,484,661.80	$0.00	$163,135,321.04	$176,619,982.84	$1,491,047.72	$178,111,030.56	$166,143,179.99
Percent of Total	7.63%	0.00%	92.37%	100.00%			

WATERONE
WATER SYSTEM GENERAL FUND ANALYSIS
Exhibit B-2

AUGUST 31, 2025

Exhibit			
GL	Cash & Investments	$ 155,194,735	
GL	Total Change in Market Value GASB 31 - (decrease) increase	1,010,908	
2	Reimbursement due from (to) SDC and BRFs	(174,873)	
	Cash, Investments and Receivables Marked to Fair Market Value		$ 156,030,769
GL	Reverse Mark to Market		$ (1,010,908)
GL	Open SDC Permits (GL 200400)		(4,298,100)
GL	Prepaid MP OH & Annual Capital OH (GLs 186220 + 186225)		1,896,151
3	Contracts (MX, RA, MC) Receivable (Payable)		(4,140,269)
	AVAILABLE WATER SYSTEM GENERAL FUNDS		$ 148,477,643
LESS:			
	703 Reserve per Bond Resolutions (1/6 Budgeted Net Revenue)	$ 25,415,793	
4	Regular Annual Capital, Capital Contingency and Carryovers	3,304,550	
5A	Phase V Master Plan Projects	83,245,525	
6	Transmission & Distribution Infrastructure Program	6,676,040	
7	Rate Stabilization Reserve ($17 million authorized @ 4-9-24 Board Mt. eff. 3-31-24)	17,000,000	
	703, Capital, Carryovers, MP, T&D and Rate Stabilization Reserves		$ 135,641,908
9	Negative Cash Flow Reserve ($10.9 million authorized @ 4-8-25 Board Mtg, eff. 3-31-25)	$ 10,900,000	
	Less: Cumulative Expenditures	(8,530,849)	
	Add: Cumulative Replenished	8,530,849	
	Net Reserved Negative Cash Flow Reserve Balance		$ 10,900,000
	RESERVED WATER SYSTEM GENERAL FUNDS		$ 146,541,908
	UNRESERVED WATER SYSTEM GENERAL FUNDS		$ 1,935,735

Summary Master Plan Capital Improvements Statement

Exhibit 5A

PHASE V AND OTHER MASTER PLAN PROJECTS

AUGUST 31, 2025

	FUNDING SOURCES:		(F) "Authorized To Be Designated" per Formal Board Action	(G) Gross Amount Actually Funded To Date	(H) Actual Charges PAID To Date	(I) (G - H) Balance of CASH
1	**Sources of Funding for Master Plan Capital Improvements**					
2	Gen. Fund - Revenue & Investment Income Prior Current Year	(1)	$ 218,475,955	$ 211,663,413	$ 117,912,624	$ 93,750,789
3	Gen. Fund - Designated from Current Year Budget		15,908,158	-	-	-
4	Gen. Fund - Allocation of Prior Year Available Funds		-	-	-	-
5	Gen. Fund - Designated from MIU Fund		555,340	555,340	555,340	-
6	Gen. Fund - Designated from OPEB Reserve Funds		2,088,251	2,088,251	-	2,088,251
7	Gen. Fund - Designated from Negative Cash Flow Reserve		-	-		-
8	Gen. Fund - Designated from Rate Stabilization Reserve		6,400,000	6,400,000	-	6,400,000
9	Gen. Fund - Designated from Transmission & Distribution Fund		1,500,000	1,500,000	-	1,500,000
10	Gen. Fund - Undesignated to Call and Defease 2001 Outstanding Bonds		-	-	-	-
11	Gen. Fund - Undesignated to Sr. Lien Bond Reserve Fund		(15,820,699)	(15,820,699)	-	(15,820,699)
12	Gen. Fund - Undesignated to Rate Stabilization Reserve 2009		(4,672,816)	(4,672,816)	-	(4,672,816)
13	Subtotal Net General Fund		224,434,189.10	201,713,489.10	118,467,964	83,245,525.06
14	System Development Fund Pre 01/01/06 Rule Change	(1)	48,578,666	48,578,666	48,578,666	-
15	System Development Fund Post 01/01/06 Rule Change	(1) (2) (3)	163,999,574	163,999,574	163,572,024	427,550
	FEMA Grant - Wyss Generators (Sept 2022)		4,837,500	4,837,500	4,201,870	635,630
16	Federal Grant (Nov 2006)		477,900	477,900	477,900	-
17	Sale of 183rd St. Property		198,825	198,825	198,825	-
18	Principal and Interest Fund, 2007, 2010, 2014 & 2017 Bond Capitalized Interest		19,818,706	19,818,706	19,818,706	-
19	2007 Bond Fund	(1)	191,175,080	191,175,080	191,175,080	-
20	2010 Bond Fund	(2)	25,966,624	25,966,624	25,966,624	-
21	2014 Bond Fund	(3)	78,444,924	78,444,924	78,444,924	(0)
22	2017 Bond Fund	(4)	37,352,426	37,352,426	37,352,426	(0)
23	2023 SRF Loan		33,093,381	33,093,381	7,292,679	25,800,702
24	**Total Source of Funds (Sum of Lines 2 to 19)**		$ 828,377,794	$ 805,657,094	$ 695,547,687	$ 110,109,407
25	Less Retainage					(825,084)
26	Balance Net of Retainage					$ 109,284,323
27	Less: Contractually Obligated To Date (Sum Column (B))		764,875,436	764,875,436		
28	**Funds Available for Future Awards**		$ 63,502,358	**$ 40,781,658**		

(1) General Fund was reimbursed $9,532,190 and SDC Fund was reimbursed $25,827,297 in April 2007 from Bond proceeds.
(2) SDC Fund was reimbursed $14,995,805.63 in July 2010 from Bond proceeds.
(3) SDC Fund was reimbursed $18,277,416.77 in February 2014 from Bond proceeds.
(4) SDC Fund was reimbursed $11,166,890.86 in November 2017 from Bond proceeds.

