PRELIMINARY OFFICIAL STATEMENT DATED JULY 1, 2025
BONDS TO BE SOLD TUESDAY, JULY 9, 2025 AT 9:30 A.M. C.D.T.

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT. 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 such jurisdiction. As of this date, this Preliminary Office Statement has been deemed "final" by the District for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

NEW ISSUE
Book-Entry Only

Rating S&P: "AA+"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the District, interest on the Series 2025A Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2025A Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2025A Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

$25,000,000*
HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE
UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A

Dated: Date of Delivery

Due: September 1, as shown below

The Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds") of the Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "District"), will be issued as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof and will bear interest at the annual rates shown below. Interest on the Series 2025A Bonds will be payable semi-annually on March 1 and September 1, commencing March 1, 2026*. Principal of, premium, if any, and interest on the Series 2025A Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, as Paying Agent and Bond Registrar, provided that interest may be paid by check or draft mailed by the Registration Agent to each registered owner as of the record date.

The Series 2025A Bonds are being issued for the purpose of providing funds to (i) refund all of the District's outstanding Utilities Revenue Refunding Bonds, Series 2015 and Utilities Revenue Refunding Bonds, Series 2016; and (ii) pay the costs of issuing the Series 2025A Bonds.

The Series 2025A Bonds are payable solely from and secured by a lien upon and pledge of the Net Revenues (as herein defined) of the District's water and sewer system pursuant to the provisions of the Bond Resolution (as defined herein), on parity with outstanding bonds of the District, as more fully described herein. The Series 2025A Bonds are not obligations of the State of Tennessee, or any of its political subdivisions, other than the District, nor is the State of Tennessee, or any of its political subdivisions, other than the District, liable for the payment of the principal of, premium, if any, or interest on the Series 2025A Bonds. The Bond Resolution does not grant to owners of the Series 2025A Bonds any mortgage on or security interest in any real or personal property of the District other than the lien on the Net Revenues of the District's water and sewer system and the statutory mortgage lien on said System as described more fully herein. The District has no taxing power.

The maturities, interest rates and yields on the Series 2025A Bonds are shown below*.

Maturity* (September 1)	Amount*	Interest Rate	Yield	CUSIP	Maturity* (September 1)	Amount*	Interest Rate	Yield	CUSIP
2026	$3,510,000	%	%		2035	$940,000	%	%	
2027	3,820,000				2036	990,000			
2028	4,010,000				2037	1,040,000			
2029	710,000				2038	1,080,000			
2030	740,000				2039	1,120,000			
2031	780,000				2040	1,170,000			
2032	810,000				2041	1,230,000			
2033	860,000				2042	1,290,000			
2034	900,000								

The Series 2025A Bonds are subject to optional redemption on or after September 1, 2035* at a price of par plus accrued interest, as described herein under the heading "The Series 2025A Bonds – Redemption."

The Series 2025A Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed upon for the District by Parker, Lawrence, Cantrell & Smith, Nashville, Tennessee, as Counsel to the District. Stephens Inc. is serving as municipal advisor to the District. It is expected that the Series 2025A Bonds in book-entry form will be available for delivery through The Depository Trust Company on or about July 23, 2025.*

July ____, 2025

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*Preliminary, subject to change

District of Davidson and Williamson Counties, Tennessee (the “District”), is an Official Statement with respect to the Series 2025A Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Series 2025A Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the District or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the District or the Series 2025A Bonds must not be relied upon as having been authorized by the District or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

The Series 2025A Bonds have not been registered under the Securities Act of 1933, as amended.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the District and the terms of the offering, including the merits and risks involved. No registration statement relating to the Series 2025A Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Series 2025A Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

All CUSIP numbers included herein have been assigned by Standard & Poor’s CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Bondholders. Neither the Municipal Advisor nor the District is responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2025A Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025A Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025A Bonds.

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HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

DISTRICT OFFICIALS

BOARD OF COMMISSIONERS
Bernard Kwas, President
David Tucker, Vice President
Wayne Erickson, Secretary

GENERAL MANAGER
John E. Brown

FISCAL OFFICER
Beth Finney

COUNSEL TO THE DISTRICT
Parker, Lawrence, Cantrell & Smith
Nashville, Tennessee

BOND COUNSEL
Bass, Berry & Sims PLC
Nashville, Tennessee

REGISTRATION AGENT, PAYING AGENT AND REFUNDING ESCROW AGENT
U.S. Bank Trust Company, National Association
Nashville, Tennessee

MUNICIPAL ADVISOR
Stephens Inc.
Nashville, Tennessee

UNDERWRITER
____
____
____

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NOTICE OF SALE

HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

$25,000,000* UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A

Notice is hereby given that the President of the Board of Commissioners of Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the “District”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the District’s **$25,000,000* Utilities Revenue Refunding Bonds, Series 2025A** (the “Series 2025A Bonds”) until:

9:30 A.M. C.D.T. on Wednesday, July 9, 2025.

Written bids must be addressed and delivered to the District to the attention of the John E. Brown, General Manager, Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee, 5838 River Road, Nashville, Tennessee 37209. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of the Series 2025A Bonds on July 9, 2025 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours’ notice.***

The Series 2025A Bonds will be dated the date of delivery. The interest rate or rates on the Series 2025A Bonds shall not exceed 5% per annum and shall be payable semi-annually on March 1 and September 1, commencing March 1, 2026. No bid for the Series 2025A Bonds will be considered for less than 99% nor more than 125% of par, as described in the Detailed Notice of Sale. In addition, each maturity of Series 2025A Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Series 2025A Bonds will mature on September 1 in the years 2026 through 2042, inclusive, with term bonds optional, and will be awarded on the sale date by the President of the Board of Commissioners of the District to the bidder whose bid results in the lowest true interest cost on the Series 2025A Bonds. The Series 2025A Bonds maturing September 1, 2036 and thereafter are subject to redemption at the option of the District on or after September 1, 2035 at a price of par, plus interest accrued to the redemption date. After opening the bids, the District reserves the right to adjust the principal amount of each maturity of the Series 2025A Bonds as described in the Detailed Notice of Sale.

The District expects the sale of the Series 2025A Bonds to satisfy the competitive sale requirements of applicable Treasury Regulations. In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the District will require bidders to comply with the “hold-the-offering-price rule” for purposes of determining the issue price of the Series 2025A Bonds.

The Series 2025A Bonds in book-entry only form (except as otherwise set forth in the Detailed Notice of Sale) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the District. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the undersigned at the office of John E. Brown, General Manager, 5838 River Road, Nashville, Tennessee 37209 or from Stephens Inc. Attention: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4336; Fax: (615) 279-4351.

Bernard Kwas
President of Board of Commissioners

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DETAILED NOTICE OF SALE

HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

$25,000,000* UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A

Time and Place of Sale

Notice is hereby given that the President of the Board of Commissioners of Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "District") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the District's **$25,000,000* Utilities Revenue Refunding Bonds, Series 2025A** (the "Series 2025A Bonds") until:

9:30 A.M. C.D.T. on Wednesday, July 9, 2025.

The written bids must be addressed and delivered to the District to the attention of John E. Brown, General Manager, Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee, 5838 River Road, Nashville, Tennessee 37209. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of the Series 2025A Bonds on July 9, 2025 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours' notice.*** The Series 2025A Bonds will be awarded on such date by the President of the Board of Commissioners of the District.

Description of Series 2025A Bonds

The Series 2025A Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on September 1 of each year as follows:

Maturity Date (September 1)	Amount	Maturity Date (September 1)	Amount
2026	$3,510,000	2035	$940,000
2027	3,820,000	2036	990,000
2028	4,010,000	2037	1,040,000
2029	710,000	2038	1,080,000
2030	740,000	2039	1,120,000
2031	780,000	2040	1,170,000
2032	810,000	2041	1,230,000
2033	860,000	2042	1,290,000
2034	900,000		

Registration and Depository Participation

The Series 2025A Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Series 2025A Bond certificate for each maturity of Series 2025A Bonds will be issued to the Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Series 2025A Bonds in the principal amount of $5,000 and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2025A Bonds, shall be required to deposit the Series 2025A Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Series 2025A Bonds will be payable semiannually on March 1 and September 1, beginning March 1, 2026, and principal of the Series 2025A Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Series 2025A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2025A Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The District will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Series 2025A Bonds is discontinued and a successor securities depository is not appointed by the District, Series 2025A Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 or integral multiples thereof. In addition, if the successful bidder for the Series 2025A Bonds certifies that it has no present intent to reoffer the Series 2025A Bonds, the Series 2025A Bonds may be issued in fully registered form only. The ownership of Series 2025A Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its principal corporate office, and the District and the Registration Agent shall be entitled to treat the registered owners of the Series 2025A Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Series 2025A Bonds.

Optional Redemption

Series 2025A Bonds maturing on September 1, 2036 and thereafter shall be subject to redemption prior to maturity at the option of the District on or after September 1, 2035 as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

Mandatory Redemption

The successful bidder of the Series 2025A Bonds shall have the option to designate certain consecutive serial maturities of such Series 2025A Bonds as one or more Term Series 2025A Bonds, each Term Series 2025A Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Series 2025A Term Bonds, each Series 2025A Term Bond shall be subject to mandatory sinking fund redemption by the District at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Series 2025A Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Series 2025A Term Bond is payable in accordance with the proposal of the successful bidder for the Series 2025A Bonds and in the amount of the maturing principal installment for the Series 2025A Bonds listed above for such principal payment date.

Security and Sources of Payment

The Series 2025A Bonds are payable solely from and secured by a lien on the net revenues of the District's water and sewer system (the "System"), subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, on parity and equality of lien with the District's outstanding Utilities Revenue Bond, Series 1997, dated August 13, 1998; Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020; Utilities Revenue Refunding Bonds, Series 2022, dated June 22, 2022, Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024 and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024 (collectively, the "Outstanding Parity Lien Bonds") and any bonds hereafter issued on parity therewith. A statutory mortgage lien, which is hereby recognized as valid and binding, is created and granted by the Act on the System in favor of the owner or owners of the Series 2025A Bonds, on parity with the Outstanding Parity Lien Bonds and any bonds hereafter issued on a parity therewith, and the System shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on the Series 2025A Bonds. As provided in the Resolution of the Board of Commissioners of the District adopted on June 24, 2025 (the "Resolution"), the punctual payment of principal of and interest on the Series 2025A Bonds, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which the Series 2025A Bonds are issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on the Series 2025A Bonds and the issue of which it is a part promptly as each becomes due and payable. The District has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on the Series 2025A Bonds as each becomes due. The Series 2025A Bonds and the interest thereon are payable solely from the revenues so pledged to the payment thereof, and the Series 2025A Bonds do not constitute a debt of the District within the meaning of any statutory limitation. For a more complete statement of the revenues from which and conditions under which the Series 2025A Bonds are payable, a statement of the conditions on which obligations may hereafter be issued on a parity with the Series 2025A Bonds, the general covenants and provisions pursuant to which the Series 2025A Bonds are issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

Purpose and Authority of Series 2025A Bonds

The Series 2025A Bonds are being issued to provide funds to refinance the District's outstanding Utilities Revenue Refunding Bonds, Series 2015 and Utilities Revenue Refunding Bonds, Series 2016, and pay costs incurred in connection with the issuance and sale of the Series 2025A Bonds. The Series 2025A Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Section 7-82-101 *et seq*., Tennessee Code Annotated and pursuant to the Resolution.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading **"Time and Place of Sale"**, set forth above.

A written bid for the Series 2025A Bonds must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Series 2025A Bonds", and addressed and delivered to the following address:

Office of the General Manager
Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee
5838 River Road
Nashville, Tennessee 37209

Written bids must be submitted on the applicable Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids for the Series 2025A Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the District. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The District shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The District will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the General Manager of the District and/or BiDCOMP/PARITY®, respectively, before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The District is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Series 2025A Bonds must be for not less than all of the Series 2025A Bonds. Bidders must bid not less than 99% nor greater than 125% of par plus accrued interest, if applicable (the "Purchase Price") for the Series 2025A Bonds. Bidders must specify the interest rate or rates the Series 2025A Bonds are to bear in multiples of one-eighth (1/8th) or one-hundredth (1/100th) of one percent (1%), but no rate specified for the Series 2025A Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Series 2025A Bonds, but one rate of interest shall apply to all the Series 2025A Bonds of a maturity. In addition, each maturity of the Series 2025A Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. Bidders may designate two or more consecutive serial maturities as one or more Series 2025A Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity.

Revised Maturity Schedule and/or Bid Parameters

The aggregate principal amount of the Series 2025A Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of the Series 2025A Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Series 2025A Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., CENTRAL DAYLIGHT TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale, and the bid parameters shall remain as set forth herein. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts and bid parameters by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the District, at (615) 279-4351 by 12:00 Noon, Central Daylight Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The District reserves the right to change the Revised Aggregate Principal Amounts of the Series 2025A Bonds after determination of the winning bidder. The District may increase or decrease the Revised Annual Principal Amount of each maturity of the Series 2025A Bonds by not more than the greater of 30% or $500,000. Such changes, if any, will determine the final annual principal amounts of the Series 2025A Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of the Series 2025A Bonds (the "Final Aggregate Principal Amount"). The Final Aggregate Principal Amount of the Series 2025A Bonds will not exceed $27,000,000.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Series 2025A Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BIDS OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The District anticipates that the Final Annual Principal Amounts of the Series 2025A Bonds and the Final Aggregate Principal Amount of the Series 2025A Bonds will be communicated to the successful bidder prior to the award of the Series 2025A Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE SERIES 2025A BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Series 2025A Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the District for the Series 2025A Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost on the Series 2025A Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on such Series 2025A Bonds (compounded semi-annually from the dated date of such Bonds) produces an amount equal to the purchase price of such Series 2025A Bonds. For the purpose of calculating the true interest cost, the principal amount of Series 2025A Term Bonds scheduled for mandatory sinking fund redemption as part of a Series 2025A Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Series 2025A Bonds thereof at the same lowest true interest cost, the President of the Board of Commissioners of the District shall determine in his sole discretion which of the bidders shall be awarded the Series 2025A Bonds.

The President of the Board of Commissioners of the District reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Series 2025A Bonds will be made by the President of the Board of Commissioners of the District on the sale date.

Good Faith Deposit

The successful bidder is required to submit, in the manner described below, a good faith deposit (the "Deposit") in the amount of $250,000 for the Series 2025A Bonds to secure the faithful performance of the terms of the bid to purchase the Series 2025A Bonds. The Deposit will be delivered to the District by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the District or the District's Municipal Advisor by the successful bidder by 3:00 p.m. E.D.T. on the day of the sale provided the District awards the bid by 1:00 p.m. E.D.T. otherwise the wire shall be received not later than 12:00 noon E.D.T. on the next business day following the award. The President of the Board of Commissioners of the District reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the District. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4336 or (615) 279-4338; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the President of the Board of Commissioners of the District and the President of the Board of Commissioners of the District in his discretion may award the Series 2025A Bonds to the bidder whose bid results in the next lowest true interest cost to the District as the lowest complying bidder or hold a subsequent sale of the Series 2025A Bonds. The District shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the District and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Series 2025A Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for such Series 2025A Bonds. Checks of unsuccessful bidders will be returned promptly upon the award of the Series 2025A Bonds. If a successful bidder fails to timely make the Deposit for the Series 2025A Bonds, the award may be terminated in the discretion of the President of the Board of Commissioners of the District and the District shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of such Series 2025A Bonds.

CUSIP

The Authority's municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Series 2025A Bonds, which numbers will be printed on the Series 2025A Bonds. The winning bidder(s) will be responsible for the costs of assigning CUSIP numbers to the Series 2025A Bonds. Neither the failure to print a CUSIP number on any Series 2025A Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2025A Bonds in accordance with this Detailed Notice of Sale.

Bidder Certification Regarding Non-Engagement in a Boycott of Israel

By submitting a bid, each bidder shall be deemed to have certified to the Issuer that, to the extent that the award of the Series 2025A Bonds would constitute a "contract with a company to acquire or dispose of service", as described by Tenn. Code Ann. Section 12-4-119, neither the bidder, nor any of its wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates, are currently engaged in nor will they engage in a boycott of Israel through the issue date of the Series 2025A Bonds, as described by Section 12-4-119. For purposes of Section 12-4-119, "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason. The winning bidder shall be required to include a written certification to such effect as a condition to the issuance of the Series 2025A Bonds.

Establishment of Issue Price

General. The winning bidder shall assist the District in establishing the issue price of the Series 2025A Bonds as more fully described herein. All actions to be taken by the District under this Notice of Sale to establish the issue price of the Series 2025A Bonds may be taken on behalf of the District by the District's Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The District anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2025A Bonds) will apply to the initial sale of the Series 2025A Bonds (the "competitive sale requirements") because:

- the District shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the District expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the District anticipates awarding the sale of the Series 2025A Bonds to the bidder who submits a firm offer to purchase the Series 2025A Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2025A Bonds, as specified in the bid.

District Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Series 2025A Bonds, the District intends to treat the initial offering prices of the Series 2025A Bonds to the public as the issue price of such Series 2025A Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Series 2025A Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Series 2025A Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2025A Bonds, that the underwriters will neither offer nor sell unsold Series 2025A Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriters have sold 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2025A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Series 2025A Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or all Series 2025A Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2025A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2025A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Series 2025A Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or all Series 2025A Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The District acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2025A Bonds.

Definitions. Sales of any Series 2025A Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- "public" means any person other than an underwriter or a related party,
- "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2025A Bonds to the public

(including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2025A Bonds to the public),

- a purchaser of any of the Series 2025A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- "sale date" means the date that the Series 2025A Bonds are awarded by the District to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the District, at closing, with an issue price certificate consistent with the foregoing. In the event the winning bidder will not reoffer any maturity of the Series 2025A Bonds for sale to the Public (as defined herein) by the delivery date of the Series 2025A Bonds, the issue price certificate may be modified in a manner approved by the District and Bond Counsel.

Provision of Information for the Official Statement

The successful bidders must furnish the following information to the District to complete the Official Statement in final form within two hours after receipt and award of the bids for the Series 2025A Bonds:

- The initial offering prices or yields for the Series 2025A Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
- Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), based on the expectation that all the Series 2025A Bonds are sold at the prices or yields as provided above;
- The identity of the underwriters if the successful bidders are part of a group or syndicate; and
- Any other material information necessary to complete the Official Statement in final form but not known to the District.

Official Statement

The District will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the District, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The District will, at the time the Series 2025A Bonds are delivered, execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Series 2025A Bonds to provide certain financial information and operating data relating to the District not later than 270 days after each of the District's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the District. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the District with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.com and with any State Information Depository established in the State of Tennessee (the "SID"). The form of the District's continuing disclosure agreement is attached to the Preliminary Official Statement as Appendix E.

Legal Opinion and Transcript

The book-entry Series 2025A Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Series 2025A Bonds), together with the Series 2025A Bond transcript, including a certificate as to no litigation from the District dated as of the date of the delivery of the Series 2025A Bonds, will be furnished to the purchaser(s) at the expense of the District. As set forth in the Official Statement and subject to the limitations set forth therein, Bond Counsel's opinion will include an opinion that (i) interest on the Series 2025A Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Series 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, except for certain corporations, as more fully described in the official statement. Owners of the Series 2025A Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Series 2025A Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the form of opinion contained therein.

Delivery and Payment

The Series 2025A Bonds are expected to be ready for delivery within twenty-eight (28) days after the sale thereof, in book-entry form. At least five (5) days' notice will be given to the bidder. Delivery will be made through the Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Series 2025A Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the office of the General Manager, Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee, 5838 River Road, Nashville, Tennessee 37209, or from Stephens Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4336 or (615) 279-4338; Fax: (615) 279-4351.

Bernard Kwas,
President of the Board of Commissioners

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HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

$25,000,000* UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A
OFFICIAL BID FORM

_______, 2025

John E. Brown
General Manager
Harpeth Valley Utilities District of Davidson and Williamson Counties
5838 River Road
Nashville, Tennessee 37209

For your legally issued, properly executed Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the “District”) $25,000,000* Utilities Revenue Refunding Bonds, Series 2025A (the “Series 2025A Bonds”) and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of $________________________.

The Series 2025A Bonds will be dated the date of issuance, will mature on September 1 as shown below, and shall bear interest at the following rates:

Maturity* (September1)	Amount*	Interest Rate	Reoffering Price	Maturity* (September 1)	Amount*	Interest Rate	Reoffering Price
2026	$3,510,000	______%	______%	2035	$940,000	_____%	______%
2027	3,820,000	______%	______%	2036	990,000	_____%	______%
2028	4,010,000	______%	______%	2037	1,040,000	_____%	______%
2029	710,000	______%	______%	2038	1,080,000	_____%	______%
2030	740,000	______%	______%	2039	1,120,000	_____%	______%
2031	780,000	______%	______%	2040	1,170,000	_____%	______%
2032	810,000	______%	______%	2041	1,230,000	_____%	______%
2033	860,000	______%	______%	2042	1,290,000	_____%	______%
2034	900,000	______%	______%				

Principal of and interest on the Series 2025A Bonds will be payable at the Nashville, Tennessee corporate trust office of U.S. Bank Trust Company, National Association.

This bid is made with the understanding that the District will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Series 2025A Bonds.

We have exercised the option to designate two or more consecutive serial maturities as Series 2025A Term Bonds as set forth below:

Series 2025A Term Bond 1, due September 1, ____________ includes the following maturities:
From September 1, ________ to September 1, ___________.
Series 2025A Term Bond 2, due September 1, ____________ includes the following maturities:
From September 1, ___________ to September 1, ___________.

Firm Name	

In accordance with the terms of the Detailed Notice of Sale, we have or will make a good faith deposit for $250,000 as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the District or the District's Municipal Advisor by the successful bidder by 3:00 p.m. E.D.T. on the day of the sale provided the District awards the bid by 1:00 p.m. E.D.T. otherwise the wire shall be received not later than 12:00 noon E.D.T. on the next business day following the award. The President of the Board of Commissioners of the District reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the District. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Sam Crewse, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4336 or (615) 279-4338; Fax: (615) 279-4351. If a successful bidder fails to timely make the Deposit for the Series 2025A Bonds, the award may be terminated in the discretion of the President of the Board of Commissioners of the District and the District shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of such Series 2025A Bonds. The President of the Board of Commissioners of the District in his discretion may award the Series 2025A Bonds to the bidder whose bid results in the next lowest true interest cost to the District as the lowest complying bidder or hold a subsequent sale of the Series 2025A Bonds. The District shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Series 2025A Bonds at closing. In the event the President of the Board of Commissioners of the District fails to deliver the Series 2025A Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this ______ day of __________, 2025

____
President of the Board of Commissioners

Respectfully submitted,

____
Firm Name

____
Signature

____
Title

____
Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

SUMMARY STATEMENT

This Summary is expressly qualified by the entire Preliminary Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "District").
ISSUE	$25,000,000* Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds").
PURPOSE	Refund the District's outstanding Utilities Revenue Refunding Bonds, Series 2015 and Utilities Revenue Refunding Bonds, Series 2016, and pay costs incident to the issuance and sale of the Series 2025A Bonds.
DATED DATE	July 23, 2025*.
INTEREST DUE	Each March 1 and September 1, commencing March 1, 2026.
PRINCIPAL DUE	September 1, 2026 through September 1, 2042.
SETTLEMENT DATE	July 23, 2025*.
OPTIONAL REDEMPTION	The Series 2025A Bonds shall be subject to redemption at the option of the District on and after September 1, 2035 at the price of par.*
SECURITY	The Series 2025A Bonds are payable solely from and secured by a lien upon and pledge of the Net Revenues of the System pursuant to the provisions of the Resolution (capitalized terms having the meanings ascribed herein), on parity with the District's outstanding Utilities Revenue Bond, Series 1997, dated August 13, 1998; Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020; Utilities Revenue Refunding Bonds, Series 2022, dated June 22, 2022; Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024; and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024. The Series 2025A Bonds are not obligations of the State of Tennessee, or any of its political subdivisions, other than the District, nor is the State of Tennessee, or any of its political subdivisions, other than the District, liable for the payment of the principal of or interest on the Series 2025A Bonds. The Resolution does not grant to owners of the Series 2025A Bonds any mortgage on or security interest in any real or personal property of the District other than the lien on the Net Revenues of the System and the statutory mortgage lien on the System as described more fully herein. The District has no taxing power.
RATING	"AA+" by S&P Global Ratings ("S&P") based on documents and other information provided by the District. The rating reflects

	only the view of S&P and neither the District, the Municipal Advisor nor the Underwriter make any representations as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Series 2025A Bonds. Any explanation of the significance of the rating may be obtained from S&P. See "Rating" herein.
TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the District, interest on the Series 2025A Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Series 2025A Bonds is not treated as an item of tax preference in calculating the alternative minimum tax under the Code, except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2025A Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2025A Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
REGISTRATION AND PAYING AGENT AND ESCROW AGENT	U.S. Bank Trust Company, National Association, Nashville, Tennessee.
MUNICIPAL ADVISOR	Stephens Inc., Nashville, Tennessee.
UNDERWRITER	________________________________

OFFICIAL STATEMENT

$25,000,000*
HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and the Appendices attached hereto, is furnished in connection with the issuance by Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "District"), of its $25,000,000* Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds"). The District is a municipality or public corporation, organized and existing under the laws of the State of Tennessee (the "State"), including particularly The Utility District Law of 1937, codified as Sections 7-82-101, et seq., Tennessee Code Annotated (the "District Act"), and is authorized to issue the Series 2025A Bonds.

The District has outstanding its Utilities Revenue Bond, Series 1997, dated August 13, 1998; Utilities Revenue Refunding Bonds, Series 2015, dated June 10, 2015; Utilities Revenue Refunding Bonds, Series 2016, dated January 27, 2016; Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020; Utilities Revenue Refunding Bonds, Series 2022, dated June 22, 2022; Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024; and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024 (the "Outstanding Bonds").

The District intends to use the proceeds from the sale of the Series 2025A Bonds to (i) refund all of the outstanding Utilities Revenue Refunding Bonds, Series 2015 and Utilities Revenue Refunding Bonds, Series 2016 (together, the "Refunded Bonds"); and (ii) pay the costs of issuing the Series 2025A Bonds.

The Series 2025A Bonds are secured on a parity and equality of lien on the Net Revenues (as herein defined) on parity with the remaining Outstanding Bonds (collectively and together with the Series 2025A Bonds, the "Bonds"). Any additional bonds issued on parity with the Bonds are referred to in this Official Statement as "Parity Bonds."

The Series 2025A Bonds are issued pursuant to the District Act and a resolution adopted by the Board on June 24, 2025 (the "Bond Resolution").

The Series 2025A Bonds will be payable solely from and secured by a pledge of the Net Revenues (hereinafter defined) of the District, all as provided in the Bond Resolution. "Net Revenues" of the System consist of Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, less Current Expenses. "Gross Earnings" as used herein means all revenues, rentals, earnings and income of the District from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System including tapping privileges and meter and hydrant fees reported as contributions in aid of construction; proceeds from the sale of property; proceeds of insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by the Bond Resolution and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the District); provided, however, that the term "Gross Earnings" shall not include non-cash contributions in aid of construction; and provided, however, at the election of the Governing Body, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received by the District from the operation of an Acquired System which is being operated as a separate system as permitted under the Bond Resolution.

"Current Expenses" means expenses incurred by the District in the operation of the System, determined in accordance with generally accepted accounting principles, including the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, cost of producing potable water, salaries and wages, cost of material and supplies, and insurance premiums, but shall exclude depreciation and amortization of utility plant and financing costs and interest on any bonds, notes or other obligations of the District.

The "System" shall mean, collectively, the complete water procurement, treatment, storage and distribution system and wastewater collection, treatment and disposal system of the District together with and including all properties of every nature hereafter owned by the District, including all improvements and extensions made by the District while the Bonds and Parity Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System. For a summary of the definitions, see Appendix C hereto.

This Official Statement includes descriptions of, among other matters, the Series 2025A Bonds, the District and the Bond Resolution. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Bond Resolution are qualified in their entirety by reference to such documents, and references to the Series 2025A Bonds are qualified in their entirety by reference to the form thereof included in such Bond Resolution. During the period of the offering of the Series 2025A Bonds, copies of the Bond Resolution and other documents described herein may be reviewed at the offices of Stephens Inc., One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203. After the delivery of the Series 2025A Bonds, copies of such documents will be available for inspection at the principal office of the District. A Summary of the Bond Resolution is attached hereto as Appendix C.

Terms not defined herein shall have the meaning assigned to them in the Summary of the Bond Resolution.

THE REFUNDING PLAN

Pursuant to an Escrow Agreement (the "Escrow Agreement"), $__________ of the proceeds of the Series 2025A Bonds, together with certain amounts on deposit in the Bond and Interest Sinking Fund and the Reserve Fund, will be deposited with the Escrow Agent to purchase U. S. Treasury Securities — State and Local Government Series (the "Government Securities"). These Government Securities will be held in a separate fund established by the Escrow Agent. The principal amount of the Government Securities and earnings thereon are calculated to be sufficient to pay the principal of and interest on the Refunded Bonds through their redemption date. Neither the principal of nor the interest on the Government Securities will be available for payment of the Series 2025A Bonds or any other obligations other than the Refunded Bonds. The District will give the Escrow Agent irrevocable directions to redeem the Refunded Bonds on September 1, 2025, at a price of par plus accrued interest to the redemption date.

SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds in connection with the issuance of the Series 2025A Bonds.

SOURCES OF FUNDS	
Par Amount of Series 2025A Bonds	$_____________
Premium/(Discount)	$_____________
Contribution from District Funds	$_____________
Total Sources	$_____________
USES OF FUNDS	
Escrow Fund	$_____________
Cost of Issuance[1]	_____________
Total Uses	$_____________

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[1] Includes Underwriter's discount and rounding amount.

THE SERIES 2025A BONDS

Security for the Series 2025A Bonds

The Series 2025A Bonds will be payable solely from and secured by a pledge of the Net Revenues of the System, all as provided for in the Bond Resolution. The Outstanding Bonds, the Series 2025A Bonds and any Parity Bonds hereafter issued will be on parity as to the Net Revenues.

The Series 2025A Bonds are payable solely from and secured by a lien upon and pledge of the Net Revenues of the District's System as set forth above pursuant to the provisions of the Bond Resolution. The Series 2025A Bonds are not obligations of the State of Tennessee, or any of its political subdivisions (other than the District) nor is the State of Tennessee, or any of its political subdivisions (other than the District) liable for the payment of the principal of, premium, if any, or interest on the Series 2025A Bonds. The Bond Resolution does not grant to holders of the Series 2025A Bonds any mortgage on or security interest in any real or personal property of the District other than the lien on the Net Revenues of the District's System and the statutory mortgage lien on said System, as more fully described herein. The District has no taxing power.

Prior to the commencement of each Fiscal Year, the Governing Body will cause to be made an estimate of the revenues and expenditures for the Fiscal Year next succeeding, based on rates then in effect, and, based on such estimate, will adjust rates to the extent necessary to produce Net Revenues for the next succeeding Fiscal Year (i) equal to not less than 1.20 times the amount of principal, Compound Accreted Value and interest payable during the next succeeding Fiscal Year on the Outstanding Bonds, the Series 2025A Bonds and the Parity Bonds and subordinate lien bonds, if any, whether by maturity or mandatory redemption, (ii) sufficient, in addition, to provide for any required deposits during the succeeding Fiscal Year to the Reserve Fund and any other funds established by the District pursuant to the Bond Resolution, any resolution authorizing Parity Bonds or subordinate lien bonds or pursuant to sound and prudent operating practices as determined by the Governing Body, and (iii) sufficient to pay any amounts payable during such Fiscal Year under any Financial Guaranty Agreement or with respect to any Reserve Fund Credit Facility.

The District Act provides for the creation of a statutory lien in the nature of a mortgage lien on the System, including all extensions and improvements thereto or combinations thereof subsequently made, which lien shall be in favor of the owner of any of the Series 2025A Bonds, and the System shall remain subject to such statutory lien until the payment in full of the principal of and interest on the Series 2025A Bonds. The Series 2025A Bonds are secured by said statutory lien, on a parity with the statutory lien securing the Outstanding Bonds. The lien herein described does not have the effect of granting to the owner of any Series 2025A Bond any interest, other than as stated above and as provided in Section 7-82-505, Tennessee Code Annotated, in any real or personal property owned by the District.

Any owner of the Series 2025A Bonds may, either at law or in equity, by suit, action, mandamus or other proceeding, in any court of competent jurisdiction, protect and enforce the statutory lien and compel the performance of all duties required to be performed under such Act, including the setting and collection of sufficient rates, the proper accounting therefor, and the performance of any obligations required by covenants in the Bond Resolution. If the District shall fail to pay the principal of or interest on the Series 2025A Bonds, any court having jurisdiction of such failure may appoint a receiver to administer the District and the System, with power to charge and collect rates sufficient to provide for the payment of amounts due on the Series 2025A Bonds and other obligations outstanding against the System, and for the payment of operating expenses, and to apply the income and revenues thereof in conformity with the Bond Resolution.

Description of the Series 2025A Bonds

The Series 2025A Bonds will be dated as of the date of delivery and will bear interest at the rates and mature on the dates set forth on the cover page of this Official Statement. Interest on the Series 2025A Bonds will be payable on March 1, 2026*, and semiannually thereafter on each March 1 and September 1 thereafter until maturity. The Series 2025A Bonds will be issued as fully registered bonds in denominations of $5,000, or any integral multiple thereof. The principal of, premium, if any, and the final payment of interest on the Series 2025A Bonds will be payable at the Nashville, Tennessee corporate trust office of U.S. Bank Trust Company, National Association, as Paying Agent and Bond Registrar (the "Registration Agent"). Except as described in the next sentence, semiannual payments of interest on the Series 2025A Bonds will be paid by check mailed by the Registration Agent to each registered owner of a Series 2025A Bond as shown on its registration books on the 15th day of the calendar month immediately preceding the interest payment date at such owners' addresses as shown on said registration books, without, except for final payment, the presentation or surrender of said Series 2025A Bonds, and all such payments will discharge the District in respect of said Series 2025A Bonds to the extent of the payments so made. If and to the extent the District fails to pay or cause to be paid, the interest due on any interest payment date, such defaulted interest shall be paid to the person in whose names outstanding Series 2025A Bonds are registered at the close of business on a special record date to be established by the Registration Agent. The Registration Agent is required to give notice of such special record date to registered owners not less than ten (10) days prior to such date.

Debt Service Reserve Fund

The Resolution establishes a Reserve Fund, which is required to be maintained in an amount equal to the Reserve Fund Requirement, as defined in Appendix C. The Resolution was prospectively amended in 2020, effective upon the discharge of the Refunded Bonds, to provide the District with the flexibility to establish a Reserve Fund Requirement in any amount determined by the District to be appropriate for a particular series of Bonds, or to forgo the establishment of a Reserve Fund for a particular series of Bonds. See Appendix C -- "Amendments to the Resolution Effective Upon the Issuance of the Series 2025A Bonds".

These amendments will be effective upon the issuance of the issuance of the Series 2025A Bonds and the refunding of the Refunded Bonds, as described above in "The Refunding Plan". As a result, the District will be entitled to release all amounts in the Reserve Fund and allocable to the Refunded Bonds, the Utilities Revenue Refunding Bonds, Series 2022, Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024, and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024. The Municipality will continue to maintain a Reserve Fund for the Utilities Revenue Bond, Series 1997 and Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020.

The District has determined not to establish a Reserve Fund Requirement for the Series 2025A Bonds.

Redemption

The Series 2025A Bonds are subject to redemption prior to maturity as follows:

Optional Redemption – Series 2025A Bonds. The Series 2025A Bonds maturing on or before September 1, 2035* may not be redeemed prior to their maturities. The Series 2025A Bonds maturing on or after September 1, 2036*, are subject to redemption prior to maturity at the option of the District on or after September 1, 2035*, in whole or in part at any time at par, plus accrued interest to the date of redemption.

If less than all the Series 2025A Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Commissioners in its discretion. If less than all the Series 2025A Bonds within a single maturity shall be called for redemption, the Series 2025A Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Series 2025A Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Series 2025A Bonds of a maturity shall be called for redemption, the Series 2025A Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent shall elect.

Notice of Redemption. Notice of redemption will be given by first class mail at least twenty (20) days and not more than sixty (60) days prior to the redemption date, to all registered owners of Series 2025A Bonds to be redeemed at their addresses of record as they appear on the books of the Registration Agent. Failure to mail any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any other Series 2025A Bond. Failure of any bondholder to receive such notice if mailed as aforesaid will not affect the validity of the proceedings for the redemption of such Series 2025A Bond. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). Interest shall cease to accrue on any Series 2025A Bonds duly called for redemption on the redemption date if payment thereof has been duly provided for. In the case of a Conditional Redemption, the failure of the District to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the affected Bondholders that the redemption did not occur and that the Series 2025A Bonds called for redemption and not so paid remain outstanding.

Transfer or Exchange

The Series 2025A Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2025A Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2025A Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2025A Bond(s) in such form and with such documentation, if any, as shall be required by the Registration Agent, the Registration Agent shall issue a new Series 2025A Bond or Series 2025A Bonds to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2025A Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2025A Bond, nor to transfer or exchange any Series 2025A Bond after the notice calling such Series 2025A Bond for redemption has been sent, nor to transfer or exchange any Series 2025A Bond during the period following the receipt of instructions from the District to call such Series 2025A Bonds for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2025A Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2025A Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the District nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2025A Bonds shall be overdue. Series 2025A Bonds, upon surrender to the Registration Agent other than upon final payment, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of bonds of the same maturity in any authorized denomination or denominations.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2025A Bonds. The Series 2025A 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 security will be issued for each maturity of the Series 2025A Bonds, as set forth on the cover hereof each in the aggregate principal amount of such maturity, 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 3.5 million issues of U.S. and non-U.S. equity, 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 both 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. 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 Standard & Poor's rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Bonds ("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 Series 2025A 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 Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A 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 authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A 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.

Beneficial Owners of Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2025A Bond documents. For example, Beneficial Owners of Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Bonds 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 Series 2025A 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2025A 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 District or the Registration Agent, on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect 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 Direct or Indirect Participant and not of DTC, the Registration Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to the Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the District or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificated Series 2025A Bonds will be required to be printed and delivered to the holders of record. Additionally, the District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository) with respect to the Series 2025A Bonds. The District understands, however, that under current industry practices, DTC would notify its Direct or Indirect Participants of the District's decision but will only withdraw beneficial interests from a Series 2025A Bond at the request of any Direct or Indirect Participant. In that event, certificates for the Series 2025A Bonds will be printed and delivered to the applicable Direct or Indirect Participant.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District, the Underwriter and the Registration Agent believe to be reliable, but the District, the Registration Agent or the Underwriter do not take any responsibility for the accuracy of such statements. The District, the Underwriter and the Registration Agent do not assume any responsibility for the performance by DTC or its Direct or Indirect Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

So long as Cede & Co. is the registered owner of the Series 2025A Bonds, the District will have no obligation or responsibility to the DTC Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

For a summary of the Bond Resolution, see Appendix C - Summary of Bond Resolution.

MUNICIPAL ADVISOR

Stephens Inc. is serving as Municipal Advisor to the District in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the District and other sources believed to be reliable, but has not been independently verified by Municipal Advisor. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

_____________, __________, __________, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Series 2025A Bonds for an aggregate purchase price of $_____________, which is par, less $__________ underwriter's discount, plus net original issue premium of $__________.

The Underwriter may offer and sell the Series 2025A Bonds to certain dealers (including dealer banks and dealers depositing the Series 2025A Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

LITIGATION

The District, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The District, after reviewing the current status of all pending and threatened litigation with its counsel believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the District or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the District.

There is no litigation now pending or, to the knowledge of the District, threatened which restrains or enjoins the issuance or delivery of the Series 2025A Bonds, the use of Net Revenues for the payment of the Series 2025A Bonds, or the use of the proceeds of the Series 2025A Bonds or which questions or contests the validity of the Series 2025A Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, nor existence of the District, nor the title of the present members or other officials of the District to their respective offices, is being contested or questioned.

EXPERTS

The Financial Statements of the District for the Fiscal Year ended December 31, 2024, included herein as Appendix B, have been examined by Alexander Thompson Arnold PLLC, independent certified public accountants, whose report thereon also appears in Appendix B, and have been so included in reliance upon the report of Alexander Thompson Arnold PLLC, given upon their authority as experts in accounting and auditing.

TAX MATTERS

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Series 2025A Bonds. Their opinion under existing law, relying on certain statements by the District and assuming compliance by the District with certain covenants, is that interest on the Series 2025A Bonds:

- is excluded from a bondholder’s federal gross income under the Internal Revenue Code of 1986, as amended (the “Code”), and

- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023.

The “Code” imposes requirements on the Series 2025A Bonds that the District must continue to meet after the Series 2025A Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the District does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2025A Bonds in its federal gross income on a retroactive basis to the date of issue. The District has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2025A Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit,
- a borrower of money to purchase or carry the Series 2025A Bonds, or
- an applicable corporation, as defined in Section 59(k) of the Code.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2025A Bonds or affect the market price of the Series 2025A Bonds.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2025A Bonds, or under State, local or foreign tax law.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Series 2025A Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Series 2025A Bonds will be increased. If a bondholder owns one of these Series 2025A Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2025A Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Series 2025A Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2025A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W–9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payer is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payer" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2025A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2025A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Prospective bondholders should consult their own tax advisors regarding the foregoing matters.

State Taxes

Under existing law, the Series 2025A Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2025A Bonds during the period the Series 2025A Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2025A Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2025A Bonds or otherwise prevent holders of the Series 2025A Bonds from realizing the full benefit of the tax exemption of interest on the Series 2025A Bonds. Further, such proposals may impact the marketability or market value of the Series 2025A Bonds simply by being proposed. It cannot be predicted if any proposal might be enacted into law or whether such law would have impact on the Series 2025A Bonds or in what form any other proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2025A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025A Bonds would be impacted thereby. Purchasers of the Series 2025A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Series 2025A Bonds are subject to the approving opinion of Bass, Berry & Sims, PLC, Bond Counsel. The form of such opinion appears as Appendix E. Certain legal matters will be passed upon for the District by its counsel, Parker, Lawrence, Cantrell & Smith.

RATING

S&P Global Ratings has assigned the Series 2025A Bonds the rating of "AA+". An explanation of the significance of such rating may be obtained from S&P Global Ratings. A rating is not a recommendation to buy, sell or hold the Series 2025A Bonds, and there is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2025A Bonds. The Underwriter and the District have undertaken no responsibility after issuance of the Series 2025A Bonds to assure the maintenance of the ratings or to oppose such revision or withdrawal.

CONTINUING DISCLOSURE

The District will at the time the Series 2025A Bonds are delivered execute a Continuing Disclosure Agreement under which it will covenant for the benefit of holders and beneficial owners of the Series 2025A Bonds to provide certain financial information and operating data relating to the District and the System by not later than 270 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2025 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events, if determined by the District to be material under applicable federal securities laws. The Annual Report (and audited financial statements if filed separately) will be filed by the District with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and any State Information Depository which may be established in Tennessee (the "SID"). If the District is unable to provide the Annual Report to the MSRB and the SID, if any, by the date set forth above for the filing of the Annual Report, notice of such failure shall be sent to the MSRB and the SID, if any, on or before such date. The notices of material events will be filed by the District with the MSRB at www.emma.msrb.org and with any SID. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (b), as it may be amended from time to time (the "Rule"). In the past five years, the District has not failed to comply in any material respect with the previous undertakings. For the purpose of making timely filings in the future, the District's Fiscal Officer has been assigned responsibility for monitoring the continuing disclosure undertakings and filing or causing to be filed all Annual Reports as and when required. The form of the Continuing Disclosure Agreement is attached hereto as Appendix D. The specific nature of the information to be contained in the Annual Report or the notices of material events is described in Appendix D.

INVESTMENT CONSIDERATIONS

General

The purchase of the Series 2025A Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the District to pay the principal of and interest and premium, if any, on the Series 2025A Bonds and which could also affect the marketability of, or the market price for, the Series 2025A Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Series 2025A Bond should read this Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Series 2025A Bonds.

Enforceability of Remedies

The remedies available to the holders or beneficial owners of the Series 2025A Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Series 2025A Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Series 2025A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

Redemption Prior to Maturity

The Series 2025A Bonds are subject to optional redemption prior to maturity, as more fully described herein. See "THE SERIES 2025A BONDS - Redemption" herein. A prospective investor should consider these redemption rights when making any investment decision. Following redemption, the holders or beneficial owners of the Series 2025A Bonds may not be able to reinvest their funds at a comparable interest rate.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Series 2025A Bonds will be available and no assurance can be given that the initial offering prices for the Series 2025A Bonds will continue for any period of time.

The Series 2025A Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2025A Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Series 2025A Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2025A Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Series 2025A Bonds, depending on existing market conditions and other factors.

Adverse Weather Events

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The District's location in the southern United States near various waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the District faces other threats due to changing weather patterns, including possible drought conditions that could become more severe and frequent. The District cannot predict the timing, extent or severity of any adverse weather events and their impact on the District's operations and finances.

Cyber Security

The District utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the District may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt District services and operations and subject the District to legal action. The District has no knowledge of, nor historical record of, any successful cyber security breach or related attack. Attempted cyber security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or entities similar to the District. To mitigate against such risks, the District has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber security training and awareness for all employees. The District also maintains insurance against cyber security incidents. Despite the District's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

COVID-19 and Other Public Health Emergencies

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and continues to affect the entire world, including middle Tennessee. In March 2020, in response to the COVID-19 outbreak, the Governor of the State issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. The District is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the District.

Various types of information regarding employment, income trends, and business activity in the District's service area are detailed in Appendix A, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the service area may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix A to the Official Statement.

FUTURE ISSUES

The District continues to experience growth and associated increases in water demand within its service area and by its municipal customers, which will require improvements and expansions to its water treatment, pumping, and storage capacity facilities. The District plans to finance approximately $30 million in capital improvements during the 2025 calendar year to further accommodate this growth. As growth and associated water demands continue, additional improvements and expansions may be required in subsequent years. The District's current estimates are an additional $60-$90 million in capacity related improvements through 2029. However, the actual amount and timing of the subsequent improvements will depend on future growth, demand, and construction schedules and costs, and will continue to be evaluated by the District as part of its ongoing capital planning process.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

MISCELLANEOUS

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. The District has furnished certain information in this Official Statement relating to its operations and present and proposed facilities. For details of all terms and conditions, purchasers are referred to the Bond Resolution, copies of which may be obtained from the District.

Any statement made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

(signature page follows)

The execution and delivery of this Official Statement was duly authorized by the District.

HARPETH VALLEY UTILITIES DISTRICT OF
DAVIDSON AND WILLIAMSON COUNTIES,
TENNESSEE

By: ____
Bernard Kwas
President, Board of Commissioners

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APPENDIX A

GENERAL INFORMATION CONCERNING THE DISTRICT

APPENDIX A

GENERAL INFORMATION CONCERNING THE DISTRICT

THE DISTRICT

Organization

The District was incorporated on August 4, 1959 by Order of the County Judge of Davidson County, Tennessee (the "Order"), pursuant to the provisions of the District Act which provide that such an incorporated municipality or public corporation shall exist in perpetuity and possess the powers set forth in the District Act. The District is authorized to issue and sell the Series 2025A Bonds in furtherance of the purposes for which it is organized.

Powers

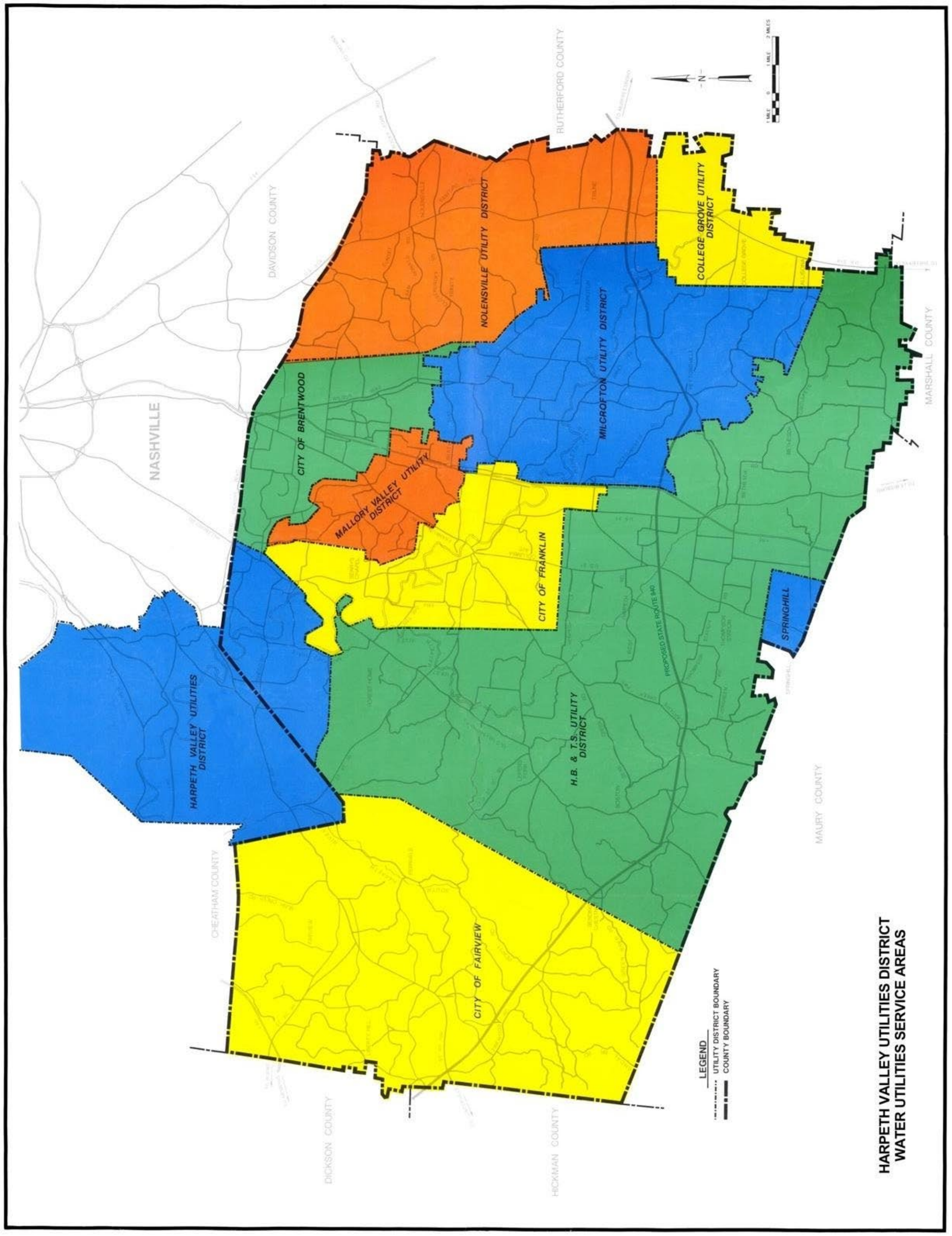
The District Act provides that the District is empowered to conduct, operate and maintain a system or systems for the furnishing of water, sewer and sewage disposal services. To carry out such purposes, the District has the power and authority to acquire, construct, reconstruct, improve, better, extend, consolidate, maintain and operate such system or systems within or without the District, and to purchase from, and furnish, deliver and sell to any municipality, the State, any public institution and the public, generally, any of its services. The District has the power of eminent domain and has the power to issue its negotiable bonds for the purpose of constructing, acquiring, reconstructing, improving, bettering or extending any of its facilities or systems and to pledge to the payment of such negotiable bonds all or any part of the revenues derived from the operation of such facilities, systems or combination thereof. The District has no taxing power.

Service Area

The District provides (i) retail water and wastewater services to customers in the southwest portion of The Metropolitan Government of Nashville and Davidson County ("Metro Nashville"), including Bellevue, and the northwest portion of Williamson County, Tennessee, and (ii) wholesale water services to multiple local governmental entities, including the cities of Brentwood, Franklin and Fairview, Cheatham County, Mallory Valley Utility District, HB & TS Utility District, Milcrofton Utility District, Nolensville-College Grove Utility District (via transmission through Mallory Valley Utility District), River Road Utility District, and the Water Authority of Dickson County. There are approximately 84 square miles within the District's boundaries.