Line #	Project No.	**SUMMARY OF PROJECT COSTS:** Project Description	Total as % of Phase	(A) Most Recent Estimate of "Total Project" Cost	(B) Contractually Obligated To Date	(C) Actual Charges Project To Date	(D) (C/A) Actual Charges To Date As Percent of Total Est'd
29		Total Preliminary Engineering and Planning Studies:	0.2%	$ 3,407,771	$ 3,407,771	3,407,770	100.0%
30		Total Production Facilities - Phase V-A:	32.6%	$ 451,276,629	$ 291,915,397	281,775,058	62.4%
31		Total Pumping & Storage - Phase V-A:	27.0%	$ 373,908,339	$ 110,772,832	110,060,814	29.4%
32		Total Transmission & Distribution:	24.0%	$ 332,183,072	$ 203,346,910	197,963,083	59.6%
33		Total Other Projects:	12.0%	$ 165,314,668	$ 105,034,074	74,021,136	44.8%
						696,372,770	
34		Total Prod & Pumping Projects - Phase V-B:	4.1%	$ 57,146,852	$ 50,398,454	29,144,910	51.0%
35		**Total Capital Improvement Cost**	100%	$ 1,383,237,331	$ 764,875,436	696,372,771	50.3%
36		Less Retainage			-	(825,084)	
37		**Total Projects Paid to Date**				$ 695,547,687	