In 2024, the District provided direct water service to approximately 17,795 connections for residential customers, 552 connections for commercial customers, 375 connections for irrigation customers, 95 connections for multi-unit customers, and 24 connections for municipal customers. As of the end of fiscal 2024, approximately 15% of the District's water billing revenue was derived from sales to residential customers, 2% from sales to commercial customers, 4% from sales to irrigation customers, 4% from sales to multi-unit customers and 75% to municipalities/utility districts. A map outlining the District's boundaries and the communities it serves is set forth on the succeeding page of this Official Statement.

In 2024, the District also provided sewer service to approximately 14,741 connections for residential customers, 93 connections for multi-unit customers and 400 connections for commercial customers. Currently approximately 57% of the District's sewer billing revenue is derived from sales to residential customers, 33% from multi-unit customers and 10% to commercial customers. The District does not provide sewer service to its municipal customers.



The District Act provides that as long as the District continues to furnish any of the services which it is authorized to furnish, it shall continue to be the sole public corporation having the power to furnish such services in the District, and no other person, firm or corporation shall furnish or attempt to furnish any of such services in the District, unless and until it shall have been established that the public convenience and necessity require other or additional services.

However, under Section 6-51-101 et seq., Tennessee Code Annotated (the “Municipal Property and Services Act”), a city or town has a priority right to perform or provide municipal and utility functions and services within its corporate boundaries, including within any territory also included in the boundaries of a utility district. In the case of the District, a portion of its service area lies within the corporate boundaries of Metro Nashville. If Metro Nashville determined to provide water and sewer services within this portion of the District’s service area, the Municipal Property and Services Act would require Metro Nashville and the District to reach an agreement in writing for the allocation and conveyance to Metro Nashville of any or all public functions, rights, duties and property, assets and liabilities of the District that justice and reason may require. The Municipal Property and Services Act dictates that the agreement must either (i) require Metro Nashville to operate the utility property in such territory and account for the revenues therefrom in such manner as not to impair the obligations of contract with reference to any outstanding bonds of the District or (ii) require Metro Nashville to assume the operation of the District in such territory and the payment of such bonds in accordance with their terms.

Notwithstanding the foregoing, as long as any utility district is the obligor with respect to a loan from the United States Department of Agriculture, Rural Development (the “USDA”), the provisions of federal law preempt the provisions of the Municipal Property and Services Act and prohibit a city or town from diminishing, through annexation or otherwise, any portion of the district’s right to serve customers within its service area. The District is an obligor with respect to a loan from the USDA, which does not mature until 2036. Federal law empowers the USDA, in certain circumstances, to require an obligor to repay or refinance its USDA loan, and the District cannot offer any assurances that it will maintain its USDA loan through 2036.

Pursuant to a 1979 regional facilities plan for wastewater collection and treatment systems (the “Regional Wastewater Plan”), the District consummated a wastewater treatment agreement (the “Waste Treatment Agreement”) with Metro Nashville, which enabled the District to transport its raw sewage or a portion thereof to the wastewater system of Metro Nashville for treatment and ultimate disposal.

On February 20, 1996, Metro Nashville and the District entered into a settlement agreement (the “Settlement Agreement”) which resolved several matters in dispute between Metro and the District under the Waste Treatment Agreement, and which resulted in the District constructing, operating, and maintaining its own wastewater treatment facility on the Cumberland River (as more fully described below). As of January 2001, the District discontinued use of Metro Nashville’s facilities for wastewater treatment and disposal. Under the Settlement Agreement, the District remains obligated to pay to Metro Nashville monthly contributions for infrastructure improvements to the Metro Nashville system which indirectly benefits the District’s treatment facilities. The payment currently is $62,500 per month and continues at such rate through the final payment in February, 2026. None of the payments to Metro are secured by revenues or any other property of the District.

In the Settlement Agreement, Metro also committed, to the extent it lawfully could do so, that it would not takeover or assume the District’s water and wastewater customers residing in Metro Nashville, without the consent of the District, for 30 years after the date of the Settlement Agreement (2026).

Government

All corporate powers of the District are vested in and exercised by the Board of Commissioners of the District. The Board consists of three members, serving staggered four-year terms. The members of the Board are appointed to office by the County Mayor of Williamson County and the Probate Judge of Davidson County. The Board prepares a list of three nominees to fill a vacancy in order of preference. The said County Mayor and Probate Judge elect the new member of the Board by a majority vote. If there is a tie vote, the nominee whose name stood highest on the list submitted by the Board becomes the new member of the Board. If the County Mayor and Probate Judge fail to act upon the list of candidates within 21 days, the first name on the list of nominees is appointed to fill the vacancy by operation of law. If the County Mayor and Probate Judge reject all of the candidates on the list, the Board must continue to submit new lists of nominees until such procedure shall result in the vacancy being filled. Each appointed commissioner must reside within the District's boundaries or be a customer of the District.

Pursuant to the District Act, the Board acts by a majority of its members. The Board is authorized by the District Act to, among other things, exercise by vote, ordinance or resolution all of the general and specific powers of the District, to make all necessary rules, regulations and by-laws for the management and conduct of the affairs of the District and to issue bonds of the District by resolution of the Board.

Pursuant to the District Act, the members of the Board may receive compensation for their services not to exceed $350 per meeting for not more than twelve meetings per year.

The current membership of the Board is as follows:

NAME AND OCCUPATION	FIRST APPOINTED COMMISSIONER	CURRENT TERM EXPIRES
Bernard Kwas, President of Board Executive Vice President, Western Regional Executive Officer, Commercial Bank	August, 2010	August, 2026
David Tucker, Vice-President of Board Metro Water Services	August, 2017	August, 2025
Wayne Erickson, Secretary of Board Co-Owner of Spiro Graphics, Inc.	October, 2018	August, 2027

Administrative Personnel

The General Manager of the District serves at the discretion of the Board and is responsible for the appointment and selection of all personnel of the District.

In 1998, the Board named John E. Brown General Manager of the District. Mr. Brown has a bachelor's degree in business administration and has over forty years' experience in the water and wastewater industry. As General Manager of the District, Mr. Brown has managed over $400 million in construction for the District consisting of three expansions of the District's water treatment plant which has a present treatment capacity of 70 million gallons per day, a high service pump station, and large diameter water transmission lines to serve the District's municipal customers (cities and other utility districts in Williamson County). Mr. Brown has also overseen the construction of the new administration and customer service facilities for the District and the relocation of operations to such facility. Mr. Brown has served on the Water and Wastewater Finance Board for the State of Tennessee. He has also formerly served as

Treasurer, Vice President and President of the Tennessee Association of Utility Districts, as well as served on the TAUD Board of Directors.

Jay Tant was hired as an Assistant Manager for the District in 2012. Mr. Tant has over thirty-three years of experience in the water and wastewater industry. The experience includes twelve years working for a consulting engineering firm and managing various water and wastewater improvement projects. This experience also includes eight years working for a municipal water and wastewater department developing and managing capital plans, managing regulatory compliance and quality control programs and serving as a technical advisor to the utility's senior management team. Mr. Tant has a bachelor's degree in civil engineering and is a Registered Professional Engineer in Tennessee. Mr. Tant was promoted to Assistant General Manager in 2014 after the retirement of John H. Barnes who served as the Assistant General Manager since 1999.

Beth Finney was hired as Fiscal Officer of the District in April 2014. Ms. Finney has a bachelor's degree in business administration and over thirty-four years of experience in the water and wastewater industry. Ms. Finney's experience includes fifteen years of working for a water and sewer authority in Georgia in various roles, including purchasing agent, special projects coordinator and systems and procedures analyst. Ms. Finney also served for eight years, as a financial analyst in the management consulting divisions for two engineering firms, specializing in rate studies and financial planning services, as well as workflow process.

Jeff Dykstra was hired as Assistant Fiscal Officer of the District in June of 2024. Mr. Dykstra has a bachelor's degree in business administration and over seventeen years of experience in the water and wastewater industry as a management and rate consultant for two engineering and consulting firms, serving as a principal consultant. Mr. Dykstra has extensive experience in financial planning and business management for utilities across the United States including, bond feasibility studies, rates, fees, and charges, cost of service rate making, revenue sufficiency, capital funding, valuation and acquisition, and utility management services.

Janice Garrett joined the District in 2013. Ms. Garrett has over twenty-eight years of experience in accounting management, human resources, and payroll processes. Ms. Garrett graduated Summa Cum Laude from Sullivan University in Lexington, Kentucky, obtaining two bachelor's degrees, one in Finance and one in Accounting. Previously, she was with Dealers' Financial Services, where she was the Assistant Vice President. Ms. Garrett serves the District as Controller.

The supervisory personnel responsible for the operation of the District include the following:

NAME AND POSITION	**YEAR EMPLOYED**
Bruce Trotter Superintendent, Water Treatment and Wastewater Treatment Plants	2012
Sam Harrison Senior Engineer	2014
Paolo Fonda Manager of Distribution Systems	2022
Michelle Sadler Office Manager	1997
Keith Guthrie Superintendent of Collections System	1996

Employees

The District has 88 full-time employees. Thirty employees are devoted to the water system, twenty-four employees are devoted to the sewer system, thirteen employees are devoted to support services such as inspections, meter reading and the auto shop, and twenty employees are office employees including the general manager, assistant general manager, other supervisory personnel, and customer service representatives. All the District's supervisory personnel, who are required to be certified, are certified by the Tennessee Department of Environment and Conservation for the operation of the water system and the sewer system.

The turnover in the District's work force has averaged eight employees per year over the last three years including a total of 8 retirements.

At the present time, no employees of the District are represented by unions. Officials of the District are unaware of any attempts by any union to organize employees of the District, and the District characterizes its relationship with its employees as satisfactory.

Regulation of the District

State and Local Regulation. The District is required by law to maintain a set of rules and procedures regarding the adjustment of all complaints which may be made to the District concerning the availability of utility services to persons in need thereof, the quality of service performed, the adjustment of bills and all other complaints of any nature. In addition, the District is required to have its books and records audited annually by an independent certified public accountant or by the Department of Audit of the Comptroller of the Treasury of the State, and annually to file such audit with the Comptroller of the Treasury of the State and the County Mayor of Williamson County and Probate Judge of Davidson County.

Prior to taking any action to issue bonds, the District must submit to the State Director of Local Finance for review the resolution authorizing the issuance of the bonds, together with a statement showing as of the beginning of the then current fiscal year the total outstanding bonds, notes, warrants, refunding bonds and other evidences of indebtedness of the District, together with maturity dates thereof, interest rates, special provisions for payment, the project to be funded by the bonds, the current financial statement of the District and any other pertinent financial information and, prior to the issuance of any refunding bonds, the plan of refunding. The Director of State and Local Finance may transmit comments to the District within 15 days from the date such information is received. If such comments are received, they must be published once in a newspaper of general circulation in the county of the principal office of the District and any other counties in which the District operates during the week following receipt. Only upon the receipt and publication of such comments, or upon expiration of 15 days from the receipt of the statement and information by the Director of State and Local Finance, whichever is earlier, may the District take action with respect to the proposed bond issue.

Rate Regulation. The Board determines the rates paid by the District's customers. Any customer of the District may file with the Board a protest concerning such rates. After the Board makes its determination, the customer may seek review of the Board's decision to the Tennessee Board of Utility Regulations ("TBOUR") action.

In 1987, the Tennessee General Assembly created the Utility Management Review Board ("UMRB") to provide state oversight in utility management. The review board promulgated its rules and regulations and began hearing cases in January 1989. Subsequently, in 2023 the Tennessee General Assembly assigned the responsibilities of the UMRB to TBOUR. TBOUR's primary function has been financial oversight of utility districts. Each utility district is audited, and financially distressed districts are reported to TBOUR. A utility district is generally considered to be financially distressed if it is in default on any outstanding indebtedness, it has operated with net losses for two consecutive years, and/or it has a deficit total net assets. TBOUR has the authority to study the possibility of consolidating a financially distressed utility district with other districts or municipal or county public utility systems. If the review board concludes that consolidation is in the public's best interest, it may negotiate a merger under the auspices of the Chancery Court. However, the most common actions taken by TBOUR are rate restructuring, improvements in accounting methods and reporting, and reductions in operating expenses by correcting leaks. The District has never been required to appear before TBOUR as a financially distressed utility district. In addition to the above, TBOUR has the power to review the rates charged and services provided by the District.

Licenses, Permits and Approvals. The District has received all licenses, permits and approvals necessary for the operation of the System. The District is subject to regulation with regard to water quality and other environmental matters by various federal, state and local authorities.

Population

The following table reflects the population of Davidson County and Williamson, Tennessee (collectively, the "Counties") and the State of Tennessee.

Year	Davidson County	Williamson County	Tennessee
1980	477,811	58,108	4,600,252
1990	512,139	81,789	4,890,626
2000	570,434	128,101	5,703,719
2010	627,794	184,082	6,355,518
2020	716,095	249,616	6,927,904
2024	729,505	269,136	7,227,750

Source: United States Census Bureau

Unemployment Rates

Set forth below are the average annual unemployment rates for the United States, the State of Tennessee and the Counties for the years 2020 through 2024.

	2020	2021	2022	2023	2024
United States	8.10%	5.40%	3.60%	3.60%	4.00%
Tennessee	7.50%	4.50%	3.40%	3.20%	3.40%
Davidson County	8.20%	4.40%	2.80%	2.70%	2.90%
Williamson County	5.00%	2.70%	2.50%	2.60%	2.70%

Source: United States Bureau of Labor Statistics

Largest Employers

The District derives most of its revenue from direct customers in the southwestern portion of Davidson County and from wholesale customers in Williamson County. The following tables highlights some of the major employers within these areas.

Williamson County

Employer	Estimated Employees	Product or Service
Williamson County School District	6,173	Education
Optum	2,052	Healthcare IT Software for Hospital Management
Williamson County Government	1,650	County Government
United Health Group	1,512	Healthcare Claims Resolution and Information Management
Tractor Supply Company	1,451	Retail
Williamson Medical Center	1,330	Health Services
Lee Company	1,200	Home Services
Community Health Systems	1,104	Health Services - Headquarters
Lampo Group, Inc.	1,044	Publishing, Radio and Education
Comdata	1,000	Transaction Process Solutions

Source: TN Department of Economic & Community Development.

Davidson County

Employer	Estimated Employees	Product or Service
Vanderbilt University Medical Center	27,340	Health Services
State of Tennessee	25,000	Government
U.S. Government	13,000	Government
Metro Nashville Public Schools	11,000	Education
HCA Holdings, Inc.	10,001	Healthcare - Headquarters
Metro Nashville Government	9,000	Government
Vanderbilt University	5,718	Education
Asurion	3,600	IT Services/Insurance
Saint Thomas Medical Service	2,900	Health Services

Source: TN Department of Economic & Community Development.

Per Capita Income

Set forth below are the per capita personal income figures for the United States, the State of Tennessee and the Counties for the years 2019 through 2023.

	2019	2020	2021	2022	2023
United States	$55,559	$59,125	$64,419	$66,059	$69,413
Tennessee	$48,886	$51,963	$57,437	$59,109	$62,041
Davidson County	$69,909	$73,726	$83,008	$87,568	$92,496
Williamson County	$94,540	$99,318	$112,642	$121,424	$128,610

Source: United States Bureau of Economic Analysis

The System

The District provides services consisting of (i) the treatment and distribution of water to its customers through its water system, and (ii) the collection, processing and disposal of wastewater through its wastewater system.

HARPETH VALLEY UTILITIES DISTRICT
WATER CUSTOMER BASE
(FY 2024)

CUSTOMER	ESTIMATED METERS/CUSTOMERS	AVERAGE DAILY WATER PURCHASED (million gallons)
Direct Customers of the District	18,841	5.60
City of Brentwood	10,062	7.50
Water Authority of Dickson County	22,566	0.04
City of Franklin	23,695	4.79
HB & TS Utility District	11,725	4.31
Mallory Valley Utility District	5,678	9.07
Milcrofton Utility District	12,402	3.32
River Road Utility District	1,473	0.20

Water System

The District's water system was first placed in service in 1963, initially serving 450 customers with a treatment capacity of 0.576 million gallons per day. Customer growth and increased demand have resulted in plant additions and significant expansions. The District's current water treatment capacity is 70 million gallons per day.

Customers of the Water System. The following table sets forth the number and types of customers served by the District's water system during each of the years listed.

YEAR	RESIDENTIAL[1]	COMMERCIAL	IRRIGATION	MUNICIPAL (METERS)	TOTAL
2010	15,614	455	271	22	16,362
2011	15,750	465	273	20	16,508
2012	15,845	472	275	20	16,612
2013	16,002	489	283	20	16,794
2014	16,102	501	289	20	16,912
2015	16,274	485	298	19	17,076
2016	16,476	467	307	19	17,269
2017	16,701	485	322	19	17,527
2018	16,874	616+	333	19	17,842
2019	17,067	630+	335	20	18,051
2020	17,281	646+	340	20	18,287
2021	17,447	652+	343	22	18,464
2022	17,616	656+	353	22	18,647
2023	17,768	663+	362	23	18,816
2024	17,890	666+	375	24	18,956

[1] Includes multi-unit customers
+Includes Fire lines

Other than the municipal customers discussed below, the District does not have a single customer that accounts for as much as 2% of its sales.

Water Sale Contracts. In addition to furnishing water service to customers located within the boundaries of the District, the District has entered into long term contracts to provide water on a wholesale basis to seven municipal customers located outside the boundaries of the District. The customers served, the gallons sold to each customer during the year ended December 31, 2024, the percentage of total water sales of the District represented by such sales and the termination dates of the contracts are as follows:

NAME	MILLION GALLONS SOLD IN 2024	PERCENT OF TOTAL SALES OF DISTRICT	TERMINATION DATE OF CONTRACT
Mallory Valley Utility District of Williamson Co.	3,311	26%	10/27/2058
City of Brentwood	2,739	21%	08/24/2028
City of Franklin	1,749	14%	01/27/2043
H.B. and T.S. Utility District of Williamson Co.	1,572	12%	09/23/2053
Milcrofton Utility District of Williamson Co.	1,210	9%	10/27/2048
Water Authority of Dickson Co.	173	1%	04/09/2029
River Road Utility District of Cheatham Co.	74	less than 1%	03/24/2054

Each of the contracts provides for a minimum monthly bill and a maximum daily demand. Each contract also states that the customer is not prohibited from purchasing water from sources other than the District, provided the customer pays the minimum bill. The minimum bill will be reduced to the extent the District fails or is unable to make available the water for the minimum bill. Such contracts provide for billing in accordance with the District's schedule of rates, charges and fees in effect at the time of such billing. All of said entities are presently being billed at the current schedule of rates, charges and fees.

None of these wholesale customers is obligated beyond the term of its contract to purchase water from the District, and the District cannot offer any assurances that these customers will continue to purchase water from the District beyond the terms of their respective contracts. Should any of these customers choose not to continue to purchase water from the District beyond the term of its contract, the District's revenues (as well as the incremental operating expenses associated with the production of water for such customer) would be reduced.

Water Consumption. For each of the fiscal years indicated, the following table sets forth the number of gallons of water sold to the District's customers.

YEAR	RESIDENTIAL [1]	COMMERCIAL	IRRIGATION	MUNICIPAL	TOTAL
2010	1,430	128	156	6,904	8,618
2011	1,385	125	137	6,732	8,379
2012	1,439	146	141	7,149	8,875
2013	1,252	128	92	7,006	8,478
2014	1,306	135	99	7,079	8,619
2015	1,335	143	102	7,076	8,656
2016	1,397	142	135	8,665	10,339
2017	1,349	147	126	9,168	10,790
2018	1,397	155	136	9,166	10,854
2019	1,441	166	154	9,555	11,316
2020	1,473	149	154	9,369	11,145
2021	1,463	159	124	9,431	11,177
2022	1,560	168	172	10,277	12,177
2023	1,557	174	163	10,236	12,130
2024	1,631	180	233	10,827	12,871

(in millions of gallons)

[1] Includes multi-unit customers

Water Treatment and Distribution Facilities. The District obtains water from two intakes located on the Cumberland River. One intake has a capacity of 6.0 million gallons per day using three centrifugal pumps. The newer intake is capable of pumping 65 million gallons per day using six vertical turbine pumps. All pumps are electrically driven.

The District's current plant site maintains three distinct treatment plants, with Plant B and C comprised of conventional treatment processes using rapid sand filtration. The two plants consist of pre-settling basins, flash mix basis, flocculation basins, sedimentation basins, and dual media rapid sand filters. The newest plant, completed in 2016, is a Kruger Actiflo Carb/Membrane process, which was selected due to its small footprint and the ability to remove high levels of total organic carbon, endocrine disrupting compounds, and emerging contaminants of concern. The membrane filtration process produces a superior filtrate or permeate since the effective pore diameter of the membranes are over 100 times smaller than the effective pore diameter of a traditional mixed media filter. The combination of the three treatment plants provide a pretreatment and filtration capacity of 74 million gallons per day. The membrane building was constructed to hold a total of eight membrane racks, each rack treating approximately four million gallons per day. The District initially installed three racks in 2016, an additional two racks in 2020 and recently installed and commissioned the last three racks. The treated water produced by these plants is stored in a 5 million gallon clear well prior to being pumped to the system from the high service pump station. The high service pump station has a firm capacity of 70 million gallons per day. The water treatment facility is also equipped with a stand-by power generating system to insure uninterrupted treatment of water supply.

The new membrane building also includes a state-of-the-art laboratory space. New laboratories on site as well as wastewater laboratory across the Cumberland River were combined under one roof, resulting in one centralized location for all analytical needs. Separate lab spaces for microbiology, wet chemistry, organic chemistry, future metals, sample receiving, equipment and supply storage create efficient workflow and minimize any chance of cross contamination. The District is equipped and proficient in sampling/analysis for drinking water, wastewater, and biosolids process control and of course meets Federal/State regulatory criteria along with related environmental programs The District performs most water quality sampling and analysis "in-house" , resulting in quicker analytical data and faster decisions for any needed process control changes at the plants or in the distribution system.

The District's distribution system consists of approximately 390 miles of water lines, ranging in size from 3-inch to 48-inch in diameter. There are two large booster pump stations within the District capable of pumping 63 million gallons per day, with upgrade capacity to 88 million gallons per day. The District also has seven smaller pump stations located in various areas.

Water Billing. The following table sets forth the annual water billings of the District for the years listed.

Year	Residential[1]	Commercial[2]	Irrigation	Municipal	Total
2010	$5,313	$448	$517	$13,683	$19,961
2011	5,364	441	484	13,464	19,753
2012	5,583	513	529	15,272	21,897
2013	5,287	453	364	16,535	22,639
2014	5,923	478	405	18,053	24,859
2015	5,967	501	417	18,045	24,930
2016	6,279	498	548	22,098	29,423
2017	6,126	514	512	23,380	30,532
2018	5,923	731	794	23,374	30,822
2019	6,060	814	895	24,349	32,118
2020	6,144	771	880	23,881	31,676
2021	6,145	822	765	24,231	31,963
2022	6,797	871	1,052	26,904	35,624
2023	6,731	911	1,018	26,810	35,470
2024	7,416	964	1,460	28,915	38,755

(in thousands)

[1] Includes multi-unit customers

[2] Includes fire lines beginning in 2018

Sewer System

Customers of the Sewer System. The following table sets forth the number and type of sewer customers served by the District in the years listed.

Year	Residential[1]	Commercial	Total
2010	12,715	361	13,076
2011	12,856	364	13,220
2012	12,936	369	13,305
2013	13,075	382	13,457
2014	13,171	389	13,560
2015	13,314	372	13,686
2016	13,494	357	13,851
2017	13,697	370	14,067
2018	13,874	393	14,267
2019	14,047	394	14,441
2020	14,248	399	14,647
2021	14,392	399	14,791
2022	14,530	401	14,931
2023	14,699	403	15,102
2024	14,834	400	15,234

[1] Includes multi-unit customers

The District does not have a single customer that accounts for as much as 2% of its sewer billings.

Sewage Collection, Treatment and Disposal Facilities. The District's sewer system was originally placed in service in 1965 with a small plant adjacent to the Harpeth River, provided service to 13 customers, and had a treatment plant capacity of 300,000 gallons of wastewater per day.

In early 2001, the District completed construction and put into service a 25 million gallon a day peak flow (10 million gallon day average) wastewater treatment plant adjacent to the Cumberland River in Bells Bend. The 400-acre site provides room for a "mirror image" plant to be placed immediately next to the existing facility when future growth requires it. Currently the plant efficiently treats wastewater using 100-percent aerobic treatment system that produces several million pounds of biosolids annually used to fertilize fields around the plant. Along with the Class B land application process, the plant processes include oxidation ditches, clarifiers and ultraviolet disinfection of the effluent with discharge into the Cumberland River. The wastewater plant is also equipped with a standby power generating system to ensure uninterrupted processing of waste materials.

Associated with the wastewater treatment plant, a pump station, the Overall Creek Pump Station, was designed and constructed to pump flows to the wastewater treatment plant. The design capacity of the pump station is 37 million gallons per day.

The existing collection system contains 231 miles of sewer collection lines and 30 pump stations.

Sewer Billings. The following table sets forth the billings of the sewer system for the years listed.

YEAR	RESIDENTIAL[1]	COMMERCIAL	TOTAL
2010	$6,731	$674	$7,405
2011	6,891	671	7,562
2012	7,628	786	8,414
2013	7,917	718	8,635
2014	8,278	747	9,025
2015	8,454	786	9,240
2016	8,504	794	9,298
2017	8,620	846	9,466
2018	8,558	933	9,491
2019	8,499	1,007	9,506
2020	9,027	958	9,985
2021	9,128	1,026	10,154
2022	9,383	1,083	10,466
2023	9,890	1,167	11,057
2024	10,692	1,252	11,944
		(in thousands)	

[1] Includes multi-unit customers

Water and Sewer Rates

A schedule of rates and charges for water was originally adopted by the District in 1963. Sewer service charges were added to the District's rate structure in 1965. The District's current rates for water and sewer service and usage became effective on January 1, 2025. The schedule of monthly rates currently in effect in the District is as follows:

SCHEDULES OF WATER AND SEWER RATES

Residential Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge based on meter size:		
5/8" or 3/4" meter	$12.57	$13.95
1" meter	25.63	13.95
1 1/2" meter	47.41	13.95
2" meter	73.54	13.95
3" meter	143.22	13.95
In addition, monthly usage charge:		
First 5,000 gallons	$1.58 per 1,000 gallons	$7.20 per 1,000 gallons
Next 5,000 gallons	2.37 per 1,000 gallons	7.20 per 1,000 gallons
Next 10,000 gallons	4.99 per 1,000 gallons	7.20 per 1,000 gallons
All Additional Usage	7.97 per 1,000 gallons	7.20 per 1,000 gallons

Commercial Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge based on meter size:		
5/8" or 3/4" meter	$12.57	$13.95
1" meter	25.63	34.89
1 1/2" meter	47.41	69.76
2" meter	73.54	111.63
3" meter	143.22	223.26
4" meter	221.60	348.84
6" meter	439.35	697.68
8" meter	700.64	1,116.30
In addition, monthly usage charge:		
All Usage	$4.53 per 1,000 gallons	$7.57 per 1,000 gallons

Note: Assembly meters will be charged a $3.50 monthly customer charge for the large size of the meter and the applicable monthly charge from the chart above for the small size of the meter. Dedicated fire line meters regardless of size will be charged a $3.50 monthly customer charge, but will not be charged the monthly customer charge by meter size set forth above.

Multi-Unit Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge based on meter size:		
5/8" or 3/4" meter	$12.57	$13.95
1" meter	25.63	34.89
1 1/2" meter	47.41	69.76
2" meter	73.54	111.63
3" meter	143.22	223.26
4" meter	221.60	348.84
6" meter	439.35	697.68
8" meter	700.64	1,116.30
In addition, monthly usage charge:		
All Usage	$3.49 per 1,000 gallons	$9.38 per 1,000 gallons

Note: Assembly meters will be charged a $3.50 monthly customer charge for the large size of the meter and the applicable monthly charge from the chart above for the small size of the meter. Dedicated fire line meters regardless of size will be charged a $3.50 monthly customer charge, but will not be charged the monthly customer charge by meter size set forth above.

Utility/Municipal Rates

Water Metered	Water Rate
Monthly Customer Charge based on meter size:	
5/8” or 3/4” meter	$12.57
1” meter	25.63
1 1/2” meter	47.41
2” meter	73.54
3” meter	143.22
4” meter	221.60
6” meter	439.35
8” meter	700.64
10” meter	1,005.48
In addition, monthly usage charge:	
All Usage	$2.73 per 1,000 gallons

Irrigation Rates

Water Metered	Water Rate
Monthly Customer Charge based on meter size:	
5/8” or 3/4” meter	$12.57
1” meter	25.63
1 1/2” meter	47.41
2” meter	73.54
3” meter	143.22
4” meter	221.60
6” meter	439.35
8” meter	700.64
In addition, monthly usage charge:	
All Usage	$6.09 per 1,000 gallons

In the fall of the year immediately preceding a scheduled increase, the District’s management shall recommend for approval by the District’s Board the specific amendment required to the District’s Schedule of Rates, Charges and Fees. In accordance therewith, at its October 22, 2024 meeting, based on prior Water and Wastewater Rate Studies, the District’s management recommended, and the Board of Commissioners approved, a 5% increase for the District direct water customers, a 5% increase for the District direct sewer customers and a 3% increase to municipal customers for fiscal year 2025, beginning with billing on or after January 1, 2025 for all customers.

Environmental Matters

The District expects governmental regulation of its operations will continue to become more comprehensive, particularly regarding environmental matters. The District is unable to predict the effect, if any, which such increased governmental regulation will have on its present or future operations and on the operation of the System. Changes in applicable regulations could require changes in facilities, personnel, rates or services, which could adversely affect the District’s Net Revenues and impair its ability to pay the principal of and interest on its bonded debts.

The operations of the District are subject to the Federal Clean Water Act, as amended (33 U.S.C. 1251, et seq.), the Tennessee Water Quality Control Act of 1977, as amended (T.C.A. § 69-3-101, et seq.), and regulations of the Tennessee Department of Environment and Conservation (“TDEC”). The District is presently discharging under National Pollution Discharge Elimination System permit #TN0074748. This permit has an expiration date of February 28, 2030.

Pension Plan

The District has a single-employer defined benefit pension plan covering substantially all of its employees that have reached the age of 21. Benefit provisions are established and amended by the Board of Commissioners. Employees become fully vested after five years of participation. The benefits are based on 2% and 2.15% of average monthly earnings multiplied by years of qualified service before August 1, 1990, and after July 31, 1990, respectively.

The contribution requirement is determined annually by actuarial valuation. The District is in compliance with Tennessee Code §9-3-504(c), and is currently funding over 100% of the cost of plan as determined by actuarial valuation. Contributions are made monthly.

The annual required contribution for plan year beginning August 1, 2024 was determined as a projection of the August 1, 2024 actuarial valuation using the entry age normal cost method with a 20-year level dollar amortization of the initial unfunded liability and of any subsequent gains and losses. The actuarial assumptions include an investment rate of return of 7.00%. The projected salary increase assumption is 3.5% per year. For valuation purposes, assets were valued at market value.

For additional information concerning the District's pension plan and related retirement matters, see Note 4 to the Audited Financial Statements set forth in Appendix B.

SUMMARY OF OUTSTANDING DEBT$^{(1)(2)}$

Original Amount Issued	Issue	Date Issued	Maturity Date	Principal Outstanding 12/31/2024
	Senior Lien Debt			
$1,139,500	Utilities Revenue Bonds, Series 1997	08/13/98	09/13/36	$593,051
$30,770,000	Utilities Revenue Bonds, Series 2020	02/05/20	09/01/50	$30,150,000
$37,230,000	Utilities Revenue Refunding Bonds, Series 2022	06/22/22	09/01/42	$36,745,000
$39,800,000	Utilities Revenue Refunding Bonds, Series 2024A	09/04/24	09/01/44	$39,800,000
$30,000,000	Utilities Revenue Bonds, Series 2024B	10/24/24	09/01/54	$30,000,000
$25,000,000	Proposed Utilities Revenue Refunding Bonds, Series 2025A	TBD	09/01/42	$25,000,000
	Total Senior Lien Debt			$162,288,051

DEBT RECORD

There is no record of a default of paying principal and interest on any debt from information available.

(1) As of 12/31/2024 and adjusted for Proposed Utilities Revenue Refunding Bonds, Series 2025A. Excludes Bonds being Refunded.

(2) Excludes District's Obligation to Metro Nashville of $843,044 as of 12/31/2024.

Source: Audited Financial Statement for the Fiscal Year ending December 31, 2024 prepared by ATA, PLLC.

Debt Service Schedule

Fiscal	Existing Senior Lien Debt Service(1)			Proposed Utilities Revenue Refunding Bonds, Series 2025A(2)			New Senior Lien Debt		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	$2,628,753	$6,726,718	$9,355,471 (3)				$2,628,753	$6,726,718	$9,355,471 (3)
2026	2,545,786	5,964,408	8,510,194	$3,510,000	$1,342,703	$4,852,703	6,055,786	7,307,111	13,362,897
2027	2,662,925	5,842,219	8,505,144	3,820,000	1,039,005	4,859,005	6,482,925	6,881,224	13,364,149
2028	2,800,178	5,714,266	8,514,444	4,010,000	848,005	4,858,005	6,810,178	6,562,271	13,372,449
2029	5,852,548	5,590,896	11,443,444	710,000	647,505	1,357,505	6,562,548	6,238,401	12,800,949
2030	6,140,043	5,298,151	11,438,194	740,000	612,005	1,352,005	6,880,043	5,910,156	12,790,199
2031	6,432,669	5,008,825	11,441,494	780,000	575,005	1,355,005	7,212,669	5,583,830	12,796,499
2032	6,740,433	4,705,361	11,445,794	810,000	536,005	1,346,005	7,550,433	5,241,366	12,791,799
2033	7,068,341	4,377,653	11,445,994	860,000	495,505	1,355,505	7,928,341	4,873,158	12,801,499
2034	7,406,403	4,033,891	11,440,294	900,000	452,505	1,352,505	8,306,403	4,486,396	12,792,799
2035	5,699,624	3,673,620	9,373,244	940,000	407,505	1,347,505	6,639,624	4,081,125	10,720,749
2036	5,945,348	3,399,349	9,344,697	990,000	360,505	1,350,505	6,935,348	3,759,854	10,695,202
2037	6,185,000	3,114,400	9,299,400	1,040,000	311,005	1,351,005	7,225,000	3,425,405	10,650,405
2038	6,460,000	2,843,850	9,303,850	1,080,000	266,285	1,346,285	7,540,000	3,110,135	10,650,135
2039	6,745,000	2,561,150	9,306,150	1,120,000	220,925	1,340,925	7,865,000	2,782,075	10,647,075
2040	7,035,000	2,265,800	9,300,800	1,170,000	171,645	1,341,645	8,205,000	2,437,445	10,642,445
2041	7,340,000	1,957,600	9,297,600	1,230,000	117,825	1,347,825	8,570,000	2,075,425	10,645,425
2042	7,640,000	1,664,000	9,304,000	1,290,000	60,630	1,350,630	8,930,000	1,724,630	10,654,630
2043	4,495,000	1,358,400	5,853,400				4,495,000	1,358,400	5,853,400
2044	4,680,000	1,178,600	5,858,600				4,680,000	1,178,600	5,858,600
2045	2,765,000	991,400	3,756,400				2,765,000	991,400	3,756,400
2046	2,880,000	880,800	3,760,800				2,880,000	880,800	3,760,800
2047	2,995,000	765,600	3,760,600				2,995,000	765,600	3,760,600
2048	3,110,000	645,800	3,755,800				3,110,000	645,800	3,755,800
2049	3,235,000	521,400	3,756,400				3,235,000	521,400	3,756,400
2050	3,365,000	392,000	3,757,000				3,365,000	392,000	3,757,000
2051	1,515,000	257,400	1,772,400				1,515,000	257,400	1,772,400
2052	1,575,000	196,800	1,771,800				1,575,000	196,800	1,771,800
2053	1,640,000	133,800	1,773,800				1,640,000	133,800	1,773,800
2054	1,705,000	68,200	1,773,200				1,705,000	68,200	1,773,200
Total	$137,288,051	$82,132,357	$219,420,408	$25,000,000	$8,464,568	$33,464,568	$162,288,051	$90,596,925	$252,884,976

(1) - As of 12/31/2024. Excludes Bonds being refunded (Series 2015 and 2016) and the District's Obligation to Metro Nashville of $843,044.

(2) - Preliminary, subject to change.

(3) - Excludes $4,860,106 in debt payments scheduled for 9/1/2025 that are being defeased with District funds.

Summary of Operations

The Summary of Operations for the District for the fiscal years ended December 31, 2020 through 2024 are set forth below have been derived from the District's audited financial statements and should be read in conjunction with said statements. The following Summary of Operations and Debt Service Coverage Ratios do not purport to represent a Statement of Cash Flows of the District. The 2024 audited financial statements appear as Appendix B hereto. For a summary of debt service requirements and current and proposed debt service coverage ratios following the issuance of the Series 2025A Bonds, see "Debt Service Schedule", "Historic Debt Service Coverage Table" and "Projected Debt Service Coverage Table" herein.

Operating Revenues	**2020**	**2021**	**2022**	**2023**	**2024**
Sales	$41,660,492	$42,116,882	$46,089,951	$46,527,187	$50,698,423
Other Operating Income	4,174,596	1,128,202	980,838	1,384,648	1,425,710
Total Operating Revenues	$45,835,088	$43,245,084	$47,070,789	$47,911,835	$52,124,133
Operating Expenses					
Plant Salaries	5,154,796	5,096,610	5,554,154	5,578,649	6,334,874
Payroll Taxes	390,902	391,491	431,592	436,039	482,458
Employee Benefits	3,297,307	3,039,855	3,528,372	3,602,561	3,925,309
Repairs and Maintenance	1,117,011	1,532,954	2,100,517	1,967,076	2,174,149
Transportation	63,200	91,334	84,049	96,213	79,179
Utilities	3,416,894	3,546,790	4,309,897	4,091,727	4,395,695
Outside Services - Operating	72,453	70,960	106,142	181,966	134,086
Chemical Supplies	2,599,851	2,540,115	3,487,733	4,732,534	4,750,360
Miscellaneous	412,796	340,441	364,611	383,553	372,192
Total Operating Expenses	16,525,210	16,650,550	19,967,067	21,070,318	22,648,302
Administrative and General Expenses					
Office Salaries	2,143,111	2,185,674	2,135,799	2,013,844	2,411,770
Payroll Taxes	146,141	148,511	156,930	156,721	163,226
Employee Benefits	1,323,870	1,247,059	1,368,994	1,286,244	1,566,189
Office Expenses and Telephone	791,078	855,560	763,402	896,026	1,089,949
Insurance	375,681	390,549	430,936	530,156	646,700
Professional Fees	551,073	297,078	686,850	483,577	543,341
Miscellaneous	145,914	111,504	63,039	58,040	47,794
Total Administrative and General Expenses	5,476,868	5,235,935	5,605,950	5,424,608	6,468,969
Provision for Depreciation	12,130,885	12,971,907	13,593,329	14,138,132	14,710,862
Total Operating Expenses	34,132,963	34,858,392	39,166,346	40,633,057	43,828,133
Total Operating Income (Loss)	11,702,125	8,386,692	7,904,443	7,278,778	8,296,000
Non-Operating Revenue (Expense)					
Interest Expense	(7,733,756)	(7,637,650)	(7,402,911)	(7,052,759)	(7,067,983)
Interest Income	380,904	32,591	406,511	1,790,772	1,856,880
Capacity Fees	3,392,357	4,280,303	647,450	1,587,624	2,135,600
Gain (Loss) From Disposition of Capital Assets	(168,008)	(38,907)	(84,964)	(55,015)	(60,368)
Amortization	451,990	463,529	553,868	659,184	737,278
Total Non-Operating Revenue (Expenses)	(3,676,513)	(2,900,134)	(5,880,046)	(3,070,194)	(2,398,593)
Income (Loss) before capital contributions	$ 8,025,612	$ 5,486,558	$ 2,024,397	$ 4,208,584	$ 5,897,407
Capital Contributions					
Capital Contributions	3,326,555	1,710,093	3,967,419	2,551,092	1,230,969
Total Capital Contributions	3,326,555	1,710,093	3,967,419	2,551,092	1,230,969
Change in Net Position	$11,352,167	$7,196,651	$5,991,816	$6,759,676	$7,128,376

Sources: Audited Financial Statements for the Fiscal Years ending December 31, 2020 through 2024 prepared by ATA, PLLC.

Historic Debt Service Coverage Table

	Audited	Audited	Audited	Audited	Audited
	2020	2021	2022	2023	2024
Revenue and Capital Contributions					
Water Sales	$ 31,675,387	$ 31,962,718	$ 35,624,119	$ 35,470,951	$ 38,755,041
Wastewater Sales	9,985,105	10,154,164	10,465,832	11,056,236	11,943,382
Other Income	4,174,596	1,128,202	980,838	1,384,648	1,425,710
Capacity Fees	3,392,357	4,280,303	647,450	1,587,624	2,135,600
Interest Income	380,904	32,591	406,511	1,790,772	1,856,880
Total Revenue	$ 49,608,349	$ 47,557,978	$ 48,124,750	$ 51,290,231	$ 56,116,613
Expenses[(1)]					
Operating Expenses	16,525,210	16,650,550	19,967,067	21,070,318	22,648,302
Administrative Expenses	5,476,868	5,235,935	5,605,950	5,424,608	6,468,969
Total Expenses	$ 22,002,078	$ 21,886,485	$ 25,573,017	$ 26,494,926	$ 29,117,271
Net Revenue Available for Debt Service	$ 27,606,271	$ 25,671,493	$ 22,551,733	$ 24,795,305	$ 26,999,342
Debt Service					
Total Debt Service	$ 12,209,052	$ 12,734,469	$ 13,047,709	$ 12,749,057	$ 12,748,707
Debt Service Coverage	2.26x	2.02x	1.73x	1.94x	2.12x

(1) - Excludes Depreciation and Amortization

Sources: Audited Financial Statements for the Fiscal Years ending December 31, 2020 through 2024 prepared by ATA, PLLC and District Officials.

Projected Debt Service Coverage Table

The management of the District has prepared the forecasted financial information set forth below to present the forecasted debt service coverage after issuance of the Series 2025A Bonds. The prospective financial information was not prepared with a view toward public disclosure or with a view towards complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the District's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the District. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information. Neither the District's independent auditors, nor any other independent accountants or financial advisors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumptions and estimates underlying the prospective financial information are inherently uncertain and, though considered reasonable by the management of the District as of the date hereof, are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted.

Accordingly, there can be no assurance that forecasted results are indicative of the future performance of the District or that actual results will not be materially higher or lower than those forecasted. Inclusion of the prospective financial information in this Official Statement should not be regarded as a representation by any person that the forecasted results will be achieved.

The District does not generally publish its business plans and strategies or make external forecasts of its anticipated financial position or results of operations. Accordingly, the District does not intend to update or otherwise revise the prospective financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the District does not intend to update or revise the prospective financial information to reflect changes in general economic or industry conditions.

	Projected **2025**	Projected **2026**	Projected **2027**	Projected **2028**
Revenue and Capital Contributions				
Water Sales	$ 38,676,080	$ 41,393,439	$ 43,417,804	$ 45,553,162
Wastewater Sales	12,567,517	13,219,349	13,904,945	14,626,053
Other Income	817,500	817,500	817,500	817,500
Capacity Fees	1,000,000	1,000,000	1,000,000	1,000,000
Interest Income	1,422,603	708,312	512,713	427,745
Total Revenue	$ 54,483,700	$ 57,138,600	$ 59,652,962	$ 62,424,460
Expenses				
Operating Expenses	22,007,769	22,696,921	23,413,375	24,158,364
Administrative and General	7,328,779	7,563,978	7,809,341	8,065,354
Total Expenses	$ 29,336,547	$ 30,260,899	$ 31,222,716	$ 32,223,718
Net Revenue Available for Debt Service	$ 25,147,153	$ 26,877,701	$ 28,430,246	$ 30,200,742
Debt Service				
Total Debt Service	$ 14,215,577	$ 15,277,869	$ 16,504,630	$ 17,714,485
Debt Service Coverage Ratio	1.77	1.76	1.72	1.70

(1) - Excludes Depreciation and Amortization

Key Assumptions:

Annual Rate Adjustments: 5% water retail, 3% water municipal, and 5% sewer retail (annually for FY 2026 through FY 2028)

Revenue Bond Issuance:

- *$30M new money (Construction project proceeds) in 2025 - debt service beginning in FY 2026*
- *$27M new money (Construction project proceeds) in 2027 - debt service beginning in FY 2027 (interest only in 1st year)*
- *$16M new money (Construction project proceeds) in 2028 - debt service beginning in FY 2028 (interest only in 1st year)*

Operating Expenses:

- *Personnel at 98% of budget/forecast*
- *Other O&M at 94% of budget/forecast*

Source: The District

APPENDIX B

INDEPENDENT AUDITORS' OPINION AND FINANCIAL STATEMENTS

HARPETH VALLEY UTILITIES DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024 and 2023

HARPETH VALLEY UTILITIES DISTRICT
TABLE OF CONTENTS

INTRODUCTORY SECTION

HARPETH VALLEY UTILITIES DISTRICT
DIRECTORY
December 31, 2024

COMMISSIONERS

Bernard Kwas, President
David Tucker, Vice-President
Wayne Erickson, Secretary

MANAGEMENT TEAM

John Brown, General Manager
Jay Tant, Assistant General Manager

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA, PC
Jackson, Tennessee

FINANCIAL SECTION

Independent Auditor's Report

Board of Commissioners
Harpeth Valley Utilities District
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund of Harpeth Valley Utilities District (the District), as of and for the years ended December 31, 2024 and 2023, and the financial statements of the Harpeth Valley Utilities District Defined Benefit Plan (fiduciary fund) as of and for the years ended July 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the District as of December 31, 2024 and 2023, and the Harpeth Valley Utilities District Defined Benefit Plan (fiduciary fund) as of July 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows there of 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the 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 the District's 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.

Auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the District's 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 the District's 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, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Defined Benefit Plan, Schedule of Contributions Based on Participation in the Defined Benefit Plan, Schedule of Investment Returns in the Defined Benefit Plan, and Notes to Required Supplementary Information, as listed in the table of contents, 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 audits 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary and other information, as listed in the table of contents, except for that which is marked "unaudited", are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information, as listed in the table of contents, except for that which is marked "unaudited" is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and supplementary and other information that is marked "unaudited", but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express and opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ATA, PC

Jackson, Tennessee
March 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Harpeth Valley Utilities District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024 and 2023. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the District's financial condition is strong. The District is well within its more stringent financial policies and guidelines set by the Board and management. In August 2024, Standard & Poor's (S & P) affirmed the District's AA+ rating. The report cited strong economic indicators from the utility districts and cities served by the District along with long-term contracts with take-or-pay minimum bills that provide reliable cash flows. The continued growth and stable financial profile, conservative financial management, and prudent water capacity planning were also cited in the report.

- Total assets at year-end were $408.71 million, deferred outflows of resources were $15.40 million and exceeded liabilities and deferred inflows of resources in the amount of $204.41 million (net position).
- Capital assets increased by $7.93 million, due to additions to the water pumping infrastructure, water transmission system, and sewer forcemain and gravity lines.
- Operating revenues were $52.12 million, an increase from 2024 in the amount of $4.21 million or 8.79%. The increase is primarily due to increases in water and wastewater sales.
- Total operating expenses were $43.83 million, an increase from year 2023 in the amount of $3.20 million or 7.86%. Administrative and general expenses increased $1.04 million; employee benefits increased $323 thousand, depreciation expense increased $573 thousand, and repair and maintenance increased $207 thousand. The increases are primarily a result of higher variable costs from increased production and rising cost of goods and expenses because of inflation.
- The operating income for the year was $8.30 million as compared to operating income of $7.28 million during the 2023 fiscal year.
- Ratios of operating income (loss) to total operating revenue were 0.16, and 0.15, for 2024, and 2023, respectively.
- The Change in Net Position in 2024 was $7.13 million versus a net increase of $6.76 million in 2023. The increase is primarily due to the increases in water and wastewater sales and capacity fees.

OVERVIEW OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

The MD&A serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the District's strategic plan, budget, bond resolutions and other management tools were used for this analysis. The Financial Statements and Supplementary Information are made up of four sections: 1) the introductory section, 2) the financial section, 3) the supplementary and other information section, 4) and the internal control and compliance section. The introductory section includes the District's directory. The financial section includes the MD&A, the independent auditor's report, and the financial statements with accompanying notes and the required supplementary information. The supplementary and other information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the District, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements report information about the District, using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities.

A Fiduciary fund is used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The District maintains one fiduciary fund used to report resources held related to the District's Defined Benefit Plan

The *Statement of Net Position* includes all of the District's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the District's operations and can be used to determine whether the District has successfully recovered all of its costs. This statement also measures the District's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

FINANCIAL ANALYSIS

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District, and the changes in the net position. Net position is one way to measure the financial health or financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The District's total net position increased by $7.13 million for the fiscal year ended December 31, 2024 and $6.76 million for the fiscal year ended December 31, 2023. The District does not use any of the tap fee revenue for annual operations of the District; instead, the funds are set aside in a capital fund for payments of future capital projects. In essence, the District's practice is to fund growth projects with growth revenue.

The analysis below focuses on the District's net position (Table 1A and 1B) and changes in net position (Table 2A and 2B) during the years.