Pages 2-3 Display Detail of Project Costs

$ 1.00

9/10/2025

Summary Master Plan Capital Improvements Statement **Exhibit 5B**

PHASE V AND OTHER MASTER PLAN PROJECTS

AUGUST 31, 2025

Line #	Project No.	Project Description	Total as % of Phase	(A) Most Recent Estimate of "Total Project" Cost	(B) Contractually Obligated To Date	(C) Actual Charges Project To Date	(D) Actual Charges To Date As Percent of Total Est'd
		PROJECT COSTS:					
1		Preliminary Engineering and Planning Studies		3,407,771	3,407,771	3,407,770	100.0%
2		**Total Preliminary Engineering and Planning Studies:**	0.2%	$ 3,407,771	$ 3,407,771	$ 3,407,770	100.0%
3		**PRODUCTION FACILITIES PROJECTS - Phase V-A**					
4		**New Site Related to E3 MO River Plan**					
5	MP-06007	Wolcott TP & Reservoir - Phase V-A - Phase V		$ 85,953,711	$ 85,953,711	$ 85,951,170	100.0%
6	MP-06009	TP Raw Water Mains - Phase V		9,609,770	9,609,770	9,609,770	100.0%
7	MP-07011	HCW Pump House - Phase V		7,294,307	7,294,307	7,294,307	100.0%
8	MP-07010	HCW Caisson - Phase V		3,883,461	3,883,461	3,883,461	100.0%
9	Various	Wolcott Monofil #2A-#3A		6,412,000	2,510,805	2,513,860	39.2%
10	MP-05004	Land for Pumping Station & Reservoir - Phase V		1,638,234	1,638,234	1,638,234	100.0%
11	MP-07002	Residual Monofill #1A - Phase V		1,098,710	1,098,710	1,098,710	100.0%
12	MP-04319	Wellfield Site Acquisition - Phase V		1,033,979	1,033,979	1,033,979	100.0%
13	MP-05318	Treatment Plant Site Acquisition - Phase V		1,020,933	1,020,933	1,020,933	100.0%
14	MP-13012	Landscaping for Wolcott TP - Phase V		22,746	22,746	22,746	100.0%
15	MP-05005	Land for Phase VII Expansion - Phase V		30,535	30,535	30,535	100.0%
16		**Total Production at New Sites Related to E3 MO River Plan**	8.5%	$ 117,998,386	$ 114,097,192	114,097,706	96.7%
17		**Existing Production Sites**					
18	MP-16010	Ozone Generation Facility - Phase V OM-13001		$ 44,840,949	$ 44,840,949	44,840,949	100.0%
19	various	Electrical Equipment Replacement		14,898,815	14,898,815	14,898,815	100.0%
20	Various	Hansen Monofils #9-#15		22,486,888	2,754,649	1,812,935	8.1%
21	MP-05001	Intake Jetty Replacement - Phase V		14,629,651	14,629,651	14,629,651	100.0%
22	MP-32001	Filter Bldg, Wet Well, & Basin Rehab - Phase V		13,883,027	-	-	0.0%
23	MP-31004	Concrete & Masonry Replacement - Phase V		12,681,611	-	-	0.0%
24	MP-03271	KS River & Facility I Treatment Improvements - Phase V		9,546,121	9,546,121	9,546,121	100.0%
25	Various	MO Presedimentation Replacement Projects		15,157,337	58,399	58,399	0.4%
26	Various	Facility 2 Replacement Projects		4,954,998	1,061,197	1,061,197	21.4%
27	Various	Facility 2 Flow Pacing		7,247,254	7,247,254	7,247,254	100.0%
28	MP-20008	KS Well Units Replacement Phase II - Phase V		6,393,870	692,479	124,506	1.9%
29	MP-28008	KS Well Units Replacement Phase III - Phase V		4,508,332	-	-	0.0%
30	MP-16015	Hydro Power Generation - Phase V OM-12003		810,613	810,613	810,613	100.0%
31	Various	Facility 1 Replacement Projects		39,289,157	20,029,197	17,962,049	45.7%
32	MP-05305	Lab Space - Phase V		6,147,169	6,147,169	6,147,169	100.0%
33	MP-03006	KS Settled Water & Warm Water Mains - Phase V		6,023,763	6,023,763	6,023,763	100.0%
34	MP-21121	Wolcott Membrane Controls Replacement Phase I - Phase V		1,255,635	1,255,635	1,098,399	87.5%
35	MP-23121	Wolcott Membrane Module Replacement - Phase V		3,062,364	3,523,718	3,062,364	100.0%
36	MP-10008	KS Well Replacement - Phase V		6,228,716	6,228,716	6,228,716	100.0%
37	Various	Elevated Tank Replacement Projects		5,921,946	102,439	102,439	1.7%
38	MP-20015	Redundant Power Generation for Wyss PS - Phase V		7,307,259	7,307,259	6,609,349	90.4%
39	MP-05325	Adj Frequency Drive Replc & Harmonic Mitigation - Phase V		4,186,035	4,186,035	4,186,035	100.0%
40	Various	Hansen Monofils #6-#8		3,535,885	- 3,535,884.90	3,535,885	100.0%
41	MP-15008	General Improvements - Phase V (AC) - Facility 1 and 2		1,936,850	1,936,850	1,936,850	100.0%
42	MP-25023	Hansen O&M Building Electrical Improvements - Phase V -		4,334,580	-	-	0.0%
43	Various	Hansen High Service Pump Replacements		5,179,507	-	-	0.0%
44	MP-03278	Facility II General Improvements - Phase V		2,410,401	2,410,401	2,410,401	- 100.0%
45	MP-03277	MO River Facilities General Improvements - Phase V		1,995,915	1,995,915	1,995,915	100.0%
44	MP-23008	Zebra Mussel Mitigration - Phase V		2,226,277	2,226,277	387,030	17.4%
45	MP-40008	Copper Ion Generator Replacement - Phase V		-	-	-	
46	MP-21122	Paint Renner Tank - Phase V		661,253	661,253	661,253	100.0%
47	Various	KS Presedimentation Replacement Projects		2,368,864	1,889,337	1,889,337	79.8%
48	MP-23006	MO Facilities Piping & Valve Replacement - Phase V - MO River Intake		3,455,886	-	-	0.0%
49	MP-26005	KS Intake Tunnel Valve Replacement - Phase V - Kansas River Intake		1,000,895	-	-	0.0%
50	MP-14010	General Improvements Facility 1 - Phase V (AC)		810,420	810,420	810,420	100.0%
51	MP-21201	MO Intake Traveling Screen Replacement - Phase V		2,023,916	2,023,916	2,023,916	100.0%
52	MP-21204	Facility 2 Filter Valve Replacements - Phase V		1,018,039	1,018,039	1,018,039	100.0%
53	MP-23100	MO Intake Header Valve Replacement - Phase V		-	-	-	
54	MP-23013	Facility 2 HVAC Refurbishment - Phase V		-	0	0	
55	MP-21018	MO Intake HVAC Improvements - Phase V		2,222,818	2,222,818	2,059,777	92.7%
56	MP-23013	Facility 2 HVAC Refurbishment - Phase V		2,394,171	0	0	0.0%