Table 1A

CONDENSED STATEMENTS OF NET POSITION

	December 31, 2024	December 31, 2023	Increase (Decrease) $	Increase (Decrease) %
Capital assets				
Producing assets	$ 317,320,856	$ 318,788,734	$ (1,467,878)	-0.46%
Construction in progress	21,227,047	11,827,609	9,399,438	79.47%
Current assets, restricted assets and other noncurrent assets	70,162,744	44,147,487	26,015,257	58.93%
Total assets	408,710,647	374,763,830	33,946,817	9.06%
Deferred outflows of resources				
Pension related	8,931,945	6,079,282	2,852,663	46.92%
Cash surrender value of life insurance	3,468,822	3,030,191	438,631	14.48%
Loss on refunding of debt	1,401,769	2,692,746	(1,290,977)	-47.94%
Bond issuance cost	1,598,885	1,332,351	266,534	20.00%
Total deferred outflows of resources	15,401,421	13,134,570	2,266,851	17.26%
Current liabilities	15,016,504	11,341,715	3,674,789	32.40%
Non current liabilities	12,621,013	9,427,374	3,193,639	33.88%
Long-term liabilities	186,252,626	166,076,247	20,176,379	12.15%
Total liabilities	213,890,143	186,845,336	27,044,807	14.47%
Deferred inflows of resources				
Gain on refunding of debt	2,338,184	736,330	1,601,854	217.55%
Retirement plan compensation	3,468,822	3,030,191	438,631	14.48%
Total deferred inflows of resources	5,807,006	3,766,521	2,040,485	54.17%
Net position:				
Net investment in capital assets	140,082,580	153,394,702	(13,312,122)	-8.68%
Restricted for debt service	37,731,241	13,409,368	24,321,873	181.38%
Unrestricted	26,601,098	30,482,473	(3,881,375)	-12.73%
Total net position	$ 204,414,919	$ 197,286,543	$ 7,128,376	3.61%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1B

CONDENSED STATEMENTS OF NET POSITION

	December 31, 2023	December 31, 2022	Increase (Decrease) $	Increase (Decrease) %
Capital assets				
Producing assets	$ 318,788,734	$ 321,007,146	$ (2,218,412)	-0.69%
Construction in progress	11,827,609	9,356,874	2,470,735	26.41%
Current assets, restricted assets and other noncurrent assets	44,147,487	44,159,563	(12,076)	-0.03%
Total assets	374,763,830	374,523,583	240,247	0.06%
Deferred outflows of resources				
Pension	6,079,282	4,633,709	1,445,573	31.20%
Cash surrender value of life insurance	3,030,191	3,069,029	(38,838)	-1.27%
Loss on refunding of debt	2,692,746	2,974,285	(281,539)	-9.47%
Bond issuance cost	1,332,351	1,426,144	(93,793)	-6.58%
Total deferred outflows of resources	13,134,570	12,103,167	1,031,403	8.52%
Current liabilities	11,341,715	10,671,339	670,376	6.28%
Non current liabilities	9,427,374	7,548,854	1,878,520	24.88%
Long-term liabilities	166,076,247	174,034,884	(7,958,637)	-4.57%
Total liabilities	186,845,336	192,255,077	(5,409,741)	-2.81%
Deferred inflows of resources				
Gain on refunding of debt	736,330	775,777	(39,447)	-5.08%
Retirement plan compensation	3,030,191	3,069,029	(38,838)	-1.27%
Total deferred inflows of resources	3,766,521	3,844,806	(78,285)	-2.04%
Net position:				
Net investment in capital assets	153,394,702	152,171,702	1,223,000	0.80%
Restricted for debt service	13,409,368	13,482,081	(72,713)	-0.54%
Unrestricted	30,482,473	24,873,084	5,609,389	22.55%
Total net position	$ 197,286,543	$ 190,526,867	$ 6,759,676	3.55%

Changes in the District's net position can be determined by reviewing the following condensed Statement of Revenues, Expense, and Changes in Net Position for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2A

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

			Increase (Decrease)	
	December 31, 2024	December 31, 2023	$	%
Revenues				
Water service revenues (net of allowance $58,116 and $25,847)	$ 38,755,041	$ 35,470,951	$ 3,284,090	9.26%
Wastewater service revenue	11,943,382	11,056,236	887,146	8.02%
Other revenues	1,425,710	1,384,648	41,062	2.97%
Total operating revenues	52,124,133	47,911,835	4,212,298	8.79%
Expenses				
Operating:				
Water operations	16,375,076	15,385,572	989,504	6.43%
Wastewater operations	6,273,226	5,684,746	588,480	10.35%
Administrative and general:				
Water administrative and general	4,822,332	4,052,591	769,741	18.99%
Wastewater administrative and general	1,646,637	1,372,016	274,621	20.02%
Depreciation				
Water depreciation	9,266,979	8,810,103	456,876	5.19%
Wastewater depreciation	5,443,883	5,328,029	115,854	2.17%
Total operating expenses	43,828,133	40,633,057	3,195,076	7.86%
Non-operating revenue (expense):				
Water non operating expenses	(3,314,938)	(3,444,112)	129,174	-3.75%
Wastewater non-operating expenses	916,345	373,918	542,427	145.07%
Total Non-operating expenses	(2,398,593)	(3,070,194)	671,601	-21.87%
Total expenses	46,226,726	43,703,251	2,523,475	5.77%
Capital contributions	1,230,969	2,551,092	(1,320,123)	-51.75%
Change in net position	7,128,376	6,759,676	368,700	5.45%
Total net position - beginning	197,286,543	190,526,867	6,759,676	3.55%
Total net position - ending	$ 204,414,919	$ 197,286,543	$ 7,128,376	3.61%

Table 2B

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	December 31, 2023	December 31, 2022	Increase (Decrease) $	Increase (Decrease) %
Revenues				
Water service revenues (Net of allowance $23,917 and $20,304)	$ 35,470,951	$ 35,624,119	$ (153,168)	-0.43%
Wastewater service revenue	11,056,236	10,465,832	590,404	5.64%
Other revenues	1,384,648	980,838	403,810	41.17%
Total Operating Revenues	47,911,835	47,070,789	841,046	1.79%
Expenses				
Operating:				
Water operations	15,385,572	14,412,567	973,005	6.75%
Wastewater operations	5,684,746	5,554,500	130,246	2.34%
Administrative and general:				
Water administrative and general	4,052,591	3,708,231	344,360	9.29%
Wastewater administrative and general	1,372,016	1,897,719	(525,703)	-27.70%
Depreciation				
Water depreciation	8,810,103	8,430,369	379,734	4.50%
Wastewater depreciation	5,328,029	5,162,960	165,069	3.20%
Total operating expenses	40,633,057	39,166,346	1,466,711	3.74%
Non-operating revenue (expense):				
Water non operating expenses	(3,444,112)	(4,791,627)	1,347,515	-28.12%
Wastewater non-operating expenses	373,918	(1,088,419)	1,462,337	-134.35%
Total Non-operating expenses	(3,070,194)	(5,880,046)	2,809,852	-47.79%
Total expenses	43,703,251	45,046,392	(1,343,141)	-2.98%
Capital contributions	2,551,092	3,967,419	(1,416,327)	-35.70%
Change in net position	6,759,676	5,991,816	767,860	12.82%
Total net position - beginning	190,526,867	184,535,051	5,991,816	3.25%
Total net position - ending	$ 197,286,543	$ 190,526,867	$ 6,759,676	3.55%

Operating revenues showed a 10.74% increase across the three-year period due primarily to increases in sales. Operating expenses showed a 11.90% increase from 2022 to 2024. The increases in expenses were primarily due to the following:

- Increased water and wastewater operating personnel related costs.
- Increased depreciation.
- Economic inflation impacting the operational costs of the utility in conjunction with higher sales volumes resulting in higher cost of sales and services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 and 2023 the system had $338.55 and $330.62 million (net of accumulated depreciation) invested in a broad range of utility capital assets. This investment includes land, distribution systems and their related equipment, and various types of equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as land, utility plant and service rights, and construction in progress.

The following tables summarize the District's capital assets, net of accumulated depreciation, and changes therein, for the years ended December 31, 2024 and 2023. These changes are presented in detail in Note 3E to the financial statements.

Table 3A

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

			Increase (Decrease)	
	December 31, 2024	December 31, 2023	$	%
Land	$ 8,809,878	$ 8,809,878	$ -	0.00%
Utility plant and service rights	308,510,978	309,978,856	(1,467,878)	-0.47%
Construction in progress	21,227,047	11,827,609	9,399,438	79.47%
Total capital assets	$ 338,547,903	$ 330,616,343	$ 7,931,560	2.40%

Table 3B

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

			Increase (Decrease)	
	December 31, 2023	December 31, 2022	$	%
Land	$ 8,809,878	$ 8,809,878	$ -	0.00%
Utility plant and service rights	309,978,856	312,197,268	(2,218,412)	-0.71%
Construction in progress	11,827,609	9,356,874	2,470,735	26.41%
Total capital assets	$ 330,616,343	$ 330,364,020	$ 252,323	0.08%

The District's ongoing capital improvement plans focus on all aspects of the water and wastewater systems. Each year, staff with the assistance of consultants, updates the capital improvement program for the water distribution, wastewater collection, and water and wastewater treatment facilities. The plan is updated to ensure that assets are properly maintained and can meet the capacity needs of the District's customers.

Capital improvements completed in recent years have been focused on the water distribution and wastewater collection systems to improve capacity and redundancy for critical areas of the systems. However, planned capital spending over the next five years is anticipated to shift towards water and wastewater treatment facilities improvements and expansion

In 2024, the District began a multi-year phased expansion of the water treatment plant filtration capacity from 62 MGD to 74 MGD while increasing the plant's raw water pumping and high service pumping capabilities. This expansion will include the addition of membrane filters and feed pump equipment, construction of a new pretreatment basin, and improvements to the plant's backwash and solids handling processes to support increased plant capacity. Additional improvements include upgrades and additions at the raw water pump station and construction of a second high-service finished water pumping station, and a transmission main to deliver finished drinking water to the District's water distribution system. The District estimates the cost of these improvements will be approximately $100 million through 2030.

The District has $18.25 million programmed in upcoming years for continued sewer system basin improvements and rehabilitation. The improvements include pump station upgrades, rehabilitation of existing gravity sewers and the construction of additional conveyance lines. These improvements will increase system capacity and address inflow and infiltration issues through reduced overflows. The need for specific projects has been identified through the District's ongoing Wastewater Capacity, Management, Operations and Maintenance Program (CMOM). Ongoing improvements for system overflows are the result of the managed program.

The District's Infrastructure Leakage index was 1.72 in 2024 compared to 1.65 in 2023 as measured using the American Water Works Association Schedule of Unaccounted Water software and performance indicators.

Debt Administration

The District has outstanding bonds and notes payable of $177.47 million as of December 31, 2024. Principal payments are due in the upcoming fiscal year in the amount of $7.36 million with interest payments totaling $7.60 million also due. Details relating to the outstanding debt can be found in Note 3F. In 2024 the District issued the Series 2024A bonds which refinanced the Series 2013 and Series 2014 bonds and saved the District approximately $6 million in principal and interest expense over the life of the bonds. Also in 2024, the District issued the Series 2024B bonds with $30 million in construction funds to begin the first phase of the water treatment and pumping capacity projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District will continue to function under the current operations. Management strives to keep the customer costs as reasonable as possible, while maintaining the District's financial position.

Economic growth in the immediate service area, as well as the general population served by the District continues to be strong. Although the District anticipates continued revenue from tap fees for 2025 based on the number of developments currently being reviewed, the District typically budgets a number less than the 10-year average.

The District periodically performs a cost of service study and rate structure evaluation to guide rates for each customer class. Annual reviews of all rates, fees and charges have resulted in increases to water and sewer rates since 2019, except for a pause during 2020 due to the COVID-19 pandemic. In October 2024, the Board of Commissioners approved an increase to the volumetric and base fees by 5% for water and sewer direct customers and by 3% for municipal volumetric rates effective January 1, 2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Fiscal Officer, General Manager or Assistant General Manager at the mailing address of P.O. Box 210319, Nashville, Tennessee 37221, or by telephone at (615) 352-7076.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

ASSETS	2024	2023
Current assets:		
Cash and cash equivalents	$ 23,933,024	$ 21,716,298
Investments	971,457	2,161,585
Accounts receivable - customer (less allowance of $55,264 and $55,099)	966,051	1,166,981
Inventory	2,681,861	2,404,601
Prepaid expenses	1,178,397	763,799
Total current assets	29,730,790	28,213,264
Restricted assets:		
Cash and cash equivalents	28,764,347	4,324,912
Investments	11,309,565	11,187,544
Accrued interest receivable	137,844	144,125
Total restricted cash accounts	40,211,756	15,656,581
Capital assets:		
Capital assets not being depreciated		
Land and land rights	8,809,878	8,809,878
Construction in progress	21,227,047	11,827,609
Total capital assets not being depreciated	30,036,925	20,637,487
Capital assets being depreciated		
Water and sewer plants	528,050,671	515,028,406
Service area rights purchased from Metropolitan Government	9,415,984	9,415,984
Less accumulated depreciation and amortization	(228,955,677)	(214,465,534)
Total capital assets being depreciated	308,510,978	309,978,856
Total capital assets	338,547,903	330,616,343
Prepaid interest and insurance cost	220,198	277,642
Total other non-current assets	220,198	277,642
Total assets	408,710,647	374,763,830
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related	8,931,945	6,079,282
Cash surrender value of life insurance	3,468,822	3,030,191
Loss on refunding of debt	1,401,769	2,692,746
Bond issuance cost	1,598,885	1,332,351
Total deferred outflows of resources	15,401,421	13,134,570
Total Assets and Deferred Outflows of Resources	**$ 424,112,068**	**$ 387,898,400**

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
LIABILITIES		
Current liabilities (payable from current assets):		
Accounts payable and accrued expenses	$ 3,740,301	$ 1,083,713
Current portion of accrued compensated absences	322,944	294,471
Current portion of bonds and notes payable	692,227	626,535
Total Current liabilities (payable from current assets)	4,755,472	2,004,719
Current liabilities (payable from restricted assets):		
Current portion of long-term debt	7,780,517	7,089,783
Accrued interest expense	2,480,515	2,247,213
Total Current liabilities (payable from restricted assets):	10,261,032	9,336,996
Long-term Debt, Including Obligation to Metropolitan Government	186,252,626	166,076,247
Other Noncurrent liabilities:		
Net pension liability	11,512,432	8,406,712
Accrued compensated absences	968,831	883,412
Customer advances	139,750	137,250
Total noncurrent liabilities	12,621,013	9,427,374
Total Liabilities	213,890,143	186,845,336
DEFERRED INFLOWS OF RESOURCES:		
Gain on refunding of debt	2,338,184	736,330
Retirement plan compensation	3,468,822	3,030,191
Total deferred inflows of resources	5,807,006	3,766,521
Total liabilities and deferred inflows of resources	**219,697,149**	**190,611,857**
NET POSITION		
Net investment in capital assets	140,082,580	153,394,702
Restricted for debt service	37,731,241	13,409,368
Unrestricted	26,601,098	30,482,473
Total net position	204,414,919	197,286,543
Total Net Position, Liabilities and Deferred Inflows of Resources	**$ 424,112,068**	**$ 387,898,400**

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
December 31, 2024 and 2023

	2024	2023
Operating revenues:		
Sales (net of allowance $80,981 and $58,116)	$ 50,698,423	$ 46,527,187
Other operating revenue	1,425,710	1,384,648
Total operating revenues	52,124,133	47,911,835
Operating expenses:		
Plant salaries	6,334,874	5,578,649
Payroll taxes	482,458	436,039
Employee benefits	3,925,309	3,602,561
Repairs and maintenance	2,174,149	1,967,076
Transportation	79,179	96,213
Utilities	4,395,695	4,091,727
Chemical supplies	4,750,360	4,732,534
Miscellaneous	372,192	383,553
Outside services - operating	134,086	181,966
Administrative and general expenses	6,468,969	5,424,607
Provision for depreciation	14,710,862	14,138,132
Total operating expenses	43,828,133	40,633,057
Operating income (loss)	8,296,000	7,278,778
Non-operating revenue (expenses)		
Interest expense	(7,067,983)	(7,052,759)
Interest income	1,856,880	1,790,772
Capacity fees	2,135,600	1,587,624
Gain (loss) from disposition of capital assets	(60,368)	(55,015)
Amortization	737,278	659,184
Total non-operating expense	(2,398,593)	(3,070,194)
Income (loss) before capital contributions	5,897,407	4,208,584
Capital contributions	1,230,969	2,551,092
	1,230,969	2,551,092
Change in net position	**7,128,376**	**6,759,676**
Total net position - beginning	197,286,543	190,526,867
Total net position - ending	$ 204,414,919	$ 197,286,543

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF CASH FLOWS
December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from customers	$ 52,327,563	$ 47,616,020
Cash payments to employees	(14,192,138)	(12,657,030)
Cash payments to suppliers	(12,154,823)	(13,678,851)
Net cash provided by (used in) operating activities	25,980,602	21,280,139
Cash flows from investing activities:		
Purchase of certificate of deposits	(11,309,565)	(11,187,544)
Maturity of certificate of deposits	11,187,544	11,443,865
Interest and dividends on investments	1,920,605	1,759,661
Sales (purchases) of investments	1,190,128	(49,384)
Decrease (increase) in cash surrender value of life insurance	(438,631)	38,838
Net cash provided by (used in) investing activities	2,550,081	2,005,436
Cash flows from capital and related financing activities:		
Principal paid on debt	(45,503,620)	(6,357,852)
New debt proceeds	69,800,000	-
Interest paid on debt	(6,834,681)	(7,141,209)
Capacity fees	2,135,600	1,587,624
Capital contributions	1,230,969	2,551,092
Construction and acquisition of plant	(22,702,790)	(14,445,470)
Net cash provided by (used in) financing activities:	(1,874,522)	(23,805,815)
Increase (decrease) in cash and cash equivalents	26,656,161	(520,240)
Cash and cash equivalents - beginning	26,041,210	26,561,450
Cash and cash equivalents - ending	52,697,371	26,041,210
Cash and cash equivalents:		
Unrestricted cash and cash equivalents	23,933,024	21,716,298
Restricted cash and cash equivalents	28,764,347	4,324,912
Total cash and cash equivalents	$ 52,697,371	$ 26,041,210

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF CASH FLOWS
December 31, 2024 and 2023

	2024	2023
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	$ 8,296,000	$ 7,278,778
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for depreciation	14,710,862	14,138,132
Pension related items	253,057	455,865
(Increase) decrease in current assets:		
Accounts receivable	200,930	(298,315)
Inventory	(277,260)	(421,280)
Prepaid expenses	(414,598)	(21,838)
Increase (decrease) in current liabilities:		
Accounts payable	2,656,588	219,025
Accrued vacation	113,892	(33,890)
Retirement plan compensation	438,631	(38,838)
Customer advances	2,500	2,500
Net cash provided by (used in) operating activities	$ 25,980,602	$ 21,280,139

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION - DEFINED BENEFIT PLAN
July 31, 2024 and 2023

Assets	2024	2023
Mutual funds	$ 10,077,278	$ 7,678,844
Annuity	1,605,679	1,607,442
Cash value of insurance	1,328,231	1,270,437
Net position available for benefits	13,011,188	10,556,723
Liabilities	-	-
Net position restricted for pensions	**$ 13,011,188**	**$ 10,556,723**

The accompanying notes are an integral part of the financial statements.

HARPETH VALLEY UTILITIES DISTRICT
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - DEFINED BENEFIT PLAN
July 31, 2024 and 2023

	2024	2023
Additions		
Contributions		
Employer	$ 1,805,035	$ 1,549,157
Investment income		
Net depreciation in fair value of investments	1,154,832	500,090
Total gain (loss)	1,154,832	500,090
Total additions	2,959,867	2,049,247
Deductions		
Benefit payments	375,367	3,823,020
Administrative expenses	130,035	-
Total deductions	505,402	3,823,020
Increase (decrease) in fiduciary net position	**2,454,465**	**(1,773,773)**
Net position restricted for pensions		
Beginning of year	10,556,723	12,330,496
End of year	$ 13,011,188	$ 10,556,723

The accompanying notes are an integral part of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "District") was incorporated on August 4, 1959 as a public corporation pursuant to the provisions of The Utility District Law of 1937 for the purpose of constructing, operating and maintaining a system for the furnishing of water and wastewater services for the public.

The financial statements of the Harpeth Valley Utilities District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Harpeth Valley Utilities District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name),
- The District holds the corporate powers of the organization,
- The District appoints a voting majority of the organization's board,
- The District is able to impose its will on the organization,
- The organization has the potential to impose a financial benefit/burden on the District, and
- There is fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the Harpeth Valley Utilities District has no component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District's financial statements proprietary and fiduciary funds are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District's proprietary fund distinguishes operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for sales to customers for sales and service. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the government reports the following fiduciary funds:

The defined benefit pension plan which accumulates the resources for pension benefit payments to qualified employees. The pension trust fund reports on a July 31 year end.

C. Assets, Liabilities, and Deferred Outflows/Inflows of Resources and Net Position

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments held by the District are carried at fair market value. Gains or losses on investments disposed of are recorded to non-operating revenues or expenses.

State statutes authorize the District to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements and the state's investment pool.

Investments – Fiduciary Fund

The Plan's investments consist of a PNC Institutional Asset Management Portfolio. The Plan also has a Nationwide annuity and cash value of life insurance policies. Mutual funds are stated at fair market value. The annuity is valued at contract value and the insurance policies at cash surrender value.

Payment of Benefits – Fiduciary Plan

Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At July 31, 2024 and 2023 no benefits were payable and not paid.

Accounts Receivable

Trade receivables result from unpaid billings for water and wastewater service to customers. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the District is based on past history of uncollectible accounts and management's analysis of current accounts.

The District does not accrue the unbilled revenue receivable between the dates of the most recent meter readings to the date of the statement of net position.

Inventories and Prepaid Items

All inventories are valued at the lower of average cost or market, using the moving average cost method. The cost of such inventories is recorded as expensed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Restricted Assets

Certain cash accounts and investments are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The District's restricted assets consist of cash and cash equivalents, investments and accrued interest income on funds restricted for debt service and construction. The District elects to use restricted assets before unrestricted assets when the situation arises when either can be used.

Capital Assets

The property, plant, and equipment are stated at original cost including all direct cost of materials and labor during the construction period. All donated material is stated at the current fair market value.

The costs of replacements, normal maintenance, and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Property, plant, and equipment of the District are depreciated using the straight-line method over the following useful lives:

Line rights	7 - 40 years
Water treatment rights	40 years
Source of supply plant	40 years
Water and wastewater treatment plants	13 - 50 years
Pumping plants	13 - 50 years
Transmission, distribution, and collection plants	16 - 50 years
General plant	6 - 50 years

Depreciation is calculated using either the unit or group method. The unit method is used for tanks, pumps and other specifically identifiable assets. The group method is used for most other depreciable assets. Gains or losses on sales or disposals of assets depreciated using the unit method, which are identifiable, are included in the operating results. When assets accounted for using the group method are disposed of, the cost of removal or proceeds from disposal of such are charged, or credited, to the allowance for depreciation and amortization.

The carrying value of long-lived assets held and used are reviewed whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For purpose of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted net cash flows before consideration of interest expense. Should the sum of the expected future net cash flows are less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The evaluation of asset impairment requires the District to make assumptions about future cash flows over the life of the asset being evaluated. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell and are no longer depreciated.

The District's policy is to capitalize assets with a historical cost of $2,000 or more. Service area rights purchased from Metropolitan Government are amortized using the straight-line method over the term of the agreement (30 years).

Accrued Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits in conformity with GASB Statement No. 16, *Accounting for Compensated Absences.* The District accrues vacation and sick pay benefits as earned by its employees. The liability was $1.29 million and $1.18 million at December 31, 2024 and 2023.

Long-term Obligations

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Actual results from applying the straight-line method are not materially different from those that would result from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The District will continue to report bond cost as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This regulatory option as part of GASB Statement No. 65 is available due to the above-mentioned cost being used for rate setting by the utility.

For current refundings and advance refundings resulting in the defeasance of debt reported by proprietary activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and reported on the balance sheet as deferred gain or loss on refunding respectively.

Fair Value Measurements

Assets and liabilities recorded at fair value in the statement of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by ASC 820, Fair Value Measurements, are as follows:

> Level 1 -Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
>
> Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Customer Advances

Customer advances are monies that are received from customers, in advance of construction. These monies are either 100% refundable, partially refundable, or are to be recorded to revenue by the District at a later date. Changes in customer advances are presented below:

	2024	2023
Customer advances at beginning of year	$ 137,250	$ 134,750
Advances collected	22,500	22,500
Advances refunded	(20,000)	(20,000)
Customer advances at end of year	$ 139,750	$ 137,250

Capital Contributions

Contributed utility plant is recorded in accordance with the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis' for State and Local Governments*. These statements require that capital contributions be recorded in the statement of revenue, expenses and changes in net position as a separate line item after non-operating revenues and expenses, rather than as direct additions to contributed capital, as under previous standards.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has four items that qualify for this form of reporting - deferred outflows related to pension, cash surrender value of life insurance, loss on refunding of debt and unamortized bond issuance costs as of December 31, 2024 and 2023.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for this form of reporting – gain on refunding of debt and the retirement plan compensation as of December 31, 2024 and 2023 discussed in Note 4D.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Districts policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Net Position

Equity is classified as net position and displayed in the following three components:

- Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted for debt service – Consists of restricted cash and investments.
- Unrestricted - All other net position that do not meet the description of the above categories.

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 District's participation in the Pension Plan, and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the Pension Plan. Investments are reported at fair value.

D. Use of Estimates

The preparation of 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, the disclosure of contingent amounts and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The fiscal year 2025 budget was approved unanimously at the December 2024 Board meeting. The budget is not legally adopted but only used as a management tool.

NOTE 3 – DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risk

The District's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1. State statute required that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the District's agent in the District's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the District to invest in bonds, notes or treasury bills of the United States, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of December 31, 2024 and 2023, all bank deposits were fully collateralized or insured.

Investments

All certificates of deposit are either fully insured by the Federal Deposit Insurance Corporation or fully collateralized through the State of Tennessee collateral pool. All U.S. Treasury bills and notes and Federal Home Loan Bank notes are guaranteed by the Federal government.

The District's investments at December 31, 2024 and 2023 consist of the following:

	2024	2023
Certificates of deposit and treasury bills	$ 11,309,565	$ 11,187,544
Investments	971,457	2,161,585
Total	$ 12,281,022	$ 13,349,129

At December 31, 2024, the future maturities of the District's investments are as follows:

Type of Investment	Carrying Amount	Maturity Fiscal 2025
Certificates of deposit and treasury bills	$ 11,309,565	$ 11,309,565
Investments	971,457	971,457
Total	$ 12,281,022	$ 12,281,022

Details of the District's classifications of the funds required by the Bond Indenture and Board designated categories are described below.

	December 31, 2024		December 31, 2023	
Bond Payment Funds:	Cost	Market	Cost	Market
Bond Payment Funds				
Certificates of deposit and treasury bills	$ 28,764,347	$ 28,764,347	$ 4,324,912	$ 4,324,912
Debt Service Reserve				
Certificates of deposit and treasury bills	11,309,565	11,309,565	11,187,544	11,187,544
Accrued interest receivable	137,844	137,844	144,125	144,125
Total Restricted Assets	$ 40,211,756	$ 40,211,756	$ 15,656,581	$ 15,656,581

Investment policy – fiduciary fund: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board of Commissioners to pursue an investment strategy that reduces risk though the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of July 31, 2024 and 2023:

	2024		2023	
	Market Value	Percentage of Total	Market Value	Percentage of Total
Mutual funds	$ 10,077,278	77.45%	$ 7,678,844	72.74%

The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at July 31, 2024:

Fidelity International Index	$	1,144,946
Brandywine Global Corporate	$	780,413
Dodge & Cox Income Fund	$	651,725
Vanguard Large Cap Indx-Adm	$	2,527,484
Vanguard Sm-Cap Indx-548	$	727,498

The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at July 31, 2023:

Fidelity International Index	$	946,528
Brandywine Global Corporate	$	747,125
Vanguard Large Cap Indx-Adm	$	2,098,636
Vanguard Sm-Cap Indx-548	$	627,479

For the year ended July 31, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.3 percent and 4.5 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. This rate of return includes the annuity and insurance products held within the plan.

B. Receivables

Receivables as of the fiscal year end were made up of the following:

			Increase (Decrease)	
	2024	2023	$	%
Billed service for utility customers	$ 1,021,315	$ 1,222,080	$ (200,765)	-16.43%
Less: allowance for doubtful	(55,264)	(55,099)	(165)	0.30%
Total	$ 966,051	$ 1,166,981	$ (200,930)	-17.22%

C. Restricted Assets

Restricted assets as of the fiscal year end were made up of the following:

			Increase (Decrease)	
	2024	2023	$	%
Cash and equivalents	$28,764,347	$ 4,324,912	$ 24,439,435	565.09%
Investments	11,309,565	11,187,544	122,021	1.09%
Accrued interest receivable	137,844	144,125	(6,281)	-4.36%
Total	$40,211,756	$15,656,581	$ 24,555,175	156.84%

D. Net Position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. The restricted net position amounts were as follows:

	2024	2023
Net investment in capital assets		
Net property, plant and equipment in services	$ 338,547,903	$ 330,616,343
Long term debt (including current portion) net of unspent construction bond proceeds	(198,465,323)	(177,221,641)
Total net investment in capital assets, net of related debt	140,082,580	153,394,702
Net position restricted for capital activity and debt service		
Restricted cash and equivalents	28,764,347	4,324,912
Restricted investments	11,309,565	11,187,544
Accrued interest income on restricted assets	137,844	144,125
Deductions:		
Accrued interest expense payable from restricted assets	(2,480,515)	(2,247,213)
Total net position restricted for capital activity and debt service	37,731,241	13,409,368
Unrestricted net position	26,601,098	30,482,473
Total net position	$ 204,414,919	$ 197,286,543

Net invested in capital assets represents the utility plant in service that the District has full ownership of through settlement of the debt issued in order to obtain and construct those assets.

Net position restricted for capital activity and debt service represents assets owned by the District that have been restricted by the related bond issues or to be used in servicing the District’s debt.

E. Capital Assets

Capital asset activity during the year was as follows:

Description	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Capital assets, not being depreciated				
Land and land rights	$ 8,809,878	$ -	$ -	$ 8,809,878
Construction in progress	11,827,609	15,448,034	(6,048,596)	21,227,047
Total plant, not being depreciated	20,637,487	15,448,034	(6,048,596)	30,036,925
Capital assets, being depreciated				
Water and wastewater plants:				
Line rights	178,750	-	-	178,750
Water treatment rights	181,950	-	-	181,950
Source of supply plant	6,689	-	-	6,689
Water and wastewater treatment plants	179,294,826	824,564	(10,562)	180,108,828
Pumping plants	30,481,585	1,187,526	-	31,669,111
Transmission, distribution, and collection plant	287,003,381	10,405,538	(201,490)	297,207,429
General plant	17,881,225	885,724	(69,035)	18,697,914
Intangible service area rights purchased from Metropolitan Government	9,415,984	-	-	9,415,984
Total plant, being depreciated	524,444,390	13,303,352	(281,087)	537,466,655
Accumulated depreciation	(214,465,534)	(14,710,862)	220,719	(228,955,677)
Total plant, being depreciated, net	309,978,856	(1,407,510)	(60,368)	308,510,978
Net plant	$ 330,616,343	$ 14,040,524	$ (6,108,964)	$ 338,547,903

Description	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
Capital assets, not being depreciated				
Land and land rights	$ 8,809,878	$ -	$ -	$ 8,809,878
Construction in progress	9,356,874	7,955,092	(5,484,357)	11,827,609
Total plant, not being depreciated	18,166,752	7,955,092	(5,484,357)	20,637,487
Capital assets, being depreciated				
Water and wastewater plants:				
Line rights	178,750	-	-	178,750
Water treatment rights	181,950	-	-	181,950
Source of supply plant	6,689	-	-	6,689
Water and wastewater treatment plants	177,640,100	1,654,726	-	179,294,826
Pumping plants	29,631,075	865,305	(14,795)	30,481,585
Transmission, distribution, and collection plant	278,637,930	8,570,592	(205,141)	287,003,381
General plant	17,050,160	884,112	(53,047)	17,881,225
Intangible service area rights purchased from Metropolitan Government	9,415,984	-	-	9,415,984
Total plant, being depreciated	512,742,638	11,974,735	(272,983)	524,444,390
Accumulated depreciation	(200,545,370)	(14,138,132)	217,968	(214,465,534)
Total plant, being depreciated, net	312,197,268	(2,163,397)	(55,015)	309,978,856
Net plant	$ 330,364,020	$ 5,791,695	$ (5,539,372)	$ 330,616,343

Depreciation expense amounted to $14.71 and $14.14 million for the fiscal years ended December 31, 2024 and 2023.

F. Long-term Debt

At year end, the District's long-term liabilities consisted of the following:

Utilities Revenue Bond, Series 1997

Purpose

The Series 1997 Bond were issued for the purpose of paying part of the cost of improvements and extensions to its water system.

Description of the Series 1997 Bonds

Principal and interest of $5,687 is payable monthly until maturity. The interest rate on the unpaid balance is 5.125%. The last payment is due on September 13, 2036. The Series 1997 Bonds may be prepaid at any time.

Utilities Revenue Refunding Bonds, Series 2015

Purpose

The Series 2015 Bonds were issued on June 10, 2015 for the purpose of refunding the District's outstanding Utilities Revenue Refunding Bonds, Series 2005, maturing September 1, 2018 and thereafter and Utilities Revenue Refunding Bonds, Series 2005A, maturing September 1, 2016 and thereafter, and to pay the cost of issuing Series 2015 Bonds.

The Refunding

In accordance with the Bond resolution, the proceeds from the Series 2015 Bonds, excluding the amounts to pay issuance expenses, were deposited in an escrow fund created pursuant to a Refunding Escrow Agreement dated June 10, 2013 for the purpose of defeasing the Series 2005 and 2005A Bonds. The escrow agent has purchased direct obligations of the United States of America with the escrowed funds. The principal of and the interest on the governmental securities will be sufficient to provide for payment until maturity or redemption, as applicable, of the principal and interest on the Refunded Bonds. Neither the principal of, nor the interest on, the governmental securities will be available for any purpose other than payment of the Series 2005 and 2005A Bonds.

The deposit of the government securities to the Escrow Fund constitutes an irrevocable deposit for the benefit of the owners of the Refunded Bonds. The Refunded Bonds have been deemed paid and have ceased to be entitled to any lien, benefit or security. The District's obligations under the Refunded Bonds have been satisfied.

Description of the Series 2015 Bonds

Interest on the Series 2015 Bonds is payable semiannually on each March 1 and September 1 until maturity.

$3,515,000 Serial Bonds

The Bonds bear interest at the rates and mature on the dates set forth below:

Series 2015 Bonds			
Maturity	Amount	Rate	Price or Yield
September 1, 2025	1,915,000	3.250	2.580
September 1, 2025	1,600,000	5.000	2.580
	$ 3,515,000		

Optional Redemption

The Series 2015 Bonds maturing on or after September 1, 2026, are subject to redemption prior to maturity at the option of the District on or after September 1, 2025, in whole or in part at any time at par, plus accrued interest to the date of redemption.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be determined by the Governing Body in its discretion.

$11,425,000 Term Bonds

The Bonds bear interest at the rates and mature on the dates set forth below:

Series 2015 Bonds

Maturity	Amount	Rate	Price or Yield
September 1, 2026	$ 1,800,000	3.500	2.820
September 1, 2026	1,850,000	5.000	2.710
September 1, 2027	3,810,000	4.000	2.970
September 1, 2028	3,965,000	4.000	3.140
	$ 11,425,000		

Utilities Revenue Refunding Bonds, Series 2016

Purpose

The Series 2016 Bonds were issued on January 27, 2016 for the purpose of refunding the District's outstanding Utilities Revenue Refunding Bonds, Series 2007, maturing September 1, 2018 and thereafter and to pay the cost of issuing Series 2016 Bonds.

The Refunding

In accordance with the Bond resolution, the proceeds from the Series 2016 Bonds, excluding the amounts to pay issuance expenses, were deposited in an escrow fund created pursuant to a Refunding Escrow Agreement dated January 19, 2016 for the purpose of advance refunding the Series 2007 Bonds. The escrow agent has purchased direct obligations of the United States of America with the escrowed funds. The principal of and the interest on the governmental securities will be sufficient to provide for payment until maturity or redemption, as applicable, of the principal and interest on the Refunded Bonds. Neither the principal of, nor the interest on, the governmental securities will be available for any purpose other than payment of the Series 2007 Bonds.

The deposit of the government securities to the Escrow Fund constitutes an irrevocable deposit for the benefit of the owners of the Refunded Bonds. The Refunded Bonds have been deemed paid and have ceased to be entitled to any lien, benefit or security. The District's obligations under the Refunded Bonds have been satisfied.

Description of the Series 2016 Bonds

Interest on the Series 2016 Bonds is payable semiannually on each March 1 and September 1 until maturity.

$5,410,000 Serial Bonds

The Bonds bear interest at the rates and mature on the dates set forth below:

Series 2016 Bonds

Maturity	Amount	Rate	Price or Yield
September 1, 2025	500,000	3.000	1.870
September 1, 2026	520,000	4.000	2.020
September 1, 2027	540,000	4.000	2.310
September 1, 2028	555,000	4.000	2.440
September 1, 2035	1,545,000	3.000	3.230
September 1, 2038	1,750,000	3.250	3.400
	$ 5,410,000		

$2,445,000 4.00% Term Bonds due September 1, 2030, Priced to Yield 2.620%

Mandatory Redemption (4.00% Term Bonds)

The Series 2016 Bonds maturing September 1, 2030 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2016 Bonds

Term Bonds

Maturity	Date of Redemption	Amount
September 1, 2030	September 1, 2029	$ 1,200,000
	September 1, 2030	1,245,000
		$ 2,445,000

$2,640,000 4.00% Term Bonds due September 1, 2032, Priced to Yield 2.810%

Mandatory Redemption (4.00% Term Bonds)

The Series 2016 Bonds maturing September 1, 2032 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2016 Bonds

Term Bonds

Maturity	Date of Redemption	Amount
September 1, 2032	September 1, 2031	$ 1,295,000
	September 1, 2032	1,345,000
		$ 2,640,000

$2,870,000 5.00% Term Bonds due September 1, 2034, Priced to Yield 2.610%

Mandatory Redemption (5.00% Term Bonds)

The Series 2016 Bonds maturing September 1, 2034 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2016 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2034	September 1, 2033	$ 1,400,000
	September 1, 2034	1,470,000
		$ 2,870,000

$3,250,000 5.00% Term Bonds due September 1, 2037, Priced to Yield 2.760%

Mandatory Redemption (5.00% Term Bonds)

The Series 2016 Bonds maturing September 1, 2037 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2016 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2037	September 1, 2036	$ 1,585,000
	September 1, 2037	1,665,000
		$ 3,250,000

$7,785,000 5.00% Term Bonds due September 1, 2042, Priced to Yield 2.910%

Mandatory Redemption (5.00% Term Bonds)

The Series 2016 Bonds maturing September 1, 2042 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2016 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2042	September 1, 2039	$ 1,805,000
	September 1, 2040	1,895,000
	September 1, 2041	1,995,000
	September 1, 2042	2,090,000
		$ 7,785,000

Utilities Revenue Bonds, Series 2020

Purpose

The Series 2020 Bonds were issued on February 5, 2020 for the purpose of (i) finance the cost of projects which may include interest on the Series 2020 Bonds during the construction of the improvements and up to six months thereafter; (ii) pay the cost of issuing the Series 2020 Bonds.

Description of the Series 2020 Bonds

Interest on the Series 2020 Bonds is payable semiannually on each March 1 and September 1 until maturity.

$2,255,000 Serial Bonds

The Serial Bonds bear interest at the rates and mature on the dates set forth below:

Series 2020 Bonds			
Maturity	Amount	Rate	Price or Yield
September 1, 2025	325,000	5.000	1.130
September 1, 2026	345,000	5.000	1.210
September 1, 2027	360,000	5.000	1.300
September 1, 2028	375,000	2.000	1.420
September 1, 2029	850,000	5.000	1.510
	$ 2,255,000		

Optional Redemption

The Series 2020 Bonds maturing on or after September 1, 2031, are subject to redemption prior to maturity at the option of the District on or after September 1, 2031, in whole or in part at any time at par, plus accrued interest to the date of redemption.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be determined by the Governing Body in its discretion.

$1,805,000 3.00% Term Bonds due September 1, 2031, Priced to Yield 2.000%

Mandatory Redemption (3.00% Term Bonds)

The Series 2020 Bonds maturing September 1, 2031 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2020 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2031	September 1, 2030	$ 890,000
	September 1, 2031	915,000
		$ 1,805,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$4,005,000 4.00% Term Bonds due September 1, 2035, Priced to Yield 1.950%

Mandatory Redemption (4.00% Term Bonds)

The Series 2020 Bonds maturing September 1, 2035 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2020 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2035	September 1, 2032	$ 945,000
	September 1, 2033	980,000
	September 1, 2034	1,020,000
	September 1, 2035	1,060,000
		$ 4,005,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$5,975,000 4.00% Term Bonds due September 1, 2040, Priced to Yield 2.160%

Mandatory Redemption (4.00% Term Bonds)

The Series 2020 Bonds maturing September 1, 2040 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2020 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2040	September 1, 2036	$ 1,105,000
	September 1, 2037	1,145,000
	September 1, 2038	1,195,000
	September 1, 2039	1,240,000
	September 1, 2040	1,290,000
		$ 5,975,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$7,265,000 4.00% Term Bonds due September 1, 2045, Priced to Yield 2.350%

Mandatory Redemption (4.00% Term Bonds)

The Series 2020 Bonds maturing September 1, 2045 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2020 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2045	September 1, 2041	$ 1,340,000
	September 1, 2042	1,395,000
	September 1, 2043	1,450,000
	September 1, 2044	1,510,000
	September 1, 2045	1,570,000
		$ 7,265,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$8,845,000 4.00% Term Bonds due September 1, 2050, Priced to Yield 2.450%

Mandatory Redemption (4.00% Term Bonds)

The Series 2020 Bonds maturing September 1, 2050 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2020 Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2050	September 1, 2046	$ 1,635,000
	September 1, 2047	1,700,000
	September 1, 2048	1,765,000
	September 1, 2049	1,835,000
	September 1, 2050	1,910,000
		$ 8,845,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

Utilities Revenue Refunding Bonds, Series 2022

Purpose

The Series 2022 Bonds were issued on June 22, 2022 for the purpose of refunding the District's outstanding Utilities Revenue Refunding Bonds, Series 2012a, maturing September 1, 2030 and thereafter and to pay the cost of issuing Series 2022 Bonds.

The Refunding

In accordance with the Bond resolution, the proceeds from the Series 2022 Bonds, excluding the amounts to pay issuance expenses, were deposited in an escrow fund created pursuant to a Refunding Escrow Agreement dated June 22, 2022 for the purpose of advance refunding the Series 2012a Bonds. The escrow agent has purchased direct obligations of the United States of America with the escrowed funds. The principal of and the interest on the governmental securities will be sufficient to provide for payment until maturity or redemption, as applicable, of the principal and interest on the Refunded Bonds. Neither the principal of, nor the interest on, the governmental securities will be available for any purpose other than payment of the Series 2012a Bonds.

The deposit of the government securities to the Escrow Fund constitutes an irrevocable deposit for the benefit of the owners of the Refunded Bonds. The Refunded Bonds have been deemed paid and have ceased to be entitled to any lien, benefit or security. The District's obligations under the Refunded Bonds have been satisfied.

Description of the Series 2022 Bonds

Interest on the Series 2022 Bonds is payable semiannually on each March 1 and September 1 until maturity.

$36,745,000 Serial Bonds

The Bonds bear interest at the rates and mature on the dates set forth below:

Series 2022 Bonds

Maturity	Amount	Rate	Price or Yield
September 1, 2025	255,000	3.000	2.040
September 1, 2026	260,000	3.000	2.100
September 1, 2027	265,000	3.000	2.190
September 1, 2028	275,000	3.000	2.320
September 1, 2029	1,845,000	5.000	2.480
September 1, 2030	1,935,000	5.000	2.550
September 1, 2031	2,030,000	5.000	2.620
September 1, 2032	2,135,000	5.000	2.690
September 1, 2033	2,245,000	5.000	2.790
September 1, 2034	2,355,000	5.000	2.830
September 1, 2035	2,470,000	5.000	2.870
September 1, 2036	2,600,000	5.000	2.900
September 1, 2037	2,725,000	4.000	3.220
September 1, 2038	2,835,000	4.000	3.260
September 1, 2039	2,950,000	4.000	3.300
September 1, 2040	3,065,000	4.000	3.340
September 1, 2041	3,185,000	4.000	3.370
September 1, 2042	3,315,000	4.000	3.410
	$ 36,745,000		

Utilities Revenue Refunding Bonds, Series 2024A

Purpose

The Series 2024A Bonds were issued on September 4, 2024 for the purpose of refunding the District's outstanding Utilities Revenue Refunding Bonds, Series 2013 maturing September 1, 2034 and Utilities Revenue Refunding Bonds, Series 2014 maturing September 1, 2044 and thereafter and to pay the cost of issuing Series 2024A Bonds.

The Refunding

In accordance with the Bond resolution, the proceeds from the Series 2024A Bonds, excluding the amounts to pay issuance expenses, were deposited in an escrow fund created pursuant to a Refunding Escrow Agreement dated August 20, 2024 for the purpose of advance refunding the Series 2013 and 2014 Bonds. The escrow agent has purchased direct obligations of the United States of America with the escrowed funds. The principal of and the interest on the governmental securities will be sufficient to provide for payment until maturity or redemption, as applicable, of the principal and interest on the Refunded Bonds. Neither the principal of, nor the interest on, the governmental securities will be available for any purpose other than payment of the Series 2013 and 2014 Bonds.

The deposit of the government securities to the Escrow Fund constitutes an irrevocable deposit for the benefit of the owners of the Refunded Bonds. The Refunded Bonds have been deemed paid and have ceased to be entitled to any lien, benefit or security. The District's obligations under the Refunded Bonds have been satisfied.

The refunding reduced total debt service payments over the next 20 years by $6,092,774. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $4,448,250.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,669,119. The difference is reported in deferred inflows of resources in the accompanying Statement of Net Position and is being charged to operations through fiscal year 2044 using the straight-line method. Unamortized deferred cost of the Series 2024A Bonds totaled $1,641,300 as of December 31, 2024.

Description of the Series 2024A Bonds

Interest on the Series 2024A Bonds is payable semiannually on each March 1 and September 1 until maturity.

$39,800,000 Serial Bonds

The Bonds bear interest at the rates and mature on the dates set forth below:

Series 2024A Bonds

Maturity	Amount	Rate	Price or Yield
September 1, 2025	1,355,000	5.000	2.670
September 1, 2026	1,410,000	5.000	2.600
September 1, 2027	1,480,000	5.000	2.600
September 1, 2028	1,560,000	5.000	2.590
September 1, 2029	2,540,000	5.000	2.570
September 1, 2030	2,665,000	5.000	2.600
September 1, 2031	2,805,000	5.000	2.650
September 1, 2032	2,945,000	5.000	2.720
September 1, 2033	3,090,000	5.000	2.740
September 1, 2034	3,240,000	5.000	2.700
September 1, 2035	1,340,000	5.000	2.830
September 1, 2036	1,405,000	5.000	2.940
September 1, 2037	1,475,000	5.000	3.040
September 1, 2038	1,545,000	5.000	3.110
September 1, 2039	1,625,000	5.000	3.210
September 1, 2040	1,705,000	5.000	3.300
September 1, 2041	1,790,000	4.000	3.880
September 1, 2042	1,865,000	4.000	3.950
September 1, 2043	1,940,000	4.000	4.000
September 1, 2044	2,020,000	4.000	4.040
	$ 39,800,000		

Utilities Revenue Bonds, Series 2024B

Purpose

The Series 2024B Bonds were issued on October 24, 2024 for the purpose of (i) finance capital improvements to the District's water and sewer system; (ii) fund a debt service reserve fund for the Series 2024B Bonds to the extent other District funds are not provided therefor; and (iii) pay the costs of issuing the Series 2024B Bonds.

Description of the Series 2024B Bonds

Interest on the Series 2024B Bonds is payable semiannually on each March 1 and September 1 until maturity.

$15,630,000 Serial Bonds

The Serial Bonds bear interest at the rates and mature on the dates set forth below:

Series 2024B Bonds

Maturity	Amount	Rate	Price or Yield
September 1, 2025	655,000	5.000	2.850
September 1, 2026	490,000	5.000	2.550
September 1, 2027	515,000	5.000	2.450
September 1, 2028	545,000	5.000	2.470
September 1, 2029	570,000	5.000	2.500
September 1, 2030	600,000	5.000	2.580
September 1, 2031	630,000	5.000	2.650
September 1, 2032	660,000	5.000	2.730
September 1, 2033	695,000	5.000	2.810
September 1, 2034	730,000	5.000	2.870
September 1, 2035	765,000	5.000	2.940
September 1, 2036	800,000	5.000	3.000
September 1, 2037	840,000	5.000	3.040
September 1, 2038	885,000	5.000	3.060
September 1, 2039	930,000	5.000	3.150
September 1, 2040	975,000	5.000	3.230
September 1, 2041	1,025,000	4.000	3.750
September 1, 2042	1,065,000	4.000	3.850
September 1, 2043	1,105,000	4.000	3.900
September 1, 2044	1,150,000	4.000	3.950
	$ 15,630,000		

Optional Redemption

The Series 2024B Bonds maturing on or after September 1, 2034, are subject to redemption prior to maturity at the option of the District on or after September 1, 2034, in whole or in part at any time at par, plus accrued interest to the date of redemption.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be determined by the Governing Body in its discretion.

$2,440,000 4.00% Term Bonds due September 1, 2046, Priced to Yield 4.000%

Mandatory Redemption (4.00% Term Bonds)

The Series 2024B Bonds maturing September 1, 2046 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2024B Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2046	September 1, 2045	$ 1,195,000
	September 1, 2046	1,245,000
		$ 2,440,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$2,640,000 4.00% Term Bonds due September 1, 2048, Priced to Yield 4.050%

Mandatory Redemption (4.00% Term Bonds)

The Series 2024B Bonds maturing September 1, 2048 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2024B Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2048	September 1, 2047	$ 1,295,000
	September 1, 2048	1,345,000
		$ 2,640,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$4,370,000 4.00% Term Bonds due September 1, 2051, Priced to Yield 4.080%

Mandatory Redemption (4.00% Term Bonds)

The Series 2024B Bonds maturing September 1, 2051 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2024B Bond		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2051	September 1, 2049	$ 1,400,000
	September 1, 2050	1,455,000
	September 1, 2051	1,515,000
		$ 4,370,000

The mandatory redemptions are shown as principal reductions during the year of required redemption.

$4,920,000 4.00% Term Bonds due September 1, 2054, Priced to Yield 4.100%

Mandatory Redemption (4.00% Term Bonds)

The Series 2024B Bonds maturing September 1, 2054 are subject to mandatory redemption on the dates and in the amounts set forth below. The Term Bonds to be redeemed will be selected by the Registration Agent and will be redeemed at a redemption price equal to 100% of the principal amount, plus interest to the redemption date.

Series 2024B Bonds		
Term Bonds		
Maturity	Date of Redemption	Amount
September 1, 2054	September 1, 2052	$ 1,575,000
	September 1, 2053	1,640,000
	September 1, 2054	1,705,000
		$ 4,920,000

Bond Resolutions

SECURITY FOR THE SERIES 2015, SERIES 2016, SERIES 2020, SERIES 2022, SERIES 2024A AND SERIES 2024B BONDS

The Series 2015, Series 2016 Bonds, Series 2020, Series 2022, Series 2024A and Series 2024B Bonds are payable solely from and secured by a lien upon and pledge of the net revenue of the District's System as set forth pursuant to the provisions of the Bond Resolutions. The Bond Resolutions do not grant to holders of the Series 2015, Series 2016 Bonds, Series 2020, Series 2022, Series 2024A and Series 2024B Bonds any mortgage on or security interest in any real or personal property of the District other than the lien on the net revenue of the District's System and the statutory mortgage lien on said System. The Series 2015, Series 2016 Bonds, Series 2020, Series 2022, Series 2024A and Series 2024B Bonds are on parity with each other.

Obligation to Metropolitan Government (Direct Borrowing)

Under the terms of a settlement agreement related to the annexation of sewer infrastructure with Metropolitan Nashville and Davidson County, the District has an obligation to the Metropolitan Government shown separately from the bonds in this report as notes. The payments are fixed at $62,500 per month through February 28, 2026. The obligation to Metropolitan Government is non-interest bearing, therefore the District has imputed interest at a rate of 6%.

Summary of Long-Term Debt Outstanding

The annual requirements, by type of issue, to amortize all long-term debt outstanding except accrued annual leave at December 31, 2024, are as follows:

Year Ending	Bonds		Notes (Direct Borrowing)		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2025	6,643,753	7,571,825	718,977	31,024	7,362,730	7,602,849
2026	6,715,786	7,497,384	124,067	931	6,839,853	7,498,315
2027	7,012,925	7,198,894	-	-	7,012,925	7,198,894
2028	7,320,178	6,896,941	-	-	7,320,178	6,896,941
2029	7,052,548	6,592,771	-	-	7,052,548	6,592,771
2030-2034	40,542,889	27,661,057	-	-	40,542,889	27,661,057
2035-2039	39,384,972	18,220,719	-	-	39,384,972	18,220,719
2040-2044	37,170,000	9,032,150	-	-	37,170,000	9,032,150
2045-2049	14,985,000	3,805,000	-	-	14,985,000	3,805,000
2050-2054	9,800,000	1,048,200	-	-	9,800,000	1,048,200
	$ 176,628,051	$ 95,524,941	$ 843,044	$ 31,955	$ 177,471,095	$ 95,556,896

Debt expense associated with the above bond issues was recorded as other assets and is being amortized on a straight-line basis over the life of the issue.

Loss and gain on refunding associated with the above bond issues are recorded as other assets/liabilities respectively and are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The District complied with all significant debt covenants and restrictions as set forth in the bond agreements.

All notes and bonds of the Utility are secured by the revenues and receipts of the water and sewer system.