57	MP-20300	Hansen Treatment Property Expansion - Phase V		232,302	232,302	232,302	100.0%
58	MP-24002	Hansen Phase II Basin Painting - Phase V(AC)		1,508,879	1,508,879	697,360	46.2%
59	MP-25004	Hansen Phase III Basin Painting - Phase V(AC)		2,207,767	1	1	0.0%
60	MP-25005	Wolcott Adjustable Frequency Drive Replacement - Phase V(AC)		1,844,037	-	-	0.0%
61	MP-26007	MO Presed Pump Nos 1,2&5 AFD Replacement - Phase V(AC)		2,123,752	2,123,752	528,584	24.9%
62	MP-26008	Facility 2 High Service Pump AFD Replacement - Phase V(AC)		1,398,574	1,398,574	560,034	40.0%
63	MP-29002	Hansen Emergency Backup Generators - Phase V		16,484,006	-	-	0.0%
64	MP-29003	MO Intake Emergency Backup Generators - Phase V		13,710,995	-	-	0.0%
65	MP-25006	KS Presed Chemical System Improvements - Phase V		4,730,746	-	-	0.0%
66		**Total Production at Existing Production Sites**	24.1%	$ 333,278,243	$ 177,818,205	$ 167,677,353	50.3%
67		**Total Production Facilities:**	32.6%	$ 451,276,629	$ 291,915,397	281,775,058	62.4%
68		**PUMPING & STORAGE FACILITIES - Phase V-A**					
69	MP-60001	170th and Metcalf Pump Station & Reservoir - Phase V		113,002,974	6,110	6,110	0.0%
70	MP-45001	191st and Hedge Lane Pump Station & Reservoir - Phase V		63,417,134	370	370	0.0%
71	Various	Wyss Pumping Station & Reservoir Expansion		34,368,769	1,265,502	613,437	1.8%
72	MP-15012	Pumping Station & Reservoir - 159th & Hedge Lane		24,871,974	24,871,974	24,871,974	100.0%
73	MP-16006	Pumping Station & Res - NWRPA 71st & Hedge Lane		20,440,506	1,602,231	1,542,279	7.5%
74	MP-06003	Nall Receiving Rsvr & Pumping Station - 147th & Nall		16,073,722	16,073,722	16,073,722	100.0%
75	MP-17004	Nall Pump Station Phase II - 147th & Nall		10,600,721	10,600,721	10,600,721	100.0%
76	MP-04281	Land for SE Crouthers Rsvr & Pump Station - 147th & Nall		2,401,196	2,401,196	2,401,196	100.0%
77	MP-23005	211th Reservoir & Pumping Station Phase III - 211th Street Pumping Station		19,969,378	-	-	0.0%
78	MP-05007	5 MG Reservoir (Phase II) - 211th Street Pumping Station		6,113,472	6,113,472	6,113,472	100.0%
79	Various	Crouthers Pumping Station & Reservoir Rehabilitiations		8,221,723	8,221,723	8,221,723	100.0%
80	MP-34001	South Sub Pressure Zone Elevated Tank - Phase V		11,419,703	-	-	0.0%
81	MP-18002	Elevated Tank, KK-7 & K-10 Hwy		6,821,460	6,821,460	6,821,460	100.0%
82	MP-09007	Land for Elevated Tank - K-7 & K-10		1,516,159	1,516,159	1,516,159	100.0%
83	MP-21502	North Sub-Pressure Zone Elevated Tank		5,930,006	5,930,006	5,930,006	100.0%
84	MP-21010	Santa Fe Tank Replacement - Phase V		3,391,256	-	-	0.0%
85	Various	Quivira Pumping Station & Reservoir Rehabilitiations		3,982,111	3,982,111	3,982,111	100.0%
86	MP-02260	5 MG Reservoir - 2nd Expansion - Quivira Pumping Station & Reservoir		5,220,602	5,220,602	5,220,602	100.0%
87	MP-19003	Elevated Tank, 1199th & Lackman		5,172,630	5,172,630	5,172,630	100.0%
88	MP-11003	67th St PS and Woodson PS Improvements - Phase V (AC)		3,026,013	3,026,013	3,026,013	100.0%
89	Various	Woodson Pumping Station & Reservoir		2,262,194	2,262,194	2,262,194	100.0%
90	Various	Lamar Pumping Station & Reservoir		2,413,015	2,413,015	2,413,015	100.0%
91	Various	Ridgeway Pumping Station & Reservoir Rehabilitiations		3,271,622	3,271,622	3,271,622	100.0%
92		**Total Pumping & Storage:**	27.0%	$ 373,908,339	$ 110,772,832	$ 110,060,814	29.4%
93	MP-07999	Capitalized Interest on the Series 2007 Bonds		$ 9,192,373	$ 9,192,373	9,192,373	100.0%
94	MP-18012	AMI Upgrade		14,217,150	14,217,150	14,117,150	99.3%
95	MP-20035	Campus Improvements - Phase I		17,077,724	17,077,724	17,077,724	100.0%
96	MP-22035	Campus Improvements - Phase II		10,513,435	996,680	254,680	2.4%
97	MP-21035	Campus Improvements - Evergy Electrical Upgrade		484,082	484,082	484,082	100.0%
98	MP-28035	Campus Improvements - Phase III - Phase V		9,075,738	-	-	0.0%
99	MP-35035	AHQ Remodel - Phase V		26,617,801	-	-	0.0%
100	MP-17000	P1 Building Purchase		3,602,540	3,602,540	3,602,540	100.0%
101	MP-17500	AHQ Roof Replacement		1,946,605	1,946,605	1,946,605	100.0%
102	MP-19133	Facility 2 Analyzer Structures		1,204,670	1,204,670	1,204,670	100.0%
103	MP-10999	Capitalized Interest on the Series 2010 Bonds		2,230,875	2,230,875	2,230,875	100.0%
104	MP-06015	Residential AMR		239,715	239,715	239,715	100.0%
105	MP-14999	Capitalized Interest on the Series 2014 Bonds		6,054,016	6,054,016	6,054,016	100.0%
106	MP-22800	Enterprise Resource Planning Upgrade		27,167,564	27,167,564	1,798,511	0.0%
107	MP-35035	Enterprise Resource Planning Upgrade II		8,475,225	-	-	0.0%
108	MP-24107	Meter Move Outs		1,356,469	-	-	0.0%
109	MP-25009	Hansen O&M Building Roof Replacement		1,043,477	1,043,477	2,333	0.2%
109	Various	SCADA Upgrade		20,675,566	17,235,162	13,474,420	65.2%
111	MP-17999	Capitalized Interest on the Series 2017 Bonds		2,341,441	2,341,441	2,341,441	100.0%
112		**Total Other Projects:**	12.1%	$ 165,314,668	$ 105,034,074	$ 74,021,136	44.8%
113		**Total Prod & Pumping Projects (See Next Page):**	4.1%	$ 57,146,852	$ 50,398,454	29,144,910	51.0%
114		**Total Transmission & Distribution (See Next Page):**	24.0%	$ 332,183,072	$ 203,346,910	197,963,083	59.6%
115		Total Capital Improvement Cost	100.0%	$ 1,383,237,331	$ 764,875,436	$ 696,372,771	50.3%
116		Less Retainage		14,703,464	-	(825,084)	
117		Total Projects Paid to Date				$ 695,547,687	