In the event of default of direct borrowing, the lender can exercise one or more of the following options: (1) Make all or any of the outstanding notes payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Use any remedy allowed by state or federal law.

There are no unused lines of credit for the Utility at December 31, 2024.

Long-term liability activity for the year ended December 31, 2024 and 2023, was as follows:

2024	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds Payable	$ 156,969,871	$ 69,800,000	$ 50,141,820	$ 176,628,051	$ 6,643,753
Obligation to Metro Nashville	1,520,251	-	677,207	843,044	718,977
Unamortized Premium/(Discount)	15,302,443	6,000,336	4,048,504	17,254,275	1,110,014
	$ 173,792,565	$ 75,800,336	$ 54,867,531	$ 194,725,370	$ 8,472,744
Compensated Absences	$ 1,177,883	$ 113,892	$ -	$ 1,291,775	$ 322,944

2023	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds Payable	$ 162,689,855	$ -	$ 5,719,984	$ 156,969,871	$ 5,986,820
Obligation to Metro Nashville	2,158,116	-	637,865	1,520,251	677,207
Unamortized Premium/(Discount)	16,354,960	-	1,052,517	15,302,443	1,052,291
	$ 181,202,931	$ -	$ 7,410,366	$ 173,792,565	$ 7,716,318
Compensated Absences	$ 1,211,773	$ (33,890)	$ -	$ 1,177,883	$ 294,471

NOTE 4 – OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year ended December 31, 2024, the District purchased commercial insurance for all the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in the amount of coverage provided.

B. Subsequent Events

Management has evaluated subsequent events through March 25, 2025, the date in which the financial statements were available to be issued.

C. Defined Benefit Plan

General information: The Retirement Plan Committee accounts for the activity of the Harpeth Valley Utilities District Defined Benefit Plan. The Plan is a single employer public employee retirement System (PERS) with the investment held by PNC Bank, and investments managed by RW Baird. Nyhart, part of Future Plan by Ascensus is the plan’s actuary, with the District being the plan administrator of record. All employees of the Harpeth Valley Utilities District participate as of August 1st following their date of hire or reaching age 20.5.

Benefits Provided: The Plan provides retirement benefits. Retirement benefits vest at a rate of 20% per year beginning with one year of service. Employees may retire after age 55 and the completion of 10 years of service with a reduction for early commencement.

Normal retirement benefit: The amount of retirement benefit to be provided for each Participant who retires on the Participant's Normal Retirement Date shall be 2.15% per year of future service times compensation plus 2% per year of past service times compensation. Past service is prior to August 1, 1990. Compensation is defined as the highest five consecutive year average salary over all service.

Pre-retirement death benefit: The pre-retirement death benefit is a lump sum payable on the death of a participant and is 100 times the normal retirement benefit.

Early or late retirement benefit: The benefit is actuarially reduced for each year by which retirement age proceeds normal retirement age, or if retirement is after normal retirement, the benefit is the greater of the in-service benefit as of the retirement date and the normal retirement benefit actuarially increased to the retirement date.

Normal form of retirement income: The normal form of retirement income is a single life annuity with ten years certain. A qualified joint and survivor annuity are the required standard option.

Contributions: Harpeth Valley Utilities District is required to contribute the amounts necessary to fund the Plan, as determined by the actuary. For the year ended July 31, 2024 and 2023, the employee contribution rate was 0.00%. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contribution rate and required contribution for the year ended July 31, 2024 and 2023 were 20.0% and $1,399,034, and 20.22% and $1,338,672, respectively. Actual contributions for the years ended equaled $1,805,035 and $1,549,157.

At July 31, 2024 and 2023 membership consisted of:

	2024	**2023**
Active	90	84
Retired	6	6
Prior Terminated	10	11
Total	**106**	**101**

Funded status and funding progress: As of July 31, 2024, and 2023 the actuarial accrued liability for benefits was $24,523,620 and $18,963,435 and the net pension liability was $11,512,432 and $8,406,712. Total covered payroll was $6,996,075 and $6,620,377 and the ratio of net pension liability to covered payroll was 164.56% and 126.98%

Net pension liability: The components of the net pension liability of the Harpeth Valley Utilities District Defined Benefit Plan at July 31, 2024 and 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 7/31/2023	$ 18,963,435	$ 10,556,723	$ 8,406,712
Changes for the year:			
Service cost	609,449	-	609,449
Interest	1,405,427	-	1,405,427
Differences between expected and actual experience	370,235	-	370,235
Contributions - employer	-	1,805,035	(1,805,035)
Contributions - employee	-	-	-
Net investment income	-	1,154,832	(1,154,832)
Benefit payments, including refunds of employee contributions	(375,367)	- (375,367)	-
Administrative expense	-	(130,035)	130,035
Change in assumptions	3,550,441	-	3,550,441
Net changes	5,560,185	2,454,465	3,105,720
Balances at 7/31/2024	$ 24,523,620	$ 13,011,188	$ 11,512,432

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/31/2022	$ 18,835,770	$ 12,330,496	$ 6,505,274
Changes for the year:			
Service cost	648,779	-	648,779
Interest	1,274,045	-	1,274,045
Differences between expected and actual experience	1,781,806	-	- 1,781,806
Contributions - employer	-	1,549,157	(1,549,157)
Contributions - employee	-	-	-
Net investment income	-	500,090	(500,090)
Benefit payments, including refunds of employee contributions	(3,823,020)	- (3,823,020)	- -
Administrative expense	246,055	-	246,055
Change in assumptions	-	-	-
Net changes	127,665	(1,773,773)	1,901,438
Balances at 7/31/2023	$ 18,963,435	$ 10,556,723	$ 8,406,712

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the discount of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

2024	1% Decrease (6.00 %)	Current Rate (7.00 %)	1% Increase (8.00 %)
Net pension liability	$ 13,928,264	$ 11,512,432	$ 9,385,431

(Dollar amounts in thousands)

2023	1% Decrease (6.25 %)	Current Rate (7.25 %)	1% Increase (8.25 %)
Net pension liability	$ 9,812,432	$ 8,406,712	$ 7,137,536

(Dollar amounts in thousands)

Net Pension Liability: The System's net pension liability was measured as of July 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the August 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Methods and assumptions used to determine total pension liability:

Measurement date	July 31, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Method	Market Value of assets
Interest Rates	
Discount Rate	7.00%
Expected Long Term Rate of Return	7.00%
Municipal Bond Rate	NA
Inflation	2.50%
Annual Pay Increases	3.50%
Ad-hoc Cost-of-Living-Increases	NA
Mortality Rates	
Healthy (pre-commencement)	Pub-2010 General Employee Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010
Healthy (post-commencement)	The Pub-2010 General Survivor Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010 is used for survivors.
Retirement Rates	For participants nearing retirement, our assumptions reflect the communicated expectation of the individual. Otherwise: active and terminated vested participants are assumed to retire at the later of age 65 and attained age.
Disability Rates	None
Termination Rates	Crocker-Sarason-Straight T-1, 2-Year setback for males and females. Sample rates include: Age Rate 25 5.2213% 30 4.2220% 35 2.8866% 40 1.5875% 45 0.5550%
Payment Form	For participants nearing retirement, our assumptions reflect the expectation of the individual. Otherwise: 75% of active and terminated vested participants are assumed to elect a Lump Sum and 25% are assumed to elect a 10 year Certain and Life Annuity.
Marital Status and Ages	100% of participants are assumed to be married with female spouses 3 years younger
Lump Sum Assumptions	
Interest Rate	5.25%
Mortality Table	2024 IRS Applicable Mortality Table

The actuarial assumptions used in the August 1, 2024, valuation were based on the results of an actuarial experience study for the period August 1, 2023 through July 31, 2024. The actuarial assumptions used in the August 1, 2023 valuation were based on the results of an actuarial experience study for the period August 1, 2022 through July 31, 2023.

Discount rate: The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employees do not contribute to the plan and that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Expense, Deferred Outflows of Resources, and Deferred inflows of resources: For the year ended July 31, 2024 and 2023, the District recognized pension expense of $2,331,286 and $2,002,091. At July 31, 2024 and 2023 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2024	**Deferred outflows of Resources**	**Deferred inflows of Resources**
Differences between expected and actual experience	3,473,946	-
Changes of assumptions	4,008,622	-
Net difference between projected and actual earnings on plan investments	574,303	-
Pension contributions subsequent to the measurement date	875,074	-
Total	8,931,945	-

2023	**Deferred outflows of Resources**	**Deferred inflows of Resources**
Differences between expected and actual experience	3,425,068	-
Changes of assumptions	786,399	-
Net difference between projected and actual earnings on plan investments	1,265,935	-
Pension contributions subsequent to the measurement date	601,880	-
Total	6,079,282	-

The amount shown above for “Contributions subsequent to the measurement date of July 31, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended, July 31:		
2025	$	880,605
2026	$	1,067,503
2027	$	643,390
2028	$	581,105
2029	$	649,575
Thereafter	$	4,234,693

Payables to the Harpeth Valley Utilities District Defined Benefit Plan: At July 31, 2024 and 2023, Harpeth Valley Utility District reported a payable of $0 for the outstanding amount of contributions due to the defined benefit plan for the year.

Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would-be material to the financial statements.

D. Retirement Plan Compensation

The District has entered into deferred compensation agreements with several key employees totaling $3,468,822 and $3,030,191 at December 31, 2024 and 2023. Under the terms of these agreements, death and retirement benefits are funded by life insurance policies to which the District contributes 10% of each key employee’s compensation every year. Retirement benefits are payable when the employee reaches age 65, if the employee is still employed by the District. These benefits are limited to ownership of the contract’s underlying life insurance policy or the cash value of the policy at the time of the employee’s retirement. Death benefits are paid to the employees’ beneficiaries in an amount equal to the proceeds of the policy less the cash surrender value, which the District retains. All distributions under the agreements are made in one lump sum payment subsequent to the occurrence of death or reaching age 65.

In accordance with the terms of deferred compensation agreements for certain retired employees, the District has purchased annuity contracts to fund the monthly deferred compensation payments to them. The amount of annuities payable to these retired employees and included in the retirement plan and deferred compensation liability was $0 at December 31, 2024 and 2023.

E. Settlement Agreement with Metropolitan Nashville and Davidson County

Metropolitan Nashville and Davidson County ("Metro") filed suit in 1989 against the District in the Chancery Court of Davidson County, Tennessee as a result of the District's disagreement as to the amount due relating to an approximate $7 million assessment sought by Metro from the District in connection with past, present and future treatment of the District's wastewater and planned improvements to Metro's wastewater facilities.

On February 2, 1996, a Settlement Agreement between Metro and the District was executed and the lawsuits between the District and Metro were dismissed. The Agreement resolved certain disputes and controversies between Metro and the District related to (1) a "Trunk and Treatment Agreement" dated June 27, 1979, (2) certain capital costs of expanding certain Metro Facilities to treat the District's wastewater, and (3) resolution of ordinances No. R95-102 and No. 095-149.

As part of the Agreement, the District agreed to contribute toward additional infrastructure improvements that Metro had undertaken or will undertake pursuant to an Order of the Commissioner of the Tennessee Department of Environment and Conservation, dated March 30, 1990, which benefit all residents of Davidson County; and Metro agreed not, to the extent legally permissible to so commit, to proceed to take over or assume the District's water and wastewater customers residing in Davidson County, without the consent and agreement of the District, for 30 years after the date of the Settlement Agreement.

The District has accounted for the infrastructure portion of the settlement agreement as a non-interest-bearing note payable to Metro. The District has imputed interest at a rate of 6%. A summary of future debt maturities is shown in Note 3(F) to the financial statements. In connection with the note payable, the District has recorded $9,415,984 as "Service area rights" which is shown as a component of utility plant on the statement of net position

F. Fair Values of Financial Instruments

Required disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on the District's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2024 and 2023:

				Fair Value Measurements Using		
2024	Carrying Amount	Estimated Fair Value	Assets/ Liabilities Measured at Fair Value	Level 1	Level 2	Level 3
Cash, cash equivalents	52,697,371	52,697,371	52,697,371	52,697,371	-	-
Investments	12,281,022	12,281,022	12,281,022	12,281,022	-	-
Accounts receivable	966,051	966,051	966,051	966,051	-	-
Cash surrender value of life insurance	3,468,822	3,468,822	3,468,822	3,468,822	-	-
Long-term debt	194,725,370	194,725,370	194,725,370	194,725,370	-	-

				Fair Value Measurements Using		
2023	Carrying Amount	Estimated Fair Value	Assets/ Liabilities Measured at Fair Value	Level 1	Level 2	Level 3
Cash, cash equivalents	26,041,210	26,041,210	26,041,210	26,041,210	-	-
Investments	13,349,129	13,349,129	13,349,129	13,349,129	-	-
Accounts receivable	1,166,981	1,166,981	1,166,981	1,166,981	-	-
Cash surrender value of life insurance	3,030,191	3,030,191	3,030,191	3,030,191	-	-
Long-term debt	173,792,565	173,792,565	173,792,565	173,792,565	-	-

The following methods were used to estimate fair value of each class of significant financial instruments:

- Cash and Cash Equivalents (both restricted and nonrestricted)

  Cash and cash equivalents are reflected at carrying value, which is considered their fair value.

- Accounts Receivables, Accounts payable, and Accrued Expenses

  The carrying value approximates fair value due to the short-term nature of those instruments.

- Investments and Annuities (both restricted and unrestricted)

Fair value is estimated based upon quoted market prices, where available, and on Level 1 inputs.

- Cash Surrender Value of Life Insurance

  The carrying values of cash surrender value of life insurance policies approximate its fair value.

- Long-Term Debt, Including Obligation to Metropolitan Government

  Fair value is estimated based upon market prices, and discounted cash flow analysis based on the current incremental borrowing rate.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2024 and 2023. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of the financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

Fiduciary Plan

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of July 31, 2024 and 2023:

		Fair Value Measurements Using		
2024	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	$ 10,077,278	$ 10,077,278	$ -	$ -
Mutual funds	$ 10,077,278	$ 10,077,278	$ -	$ -

		Fair Value Measurements Using		
2023	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	$ 7,678,844	$ 7,678,844	$ -	$ -
Mutual funds	$ 7,678,844	$ 7,678,844	$ -	$ -

The fair value of the mutual funds are based on quoted prices in active markets and therefore are Level 1 investments.

G. Contingent Liabilities and Losses

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantors, cannot be determined at this time.

H. Reclassification of prior year balances

As of fiscal year, ended December 31, 2024, the following reclassifications were made to the December 31, 2023 presented balances for consistency in reporting and compliance with reporting requirements.

Line item	Previously reported	As adjusted	Change
Current assets - cash and equivalents	3,038,285	21,716,298	18,678,013
Current assets - investments	-	2,161,585	2,161,585
Board designated funds - cash and cash equivalents	18,678,013	-	(18,678,013)
Board designated funds - investments	2,161,585	-	(2,161,585)
Loss on refunding of debt	-	2,692,746	2,692,746
Long term debt	171,836,149	173,792,565	1,956,416
Gain on refunding of debt	-	736,330	736,330
Net investment in capital assets	158,780,194	153,394,702	(5,385,492)
Fiduciary fund - annuity	1,605,678	1,607,442	1,764
Fiduciary fund - net depreciation in fair value of investments	503,790	500,092	3,698
Fiduciary fund - benefit payments	3,828,482	3,823,020	(5,462)

REQUIRED SUPPLEMENTARY INFORMATION SECTION

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE DEFINED BENEFIT PLAN

July 31,

Total pension liability	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Service cost	$ 609,449	$ 648,779	$ 697,949	$ 664,824	$ 667,507	$ 606,522	$ 573,636	$ 561,762	$ 513,017	$ 503,692
Interest	1,405,427	1,274,045	1,247,205	1,138,508	1,044,110	944,437	847,945	689,507	657,103	625,443
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between actual & expected experience	370,235	1,781,806	512,988	399,011	443,221	227,884	25,941	900,581	30,713	-
Change of assumptions	3,550,441	246,055	-	85,691	264,660	-	-	530,883	-	-
Benefit payments, including refunds of employee contributions	(375,367)	(3,823,020)	(254,491)	(1,389,301)	(840,248)	(89,815)	(209,140)	(809,365)	(795,902)	(607,640)
Net change in total pension liability	**5,560,185**	**127,665**	**2,203,651**	**898,733**	**1,579,250**	**1,689,028**	**1,238,382**	**1,873,368**	**404,931**	**521,495**
Total pension liability - beginning	18,963,435	18,835,770	16,632,119	15,733,386	14,154,136	12,465,108	11,226,726	9,353,358	8,948,427	8,426,932
Total pension liability - ending (a)	24,523,620	18,963,435	18,835,770	16,632,119	15,733,386	14,154,136	12,465,108	11,226,726	9,353,358	8,948,427
Plan fiduciary net position										
Contributions - employer	1,805,035	1,549,157	1,508,898	1,499,933	1,571,919	1,500,000	1,700,000	1,151,206	932,168	929,071
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	1,154,832	500,090	(1,186,072)	1,696,482	130,776	118,132	93,616	232,483	34,493	(356,912)
Benefit payments, including refunds of employee contributions	(375,367)	(3,823,020)	(254,491)	(1,389,301)	(840,248)	(89,815)	(209,140)	(809,365)	(795,902)	(607,640)
Administrative expense	(130,035)	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	**2,454,465**	**(1,773,773)**	**68,335**	**1,807,114**	**862,447**	**1,528,317**	**1,584,476**	**574,324**	**170,759**	**(35,481)**
Plan fiduciary net position - beginning	10,556,723	12,330,496	12,262,161	10,455,047	9,592,600	8,064,283	6,479,807	5,905,483	5,734,724	5,770,205
Plan fiduciary net position - ending (b)	13,011,188	10,556,723	12,330,496	12,262,161	10,455,047	9,592,600	8,064,283	6,479,807	5,905,483	5,734,724
Net pension liability (asset) - ending (a) - (b)	**$ 11,512,432**	**$ 8,406,712**	**$ 6,505,274**	**$ 4,369,958**	**$ 5,278,339**	**$ 4,561,536**	**$ 4,400,825**	**$ 4,746,919**	**$ 3,447,875**	**$ 3,213,703**
Plan fiduciary net position as a percentage of total pension liability	**53.06%**	**55.67%**	**65.46%**	**73.73%**	**66.45%**	**67.77%**	**64.69%**	**57.72%**	**63.14%**	**64.09%**
Covered - employee payroll	**$ 6,996,075**	**$ 6,620,377**	**$ 7,040,401**	**$ 6,811,945**	**$ 6,940,424**	**$ 6,395,834**	**$ 6,048,467**	**$ 5,932,360**	**$ 4,963,935**	**$ 4,838,062**
Net pension liability (asset) as a percentage of covered - employee payroll	**164.56%**	**126.98%**	**92.40%**	**64.15%**	**76.05%**	**71.32%**	**72.76%**	**80.02%**	**69.46%**	**66.43%**

This schedule is presented to illustrate the requirement to show information for 10 years.

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN THE DEFINED BENEFIT PLAN
For the Year Ended December 31,

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 1,399,034	$ 1,338,672	$ 1,244,819	$ 1,279,665	$ 1,223,003	$ 1,080,088	$ 1,051,604	$ 1,048,189	$ 845,331	$ 781,098
Contributions in relation to the actuarially determined contribution	1,805,035	1,549,157	1,508,898	1,499,933	1,571,919	1,498,772	1,825,002	1,352,649	886,505	933,837
Contribution deficiency (excess)	$ (406,001)	$ (210,485)	$ (264,079)	$ (220,268)	$ (348,916)	$ (418,684)	$ (773,398)	$ (304,460)	$ (41,174)	$ (152,739)
Covered-employee payroll	$ 8,890,170	$ 8,404,634	$ 8,112,234	$ 7,251,534	$ 7,312,006	$ 7,024,462	$ 7,008,729	$ 6,486,530	$ 6,050,483	$ 5,953,101
Contributions as a percentage of covered - employee payroll	20.30%	18.43%	18.60%	20.68%	21.50%	21.34%	26.04%	20.85%	14.65%	15.69%

This schedule is presented to illustrate the requirement to show information for 10 years.

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF INVESTMENT RETURNS IN THE DEFINED BENEFIT PLAN
For the Year Ended July 31,

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Annual money-weighted rate of return, net of investment expense	10.30%	4.50%	-9.17%	16.29%	1.32%	1.35%	1.33%	3.79%	0.60%	-6.01%

This schedule is presented to illustrate the requirement to show information for 10 years.

HARPETH VALLEY UTILITIES DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended July 31, 2024

Actuarial assumptions for actuarially determined contributions:

Actuarial Cost Method	Entry Age Normal % Salary
Amortization Method - actuarially determined contributions	20-year amortization of 100% of the initial 2019 unfunded liability, plus a 20-year amortization of subsequent gains and losses.
Asset Method	5 year smoothing of asset gains and losses.
Interest Rates	7.25%
Annual Pay Increases	2.50% compounded annually
Ad-hoc Cost-of-Living Increases	N/A
Mortality Rates	
Healthy (pre-commencement)	Pub-2010 Public General Employee Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010
Healthy (post-commencement)	Pub-2010 Public General Employee Morality Table without adjustment, with generational improvement scale MP-2021 applied from 2010 The Pub-2010 Public General Survivor Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010 is used for survivors
Retirement Rates	All active and terminated vested participants are assumed to retire at the later of age 65 and attained age
Termination Rates	Crocker-Sarason-Straight T-1, 2-Year setback for males and females. Sample rates include: Age Rate 25 5.2213% 30 4.2220% 35 2.8866% 40 1.5875% 45 0.5550%
Disability Rates	None
Payment Form	100% of active participants are assumed to elect a Lump Sum
Marital Status and Ages	100% of participants are assumed to be married with female spouses 3 years younger.
Expense Load	None
Funding Policy	Actuarially Determined Contribution, with additional funding at the discretion of the Board.

SUPPLEMENTARY AND OTHER INFORMATION SECTION

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULES OF OPERATING INCOME AND EXPENSES
For the Year Ended December 31, 2024

Operating revenues:	Water	Sewer	Total
Sales (net of allowance $80,981 in water and $0 in sewer)	$ 38,755,041	$ 11,943,382	$ 50,698,423
Net sales	38,755,041	11,943,382	50,698,423
Other operating revenues	1,033,346	392,364	1,425,710
Total operating revenues	39,788,387	12,335,746	52,124,133
Operating expenses:			
Plant salaries	4,167,422	2,167,452	6,334,874
Payroll taxes	313,441	169,017	482,458
Employee benefits	2,478,777	1,446,532	3,925,309
Repairs and maintenance	1,500,120	674,029	2,174,149
Transportation	51,186	27,993	79,179
Utilities	3,552,977	842,718	4,395,695
Outside services - operating	134,086	-	134,086
Chemical supplies	3,907,646	842,714	4,750,360
Miscellaneous	269,421	102,771	372,192
	16,375,076	6,273,226	22,648,302
Administrative and general expenses:			
Office salaries	1,808,743	603,027	2,411,770
Payroll taxes	122,412	40,814	163,226
Employee benefits	1,174,342	391,847	1,566,189
Office expenses and telephone	809,273	280,676	1,089,949
Insurance	485,410	161,290	646,700
Professional fees	383,778	159,563	543,341
Miscellaneous	38,374	9,420	47,794
Total administrative and general expenses	4,822,332	1,646,637	6,468,969
Provision for depreciation	9,266,979	5,443,883	14,710,862
Total operating expenses	30,464,387	13,363,746	43,828,133
Total operating income (loss)	$ 9,324,000	$ (1,028,000)	$ 8,296,000

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULES OF OPERATING INCOME AND EXPENSES
For the Year Ended December 31, 2024

	Water	Sewer	Total
Non-operating revenue (expense):			
Interest expense	$ (5,521,541)	$ (1,546,442)	$ (7,067,983)
Interest income	913,936	942,944	1,856,880
Capacity fees	804,400	1,331,200	2,135,600
Gain (loss) from disposition of capital assets	(60,368)	-	(60,368)
Amortization	548,635	188,643	737,278
Total non-operating revenue (expense)	(3,314,938)	916,345	(2,398,593)
Charged to water treatment plant from waste water treatment plant ***	(824,084)	824,084	-
Income (loss) before capital contributions	5,184,978	712,429	5,897,407
Capital contributions	1,061,168	169,801	1,230,969
Change in net position	**$ 6,246,146**	**$ 882,230**	**$ 7,128,376**

The District reports a transfer from water to sewer based on the direct cost of treating and disposing of water plant backwash residuals at the wastewater treatment plant. This transfer is representative of cost allocations from the cost of service studies performed for rate analysis.