Summary Master Plan Capital Improvements Statement

Exhibit 5C

PHASE V AND OTHER MASTER PLAN PROJECTS

AUGUST 31, 2025

Line #	Project No.	Project Description	Total as % of Phase	(A) Most Recent Estimate of "Total Project" Cost	(B) Contractually Obligated To Date	(C) Actual Charges Project To Date	(D) Actual Charges To Date As Percent of Total Est'd
		PROJECT COSTS:					
1		**Total Planning:**	0.2%	$ 3,407,771	$ 3,407,771	$ 3,407,770	100.0%
2		**Total Production Facilities (See Previous Page):**	32.6%	451,276,629	291,915,397	281,775,058	62.4%
3		**Total Pumping & Storage (See Previous Page):**	27.0%	373,908,339	110,772,832	110,060,814	29.4%
4		**Total Other Projects (See Previous Page):**	12.1%	165,314,668	105,034,074	74,021,136	44.8%
5		**TRANSMISSION & DISTRIBUTION PROJECTS:**					
6	MP-17006	30" TM Replacement Quivira, 95th to 111th & 111th, Quivira to Metcalf		$ 24,119,791	$ -	$ -	0.0%
7	MP-05322	60" TM Kansas Speedway to Kansas River		21,192,903	21,192,903	21,192,903	100.0%
8	MP-05323	60" TM Kansas River to Reservoir @ 77th @ K-7 Hwy		19,186,418	19,186,418	19,186,418	100.0%
9	MP-15011	48" TM Hedge Lane, 127th & K-7 to Hedge Ln PS&R		16,973,515	16,973,515	16,973,515	100.0%
10	various	16" & Smaller Mains (43 Projects)		22,144,852	13,016,165	13,015,562	58.8%
11	MP-17005	30" TM Replacement Crouthers Pump Stn to 67th, Switzer to 78th - Phase V		14,999,833	-	-	0.0%
12	MP-05321	60" TM Plant to Kansas Speedway		14,769,204	14,769,204	14,769,204	100.0%
13	MP-16008	48" TM K-10 & Monticello to 127th & K-7		14,188,891	14,188,891	14,188,891	100.0%
14	MP-15013	42" TM 175th, Ridgeview to Hedge Lane		6,023,005	6,023,005	6,023,005	100.0%
15	MP-16007	60" TM Hedge Lane PS&R to 175th & Hedge Ln.		8,734,668	8,734,668	8,734,668	100.0%
16	MP-23014	16/20" TM Replacement Outlook, Johnson Dr to Martway		528,699	528,699	528,699	100.0%
17	MP-23015	16" TM Replacement Outlook/Martway to 62nd/Woodson		845,875	845,875	153,522	18.1%
18	MP-24015	20" TM Replacement Outlook, Woodson PS to Johnson Dr		5,528,178	5,528,178	2,086,044	37.7%
19	MP-14005	30" TM Replacement I-35 Crossing & 47th Street		1,247,844	1,247,844	1,247,844	100.0%
20	MP-19000	30" TM Replacement 51st Street west of Foxridge to Pump Station		2,588,407	2,588,407	2,588,407	100.0%
21	MP-24000	30" TM Replacement 47th St Quivira to I-635 & 51st Street		15,111,256	-	-	0.0%
22	MP-26095	30" TM Repl Quivira Rd, 75th to 95th - Phase V		14,667,352	-	-	0.0%
23	MP-01251	48" TM 113th & Santa Fe to 135th & Quivira		8,628,303	8,628,303	8,628,303	100.0%
24	MP-05324	Tunnel - Phase V		7,799,810	7,799,810	7,799,810	100.0%
25	MP-24100	30" TM Repl Switzer (67th-79th) & Flint St (55th-57th)		8,890,413	190,055	52,992	0.6%
26	MP-03269	36" TM 77th & Monticello Rd. to 59th & Renner Rd.		6,143,096	6,143,096	6,143,095	100.0%
27	MP-03284	42" TM 135th & Quivira to 143rd & Metcalf		5,720,993	5,720,993	5,720,993	100.0%
28	MP-04304	Easement TM Plant to Reservoir @ 77th @ K-7 Hwy		5,057,986	5,057,986	5,057,986	100.0%
29	MP-04290	54" TM Hwy K-7, KCPL Easement to 77th		4,679,556	4,679,556	4,679,556	100.0%
30	MP-17008	24" TM Replacement Nall, 111th to 119th - Phase V		4,249,519	-	-	0.0%
31	MP-31002	24" Transmission Main Replacement - Phase V		1,045,362	-	-	0.0%
32	MP-32003	24 "Transmission Main Replacement - Phase V		2,544,360	-	-	0.0%
33	MP-29004	24" TM 199th St, Metcalf Ave to Mission Rd - Phase V		6,185,921	-	-	0.0%
34	MP-34004	24" TM Hedge Lane, 175th St to 191st St - Phase V		7,730,470	-	-	0.0%
35	MP-12005	20" TM 199th, Metcalf to Quivira		3,536,853	3,536,853	3,536,853	100.0%
36	MP-22075	30" TM Repl Quivira Rd, 68th to 75th - Phase V		4,199,044	4,199,044	4,199,044	100.0%
37	MP-06299	30" TM Nall, 137th to 151st		2,929,123	2,929,123	2,929,123	100.0%
38	MP-05252	36" TM 175th, Lackman to Ridgeview		2,787,901	2,787,901	2,780,884	99.7%
39	MP-17007	20" TM Replacement 119th, Nall to Mission		-	-	-	
40	MP-13011	GateWay Project (RA-11002) - Phase V		2,469,971	2,469,971	2,469,971	100.0%
41	MP-22069	KDOT/OP Hwy 69 Improvement - TM Relocation - Phase V		5,026,334	5,026,334	4,058,304	80.7%
42	MP-22007	24" TM Replacement Nall, 47th to 51st - BPU Interconnect		1,710,437	0	0	0.0%
43	MP-09006	24" TM Nall PS&R to 143st and Metcalf		1,903,554	1,903,554	1,903,554	100.0%
44	MP-17001	24" TM 87th, Cedar Niles to Clare Rd		-	-	-	
45	MP-05316	30" TM 71st Street, Monticello to Hedge Lane Terrace		1,854,703	1,854,703	1,854,703	100.0%
46	MP-04298	36" TM 135th & Metcalf to 137th & Nall		1,773,918	1,773,918	1,773,918	100.0%
47	MP-04286	30" TM Prairie Star Parkway, K-7 to Mize Road		1,573,032	1,573,032	1,573,032	100.0%
48	MP-11001	24" TM I-35 Crossing, Switzer to Frontage to 79th		34,936	34,936	34,936	100.0%
49	MP-20013	30" TM 91st, Metcalf to Lamar		3,228,882	-	-	0.0%
50	various	Replace & Reline Dist Mains - Pre T&D Capital Fund		1,438,732	1,438,733	1,438,732	100.0%
51	MP-02259	20" TM 199th, 1MG Tank @ Lackman to Quivira		1,236,361	1,236,361	1,236,361	100.0%
52	MP-16005	16" TM 86th Terr & Lewis Dr to Clare Rd & 83rd		-	-	-	
53	MP-04292	48" TM KCPL Easement Hwy K-7 to Monticello		1,178,668	1,178,668	1,178,668	100.0%
54	MP-06008	24" TM 71st Street, Clare Road to Hedge Lane Terr.		1,069,545	1,069,545	1,069,545	100.0%
55	MP-04289	30" TM Hwy K-7, Prairie Star Parkway to KCPL Esmnt		932,591	932,591	932,591	100.0%
56	MP-32002	20" Transmission Main Replacement - Phase V		878,932	-	-	0.0%
57	MP-09003	20" TM Nall Ave, 151st to 159th		848,887	848,887	848,887	100.0%
58	MP-13010	Land Purchase: Renner North 30 - Phase V		628,643	628,643	628,643	100.0%
59	MP-03268	Hwy K-7 Tunnel Crossing - Phase V		592,189	592,189	592,189	100.0%
60	MP-02264	20" TM 199th, Renner to Lackman		568,751	568,751	568,751	100.0%
61	Various	Pressure Release Valves		1,176,762	1,176,762	1,176,762	100.0%
62	MP-04291	36" TM 77th, Hwy K-7 to Monticello		454,397	454,397	454,397	100.0%
63	MP-02263	20" TM 143rd, U.S.69 east to Floyd		191,912	191,912	191,912	100.0%
64	MP-07009	20" TM 71st Street, Clare Road to Mize Road		11,257	11,257	11,257	100.0%
65	MP-21500	20" TM - 47th & Monticello to North Elevated Tank		1,661,801	1,661,801	1,661,801	100.0%
66	MP-24020	8" TM 167th, Mission Rd to Chaney - Phase V		1,241,363	85,436	26,344	2.1%
67	MP-25015	Hansen In-Line Hydro - Phase V		10,685,941	138,036	60,506	0.6%
68	MP-26015	Wyss In-Line Hydro - Phase V		2,358,930	-	-	0.0%
69	MP-25030	30" TM Repl Quivera 92nd to 93rd St - Phase V		472,244	0	0	0.0%
69		**Total Transmission & Distribution:**	24.0%	$ 332,183,072	$ 203,346,910	$ 197,963,083	59.6%
70		**PROD & PUMPING PROJECTS**					
71	various	Wellfield/Collector Wells MO River Plant		35,826,648	35,826,648	14,573,104	40.7%
72	various	Wolcott Engine Generators & Pump Projects		19,269,768	12,521,370	12,521,370	65.0%
73	MP-18000	Collector Well Laterals (4 ea.)		-	-	-	
		Total Prod & Pumping Projects - Phase V-B:	4.1%	$ 57,146,852	$ 50,398,454	$ 29,144,910	51.0%
		Total Capital Improvement Cost	100%	$ 1,383,237,331	$ 764,875,436	696,372,771	50.3%
		Less Retainage		-	-	(825,084)	
		Total Projects Paid to Date				$ 695,547,687	

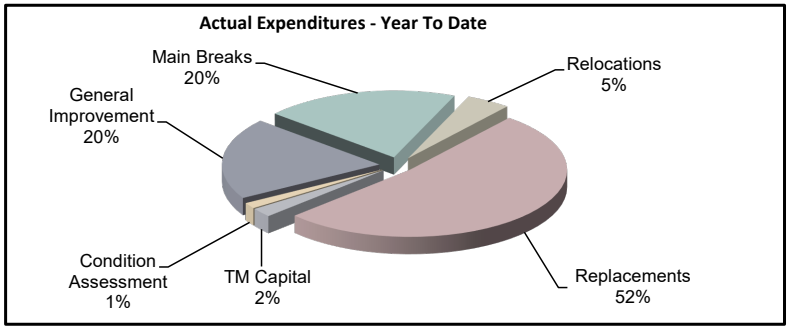
TRANSMISSION & DISTRIBUTION CAPITAL FUND STATEMENT

2025	August YTD Actual	August YTD Budget	Actual vs. Budget $ Diff	Actual vs. Budget % Diff	% of Budget Expended	2025 Budget	Actual vs. Budget $ Diff	Actual vs. Budget % Diff	% of Budget Expended
General Improvement	$3,773,891	$1,950,000	$1,823,891	93.5%	193.5%	$2,925,000	$848,891	29.0%	129.0%
Main Breaks	3,829,977	3,533,333	296,643	8.4%	108.4%	5,300,000	(1,470,023)	(27.7%)	72.3%
Relocations	876,640	1,020,000	(143,360)	(14.1%)	85.9%	1,530,000	(653,360)	(42.7%)	57.3%
Replacements	10,009,453	11,840,000	(1,830,547)	(15.5%)	84.5%	17,760,000	(7,750,547)	(43.6%)	56.4%
TM Capital	424,480	426,667	(2,186)	(0.5%)	99.5%	640,000	(215,520)	(33.7%)	66.3%
Condition Assessment	272,724	506,667	(233,943)	(46.2%)	53.8%	760,000	(487,276)	(64.1%)	35.9%
Overhead Clearing	-	-	-	N/A	N/A	-	-	N/A	N/A
Other	-	-	-	N/A	N/A	-	-	N/A	N/A
Total	**$19,187,165**	**$19,276,667**	**($89,502)**	**-0.5%**	**99.5%**	**$28,915,000**	**($9,727,835)**	**-33.6%**	**66.4%**

2025 Operating Results	
Beginning Balance	$ 6,586,538
2024 YE Disposition	-
2025 YTD Funding	19,276,667
SRF Funding YTD	-
BA Prog Funding YTD	-
Less Expenditures YTD	(19,187,165)
Net Operating YTD	89,502
Net Fund Balance YTD	**$6,676,040**
Days Fund Balance	**84**
Minimum Target 60 - Ideal Target 90	

CURRENT YEAR BY MONTH

2025	January	February	March	April	May	June	July	August	September	October	November	December
General Improvement	$229,498	$103,276	$199,701	$260,972	$250,296	$366,809	$1,022,457	$1,340,881	$0	$0	$0	$0
Main Breaks	237,483	212,792	266,497	469,413	400,725	428,808	804,869	1,009,390	-	-	-	-
Relocations	23,840	29,007	82,267	183,225	198,243	150,634	319,891	(110,467)	-	-	-	-
Replacements	577,244	661,752	1,219,825	1,643,603	1,331,901	1,320,520	1,749,608	1,504,999	-	-	-	-
Trans Main Capital	86,266	81,409	102,640	95,248	6,110	24,733	14,662	13,413	-	-	-	-
Condition Assessment	11,407	6,994	0	148,851	2,589	0	0	102,884	-	-	-	-
Overhead Clearing	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	**$1,165,737**	**$1,095,231**	**$1,870,931**	**$2,801,312**	**$2,189,864**	**$2,291,504**	**$3,911,487**	**$3,861,100**	**$0**	**$0**	**$0**	**$0**
Funding Actual & Projected	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**	**$2,409,583**



HISTORY

	2020	2021	2022	2023	2024
General Improvement	$2,872,631	$3,495,555	$2,279,009	$2,811,346	$3,068,456
Main Breaks	4,355,319	4,587,559	5,614,810	6,172,010	5,379,906
Relocations	1,375,756	1,222,896	1,573,004	1,615,925	932,294
Replacements	8,784,848	9,295,414	11,843,029	14,070,151	15,428,963
Transmission Main Capital	414,648	855,238	704,952	664,988	762,062
Condition Assessment	465,860	463,780	516,851	634,132	112,538
Other & OH Clearing	-	-	-	-	-
Total Cost	**$18,269,061**	**$19,920,443**	**$22,531,655**	**$25,968,552**	**$25,684,218**
Funding from Annual Capital Budget	$ 18,240,000	$ 19,145,000	$ 20,690,000	$ 23,980,000	$ 25,665,000
Adjustment to Capital Budget	-	-	-	-	-
SRF and BA Funding	51,787	185,494	88,252	654,737	515,767
Total Funding	**$18,291,787**	**$19,330,494**	**$20,778,252**	**$24,634,737**	**$26,180,767**

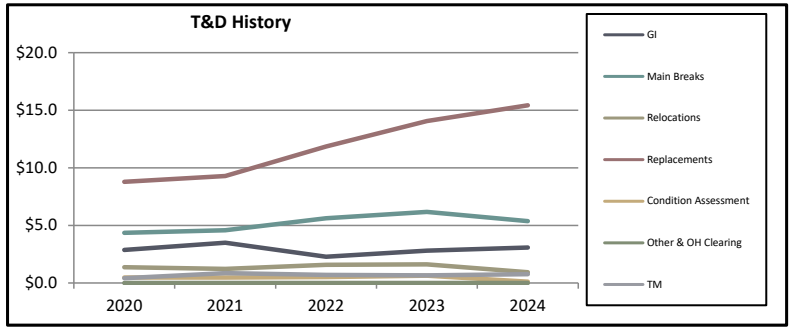


EXHIBIT 7 - RATE STABILIZATION RESERVE

Monthly Fund Analysis

AUGUST 31, 2025

GROSS RESERVES

General Fund - Transferred from 2006 Revenues eff. 12/31/06	$	3,250,000
2007 Unreserved Funds Designated to RSR at 3/11/08 Board Mtg., eff 5/29/08		2,750,000
Fund reserve at 3/11/08 Board Mtg. reversed eff. 4/30/08 at 5/13/08 Board Mtg.		(2,750,000)
Transferred from Master Plan Capital Program at 3/2/10 Board Mtg. eff. 2/28/10		4,672,816
2011 Unreserved Funds Designated to RSR at 4/10/12 Board Mtg. eff. 4/11/12		5,000,000
General Fund - Transferred from 2016 Revenues eff. 3/31/17		1,800,000
Transferred from OPEB at 8/11/2020 Board Mtg. eff. 8/31/2020		4,600,000
2022 Unreserved Funds Designated to RSR at 4/11/23 Board Mtg. eff. 3/31/23		3,000,000
2023 Unreserved Funds Designated to RSR at 4/9/24 Board Mtg. eff. 3/31/24		3,000,000
	$	25,322,816

EXPENDITURES

Transfer to Junior Lien Bond Reserve Fund (for July 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for August 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for September 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for October 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for November 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for December 1, 2008)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for January 1, 2009)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for February 1, 2009)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for March 1, 2009)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for April 1, 2009)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for May 1, 2009)		138,293.78
Transfer to Junior Lien Bond Reserve Fund (for June 1, 2009)	(A)	137,284.81
Transfer to GF to cover Year-End Shortfall - AIS 2, effective 2/28/10		264,300.00
Transfer to Ph V MP Reserve - AIS 2, effective 3/31/16		1,800,000.00
Transfer to Ph V MP Reserve - AIS 1, effective 3/31/20		4,600,000.00
Total Transfers from Rate Stablization Reserve	$	8,322,816.39

REIMBURSEMENTS

No reimbursements to date.		-
	$	-

RATE STABILIZATION RESERVE BALANCE	$	17,000,000.00

(A) Final Transfer

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

GILMORE & BELL, P.C.
Attorneys at Law
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108-2521

[November 12, 2025]

Governing Body
Water District No. 1 of Johnson County, Kansas

[Name of Purchaser]
[City, State]

Re: $[Principal Amount] Water Revenue Bonds, Series 2025, of Water District No. 1 of Johnson County, Kansas, Dated November 12, 2025

To the Addressees:

We have served as Bond Counsel to Water District No. 1 of Johnson County, Kansas (the "Issuer") in connection with the issuance by the Issuer of the above-captioned bonds (the "2025 Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The 2025 Bonds are issued pursuant to K.S.A. 19-3501 to 19-3521b and a Resolution (the "2025 Bond Resolution") of the Issuer adopted October 14, 2025. Under the 2025 Bond Resolution, the Issuer has pledged certain revenues (the "Pledged Revenues") for the payment of principal of, premium (if any), and interest on the 2025 Bonds when due. Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the 2025 Bond Resolution.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the 2025 Bond Resolution, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a quasi-municipal body corporate of the State of Kansas (the "State") with the power to adopt the 2025 Bond Resolution, perform the agreements on its part contained therein, and issue the 2025 Bonds.

2. The 2025 Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The 2025 Bond Resolution creates a valid lien on the Pledged Revenues and other funds pledged by the 2025 Bond Resolution for the security of the 2025 Bonds on a parity with any Parity Bonds issued or to be issued, as provided in the 2025 Bond Resolution.

4. The 2025 Bonds have been duly authorized and executed by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from the Pledged Revenues and the other funds provided therefor in the 2025 Bond Resolution. The 2025 Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer's taxing power is not pledged to the payment of the 2025 Bonds.

5. The interest on the 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2025 Bonds. The 2025 Bonds have *not* been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b)(3).

6. The interest on the 2025 Bonds is exempt from income taxation by the State.

The rights of the owners of the 2025 Bonds and the enforceability of the 2025 Bonds and the 2025 Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the 2025 Bonds, (b) the attachment, perfection or priority of the lien on Pledged Revenues or other funds created by the 2025 Bond Resolution, or (c) the tax consequences arising with respect to the 2025 Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention or any changes in law that may later occur.

GILMORE & BELL, P.C.

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 29, 2025 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by the **CITY OF OLATHE, KANSAS** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **$[PRINCIPAL AMOUNT] Water and Sewer System Improvement Revenue Bonds, Series 2025** (the **"Bonds"**), pursuant to an Ordinance and a Resolution adopted by the governing body of the Issuer (collectively, the **"Resolution"**).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **"Rule"**). The Issuer is the only **"obligated person"** with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the **12**-month period beginning on **January 1** and ending on **December 31** or any other **12**-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"System" means the entire waterworks plant and system and sewerage plant and system owned and operated by the Issuer for the production, storage, treatment and distribution of water and for the collection, treatment and disposal of sewage together with all alterations, repairs, extensions, enlargements and improvements thereto hereafter made or acquired by the Issuer.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than 180 days after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ending December 31, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the **"Annual Report"**):

(1) The audited financial statements of the System for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **"obligated person"** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the

MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become 180 days after the end of the Issuer's new Fiscal Year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (**"Material Events"**):

(1) principal and interest payment delinquencies;
(2) non-payment 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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF OLATHE, KANSAS

By: _____
Title: Mayor

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the following sections and tables contained in the final Official Statement relating to the Bonds (with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer):

- Historical Financials
- Number of Customers
- Water Production Requirements
- Sewage Treatment Requirements
- Water and Sewer Peak Daily Demand
- Largest Customers