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF LONG-TERM DEBT
December 31, 2024

Year Ended	Utilities Revenue Bonds, Series 1997		Utilities Revenue Refunding Bonds, Series 2015		Utilities Revenue Refunding Bonds, Series 2016		Utilities Revenue Bonds, Series 2020		Utilities Revenue Refunding Bonds, Series 2022	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 38,753	$ 29,492	$ 3,515,000	$ 608,738	$ 500,000	$ 1,081,475	$ 325,000	$ 1,199,250	$ 255,000	$ 1,635,400
2026	40,786	27,459	3,650,000	466,500	520,000	1,066,475	345,000	1,183,000	260,000	1,627,750
2027	42,925	25,319	3,810,000	311,000	540,000	1,045,675	360,000	1,165,750	265,000	1,619,950
2028	45,178	23,066	3,965,000	158,600	555,000	1,024,075	375,000	1,147,750	275,000	1,612,000
2029	47,548	20,696	-	-	1,200,000	1,001,875	850,000	1,140,250	1,845,000	1,603,750
2030	50,043	18,201	-	-	1,245,000	953,875	890,000	1,097,750	1,935,000	1,511,500
2031	52,669	15,575	-	-	1,295,000	904,075	915,000	1,071,050	2,030,000	1,414,750
2032	55,433	12,811	-	-	1,345,000	852,275	945,000	1,043,600	2,135,000	1,313,250
2033	58,341	9,903	-	-	1,400,000	798,475	980,000	1,005,800	2,245,000	1,206,500
2034	61,403	6,842	-	-	1,470,000	728,475	1,020,000	966,600	2,355,000	1,094,250
2035	64,624	3,620	-	-	1,545,000	654,975	1,060,000	925,800	2,470,000	976,500
2036	35,348	499	-	-	1,585,000	608,625	1,105,000	883,400	2,600,000	853,000
2037	-	-	-	-	1,665,000	529,375	1,145,000	839,200	2,725,000	723,000
2038	-	-	-	-	1,750,000	446,125	1,195,000	793,400	2,835,000	614,000
2039	-	-	-	-	1,805,000	389,250	1,240,000	745,600	2,950,000	500,600
2040	-	-	-	-	1,895,000	299,000	1,290,000	696,000	3,065,000	382,600
2041	-	-	-	-	1,995,000	204,250	1,340,000	644,400	3,185,000	260,000
2042	-	-	-	-	2,090,000	104,500	1,395,000	590,800	3,315,000	132,600
2043	-	-	-	-	-	-	1,450,000	535,000	-	-
2044	-	-	-	-	-	-	1,510,000	477,000	-	-
2045	-	-	-	-	-	-	1,570,000	416,600	-	-
2046	-	-	-	-	-	-	1,635,000	353,800	-	-
2047	-	-	-	-	-	-	1,700,000	288,400	-	-
2048	-	-	-	-	-	-	1,765,000	220,400	-	-
2049	-	-	-	-	-	-	1,835,000	149,800	-	-
2050	-	-	-	-	-	-	1,910,000	76,400	-	-
	$ 593,051	$ 193,483	$ 14,940,000	$ 1,544,838	$ 24,400,000	$ 12,692,850	$ 30,150,000	$ 19,656,800	$ 36,745,000	$ 19,081,400

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF LONG-TERM DEBT
December 31, 2024

Year Ended	Utilities Revenue Refunding Bonds, Series 2024A		Utilities Revenue Bonds, Series 2024B		Obligation to Metropolitan		Total Requirements		
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	$ 1,355,000	$ 1,897,901	$ 655,000	$ 1,119,569	$ 718,977	$ 31,024	$ 7,362,730	$ 7,602,849	$ 14,965,579
2026	1,410,000	1,846,100	490,000	1,280,100	124,067	931	6,839,853	7,498,315	14,338,168
2027	1,480,000	1,775,600	515,000	1,255,600	-	-	7,012,925	7,198,894	14,211,819
2028	1,560,000	1,701,600	545,000	1,229,850	-	-	7,320,178	6,896,941	14,217,119
2029	2,540,000	1,623,600	570,000	1,202,600	-	-	7,052,548	6,592,771	13,645,319
2030	2,665,000	1,496,600	600,000	1,174,100	-	-	7,385,043	6,252,026	13,637,069
2031	2,805,000	1,363,350	630,000	1,144,100	-	-	7,727,669	5,912,900	13,640,569
2032	2,945,000	1,223,100	660,000	1,112,600	-	-	8,085,433	5,557,636	13,643,069
2033	3,090,000	1,075,850	695,000	1,079,600	-	-	8,468,341	5,176,128	13,644,469
2034	3,240,000	921,350	730,000	1,044,850	-	-	8,876,403	4,762,367	13,638,770
2035	1,340,000	759,350	765,000	1,008,350	-	-	7,244,624	4,328,595	11,573,219
2036	1,405,000	692,350	800,000	970,100	-	-	7,530,348	4,007,974	11,538,322
2037	1,475,000	622,100	840,000	930,100	-	-	7,850,000	3,643,775	11,493,775
2038	1,545,000	548,350	885,000	888,100	-	-	8,210,000	3,289,975	11,499,975
2039	1,625,000	471,100	930,000	843,850	-	-	8,550,000	2,950,400	11,500,400
2040	1,705,000	389,850	975,000	797,350	-	-	8,930,000	2,564,800	11,494,800
2041	1,790,000	304,600	1,025,000	748,600	-	-	9,335,000	2,161,850	11,496,850
2042	1,865,000	233,000	1,065,000	707,600	-	-	9,730,000	1,768,500	11,498,500
2043	1,940,000	158,400	1,105,000	665,000	-	-	4,495,000	1,358,400	5,853,400
2044	2,020,000	80,800	1,150,000	620,800	-	-	4,680,000	1,178,600	5,858,600
2045	-	-	1,195,000	574,800	-	-	2,765,000	991,400	3,756,400
2046	-	-	1,245,000	527,000	-	-	2,880,000	880,800	3,760,800
2047	-	-	1,295,000	477,200	-	-	2,995,000	765,600	3,760,600
2048	-	-	1,345,000	425,400	-	-	3,110,000	645,800	3,755,800
2049	-	-	1,400,000	371,600	-	-	3,235,000	521,400	3,756,400
2050	-	-	1,455,000	315,600	-	-	3,365,000	392,000	3,757,000
2051	-	-	1,515,000	257,400	-	-	1,515,000	257,400	1,772,400
2052	-	-	1,575,000	196,800	-	-	1,575,000	196,800	1,771,800
2053	-	-	1,640,000	133,800	-	-	1,640,000	133,800	1,773,800
2054	-	-	1,705,000	68,200	-	-	1,705,000	68,200	1,773,200
	$ 39,800,000	$ 19,184,951	$ 30,000,000	$ 23,170,619	$ 843,044	$ 31,955	$ 177,471,095	$ 95,556,896	$ 273,027,991

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
December 31, 2024

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 1/1/2024	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 12/31/2024
Notes Payable									
Payable through Water and Sewer System									
Obligation to Metro (Direct Borrowing)	9,415,984	6.00%	February 1, 1996	February 28, 2026	1,520,251	-	677,207	-	843,044
Total Notes Payable	$ 9,415,984				$ 1,520,251	$ -	$ 677,207	$ -	$ 843,044
Bonds Payable									
Payable through Water and Sewer System									
Utility Revenue Bonds, Series 1997	1,139,500	5.13%	August 13, 1998	September 13, 2036	629,871	-	36,820	-	593,051
Utilities Revenue Refunding Bonds, Series 2013	29,225,000	4.00%	May 16, 2013	September 1, 2034	18,995,000	-	18,995,000	-	-
Utilities Revenue Improvement Bonds, Series 2014	28,490,000	3.00-5.00%	May 21, 2014	September 1, 2044	26,740,000	-	26,740,000	-	-
Utilities Revenue Refunding Bonds, Series 2015	38,195,000	3.00-5.00%	June 10, 2015	September 1, 2028	18,290,000	-	3,350,000	-	14,940,000
Utilities Revenue Refunding Bonds, Series 2016	27,260,000	3.00-4.00%	January 27, 2016	September 1, 2042	24,855,000	-	455,000	-	24,400,000
Utility Revenue Bonds, Series 2020	30,770,000	2.00-5.00%	February 5, 2020	September 1, 2050	30,470,000	-	320,000	-	30,150,000
Utility Revenue Bonds, Series 2022	37,230,000	3.00-5.00%	June 22, 2022	September 1, 2042	36,990,000	-	245,000	-	36,745,000
Utilities Revenue Refunding Bonds, Series 2024A	39,800,000	4.00-5.00%	September 4, 2024	September 1, 2044	-	39,800,000	-	-	39,800,000
Utility Revenue Bonds, Series 2024B	30,000,000	4.00-5.00%	October 24, 2024	September 1, 2054	-	30,000,000	-	-	30,000,000
Total Bonds Payable	$ 262,109,500				$ 156,969,871	$ 69,800,000	$ 50,141,820	$ -	$ 176,628,051

HARPETH VALLEY UTILITIES DISTRICT
WATER AND WASTEWATER RATES IN FORCE
December 31, 2024

Residential Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge		
5/8" or 3/4" Meter	$11.97	$13.29
1" Meter	$24.41	$13.29
1 1/2" Meter	$45.15	$13.29
2" Meter	$70.04	$13.29
3" Meter	$136.40	$13.29
First 5,000 gallons	1.50 per 1,000 gallons	6.86 per 1,000 gallons
Next 5,000 gallons	2.26 per 1,000 gallons	6.86 per 1,000 gallons
Next 10,000 gallons	4.75 per 1,000 gallons	6.86 per 1,000 gallons
All additional usage	7.59 per 1,000 gallons	6.86 per 1,000 gallons

Irrigation Rates

Water Metered	Water Rate
Monthly Customer Charge	
5/8" or 3/4" Meter	$11.97
1" Meter	$24.41
1 1/2" Meter	$45.15
2" Meter	$70.04
3" Meter	$136.40
4" Meter	$211.05
6" Meter	$418.43
8" Meter	$667.28
All Usage	5.80 per 1,000 gallons

Multi-Unit Residential Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge		
5/8" or 3/4" Meter	$11.97	$13.29
1" Meter	$24.41	$33.23
1 1/2" Meter	$45.15	$66.44
2" Meter	$70.04	$106.31
3" Meter	$136.40	$212.63
4" Meter	$211.05	$332.23
6" Meter	$418.43	$664.46
8" Meter	$667.28	$1,063.14
All Usage	3.32 per 1,000 gallons	8.93 per 1,000 gallons

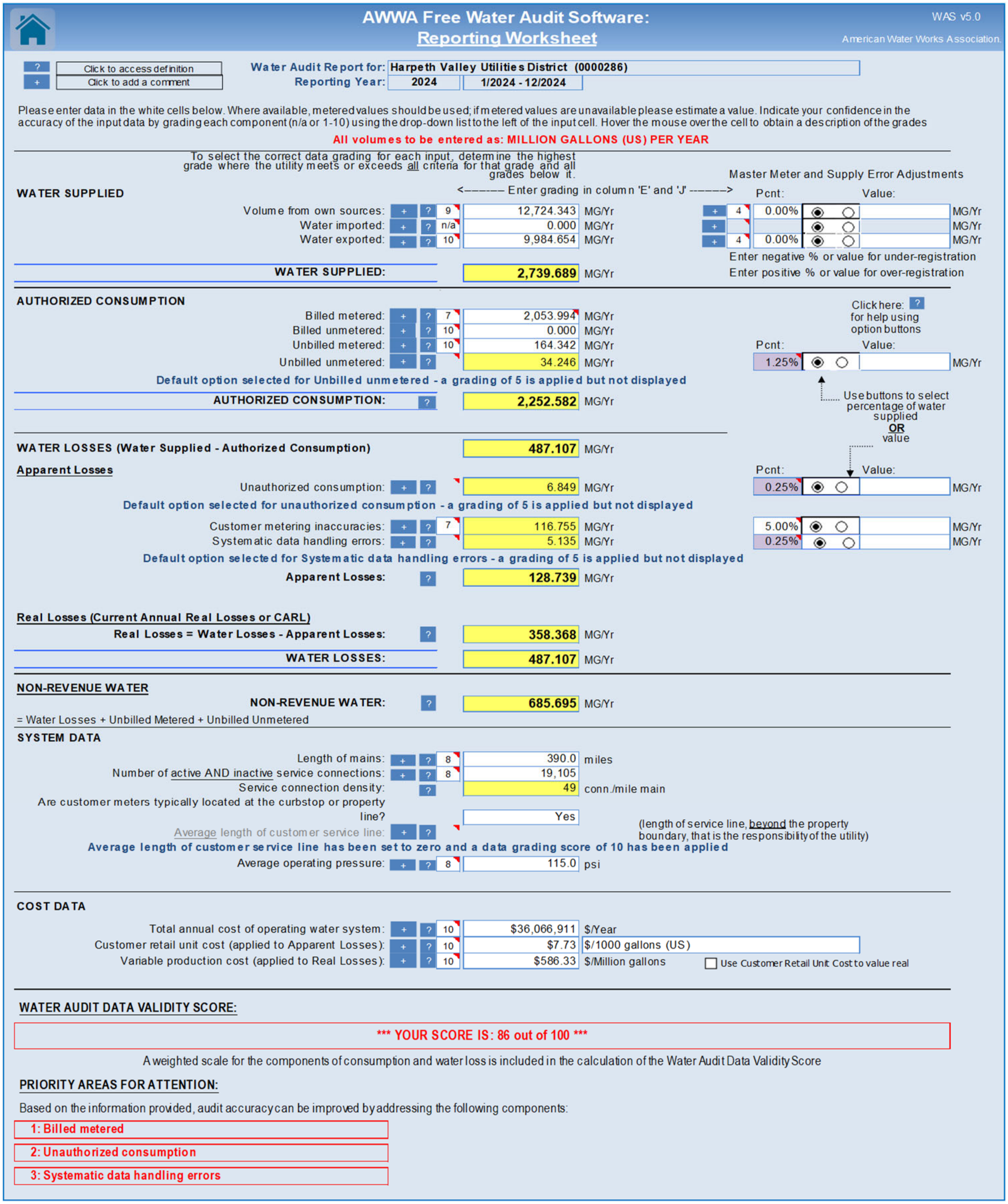
Commercial Rates

Water Metered	Water Rate	Wastewater Rate
Monthly Customer Charge		
5/8" or 3/4" Meter	$11.97	$13.29
1" Meter	$24.41	$33.23
1 1/2" Meter	$45.15	$66.44
2" Meter	$70.04	$106.31
3" Meter	$136.40	$212.63
4" Meter	$211.05	$332.23
6" Meter	$418.43	$664.46
8" Meter	$667.28	$1,063.14
All Usage	4.31 per 1,000 gallons	7.21 per 1,000 gallons

Utility/Municipal Rates

Water Metered	Water Rate
Monthly Customer Charge	
5/8" or 3/4" Meter	$11.97
1" Meter	$24.41
1 1/2" Meter	$45.15
2" Meter	$70.04
3" Meter	$136.40
4" Meter	$211.05
6" Meter	$418.43
8" Meter	$667.28
10" Meter	$957.60
All Usage	2.65 per 1,000 gallons

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF UNACCOUNTED WATER - UNAUDITED
December 31, 2024



Water Audit Report for: Harpeth Valley Utilities District (0000286)
Reporting Year: 2024 1/2024 - 12/2024

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<------- Enter grading in column 'E' and 'J' ------->

WATER SUPPLIED

Master Meter and Supply Error Adjustments

	Grade		Unit	Grade	Pcnt:		Value:	
Volume from own sources:	9	12,724.343	MG/Yr	4	0.00%	● ○		MG/Yr
Water imported:	n/a	0.000	MG/Yr			● ○		MG/Yr
Water exported:	10	9,984.654	MG/Yr	4	0.00%	● ○		MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 2,739.689 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons

	Grade		Unit	Pcnt:		Value:	
Billed metered:	7	2,053.994	MG/Yr				
Billed unmetered:	10	0.000	MG/Yr				
Unbilled metered:	10	164.342	MG/Yr				
Unbilled unmetered:		34.246	MG/Yr	1.25%	● ○		MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 2,252.582 MG/Yr

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption) 487.107 MG/Yr

Apparent Losses

	Grade		Unit	Pcnt:		Value:	
Unauthorized consumption:		6.849	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

	Grade		Unit	Pcnt:		Value:	
Customer metering inaccuracies:	7	116.755	MG/Yr	5.00%	● ○		MG/Yr
Systematic data handling errors:		5.135	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 128.739 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 358.368 MG/Yr

WATER LOSSES: 487.107 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 685.695 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

	Grade		Unit
Length of mains:	8	390.0	miles
Number of active AND inactive service connections:	8	19,105	
Service connection density:		49	conn./mile main
Are customer meters typically located at the curbstop or property line?		Yes	
Average length of customer service line:			
Average operating pressure:	8	115.0	psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

COST DATA

	Grade		Unit
Total annual cost of operating water system:	10	$36,066,911	$/Year
Customer retail unit cost (applied to Apparent Losses):	10	$7.73	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	10	$586.33	$/Million gallons

☐ Use Customer Retail Unit Cost to value real

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 86 out of 100 ***

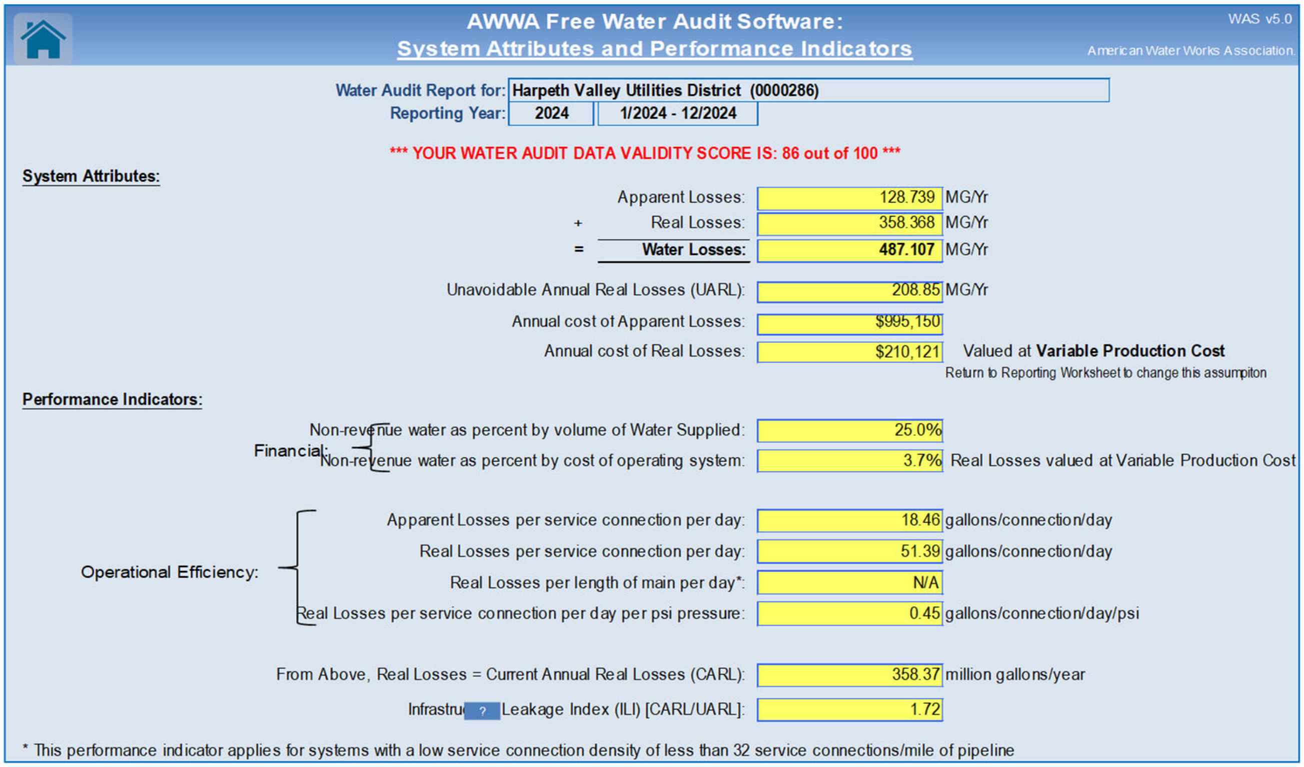
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Billed metered
2: Unauthorized consumption
3: Systematic data handling errors

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF UNACCOUNTED WATER - UNAUDITED
December 31, 2024



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

Water Audit Report for: Harpeth Valley Utilities District (0000286)
Reporting Year: 2024 | 1/2024 - 12/2024

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 ***

System Attributes:

Apparent Losses: 128.739 MG/Yr
\+ Real Losses: 358.368 MG/Yr
= **Water Losses: 487.107** MG/Yr

Unavoidable Annual Real Losses (UARL): 208.85 MG/Yr
Annual cost of Apparent Losses: $995,150
Annual cost of Real Losses: $210,121 Valued at **Variable Production Cost**
Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:
Non-revenue water as percent by volume of Water Supplied: 25.0%
Non-revenue water as percent by cost of operating system: 3.7% Real Losses valued at Variable Production Cost

Operational Efficiency:
Apparent Losses per service connection per day: 18.46 gallons/connection/day
Real Losses per service connection per day: 51.39 gallons/connection/day
Real Losses per length of main per day*: N/A
Real Losses per service connection per day per psi pressure: 0.45 gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 358.37 million gallons/year

Infrastru ? Leakage Index (ILI) [CARL/UARL]: 1.72

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF INSURANCE COVERAGE - UNAUDITED
December 31, 2024

Workers Compensation		
By accident	$	100,000
By disease	$	500,000
Comprehensive general liability:		
Bodily injury and property damage		
Single limit	$	1,000,000
Aggregate	$	3,000,000
Excess Liability		
Aggregate	$	4,000,000
Automobile liability:		
Bodily injury and property damage		
Single limit	$	1,000,000
Uninsured Motorist	$	500,000
Loss of or damage to property, including buildings service equipment, tractors, and supplies, caused by peril or vandalism	$	311,401,174
Commercial Crime:		
Employee theft	$	500,000
Forgery and alteration	$	100,000
Theft, disappearance and destruction	$	50,000
Computer fraud	$	250,000
Equipment floater		
Scheduled equipment	$	3,336,490
Leased, rented, or borrowed equipment	$	200,000
Wrongful acts and professional liability (Directors, Officers and public officials):		
Per claim limit	$	1,000,000
Aggregate limit	$	3,000,000
Employment practices liability		
Per claim limit	$	1,000,000
Aggregate limit	$	3,000,000
Network security and data breach coverage		
Aggregate limit	$	250,000
Flood Insurance		
Limited Coverage	$	474,000
General Flood Limit	$	5,000,000
Earthquake and Earth Movement	$	10,000,000

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF OPERATING STATISTICS, WATER - UNAUDITED
For the Years Ended December 31,

	2024	2023	2022	2021	2020
Revenues					
Residential Sales (net of allowance)	$ 5,911,381	$ 5,326,920	$ 5,462,320	$ 4,869,321	$ 4,910,245
Multi-Family Sales	1,504,460	1,404,414	1,334,933	1,275,659	1,233,282
Commercial Sales	963,683	911,351	870,832	821,575	771,103
Municipal Sales	28,915,218	26,810,281	26,903,958	24,231,383	23,881,230
Irrigation Sales	1,460,299	1,017,985	1,052,076	764,780	879,527
Other Operating Revenue	1,033,346	975,030	755,404	759,186	3,660,467
Interest Income	913,936	895,386	169,510	10,755	188,274
Capacity Fees	804,400	605,382	250,450	1,576,800	1,203,096
Capital Contributions	1,061,168	1,046,039	1,450,793	594,332	1,580,340
Total	$ 42,567,891	$ 38,992,788	$ 38,250,276	$ 34,903,791	$ 38,307,564
Expenses					
Operating Expense	$16,375,076	$15,385,572	$14,412,567	$11,650,508	$11,388,054
Administrative & General Expense	4,822,332	4,052,591	3,708,231	3,548,396	3,669,177
Provision for Depreciation	9,266,979	8,810,103	8,430,369	8,144,795	7,506,003
Interest Expense	5,521,541	5,385,624	5,559,682	5,659,609	5,632,414
Other Income (Expense) (a)	(488,267)	(440,744)	(348,095)	(351,360)	(181,559)
Transfer Out to Wastewater	824,084	909,708	1,287,552	1,383,094	1,293,426
Total Expenses	$ 36,321,745	$ 34,102,854	$ 33,050,306	$ 30,035,042	$ 29,307,515
Change in Net Position (loss)	$ 6,246,146	$ 4,889,934	$ 5,199,970	$ 4,868,749	$ 9,000,049
Gallons Billed (Million Gallons)					
Residential Volume	1,201	1,135	1,160	1,068	1,092
Multi-Family Volume	430	422	400	395	380
Commercial Volume	180	174	168	159	149
Municipal Volume	10,827	10,236	10,277	9,431	9,369
Irrigation Volume	233	163	172	124	154
Total Gallons Billed	12,871	12,130	12,177	11,177	11,144
Number of Accounts					
Residential	17,795	17,675	17,524	17,351	17,184
Multi-Family	95	93	92	90	90
Commercial	552	553	550	548	544
Municipal	24	23	22	22	20
Irrigation	375	362	353	343	340
Total Number of Accounts (b)	18,841	18,706	18,541	18,354	18,178

Notes:

a) Other expense includes amortizations and gain (loss) on sale of assets.

b) Number of accounts derived by using an average of all 12 months account totals. Total does not include fire lines

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF OPERATING STATISTICS, WASTEWATER - UNAUDITED
For the Years Ended December 31,

	2024	2023	2022	2021	2020
Revenues					
Residential Sales	$ 6,756,580	$ 6,261,305	$ 6,006,861	$ 5,909,700	$ 5,905,604
Multi-Family Sales	3,935,176	3,628,311	3,375,620	3,218,483	3,121,191
Commercial Sales	1,251,626	1,166,620	1,083,351	1,025,981	958,310
Other Operating Revenue	392,364	409,618	225,434	369,016	514,129
Interest Income	942,944	895,386	237,001	21,836	192,630
Capacity Fees	1,331,200	982,242	397,000	2,703,503	2,189,261
Capital Contributions	169,801	1,505,053	2,516,626	1,115,761	1,746,215
Transfer In from Water	824,084	909,708	1,287,552	1,383,094	1,293,426
Total	$ 15,603,775	$ 15,758,243	$ 15,129,445	$ 15,747,374	$ 15,920,766
Expenses					
Operating Expense	6,273,226	5,684,746	5,554,500	5,000,042	5,137,156
Administrative & General Expense	1,646,637	1,372,016	1,897,719	1,687,539	1,807,691
Provision for Depreciation	5,443,883	5,328,029	5,162,960	4,827,112	4,624,882
Interest Expense	1,546,442	1,667,135	1,843,229	1,978,041	2,101,342
Other Expense (a)	(188,643)	(163,425)	(120,809)	(73,262)	(102,423)
Total Expenses	$ 14,721,545	$ 13,888,501	$ 14,337,599	$ 13,419,472	$ 13,568,648
Change in Net Position (loss)	$ 882,230	$ 1,869,742	$ 791,846	$ 2,327,902	$ 2,352,118
Gallons Billed (Million Gallons)					
Residential Volume	650	636	627	633	636
Multi-Family Volume	430	422	400	395	380
Commercial Volume	139	138	130	126	117
Total Gallons Billed	1,219	1,196	1,157	1,154	1,133
Number of Accounts					
Residential	14,741	14,608	14,440	14,304	14,160
Multi-Family	93	91	90	88	88
Commercial	400	403	401	399	399
Total Number of Accounts (b)	15,234	15,102	14,931	14,791	14,647

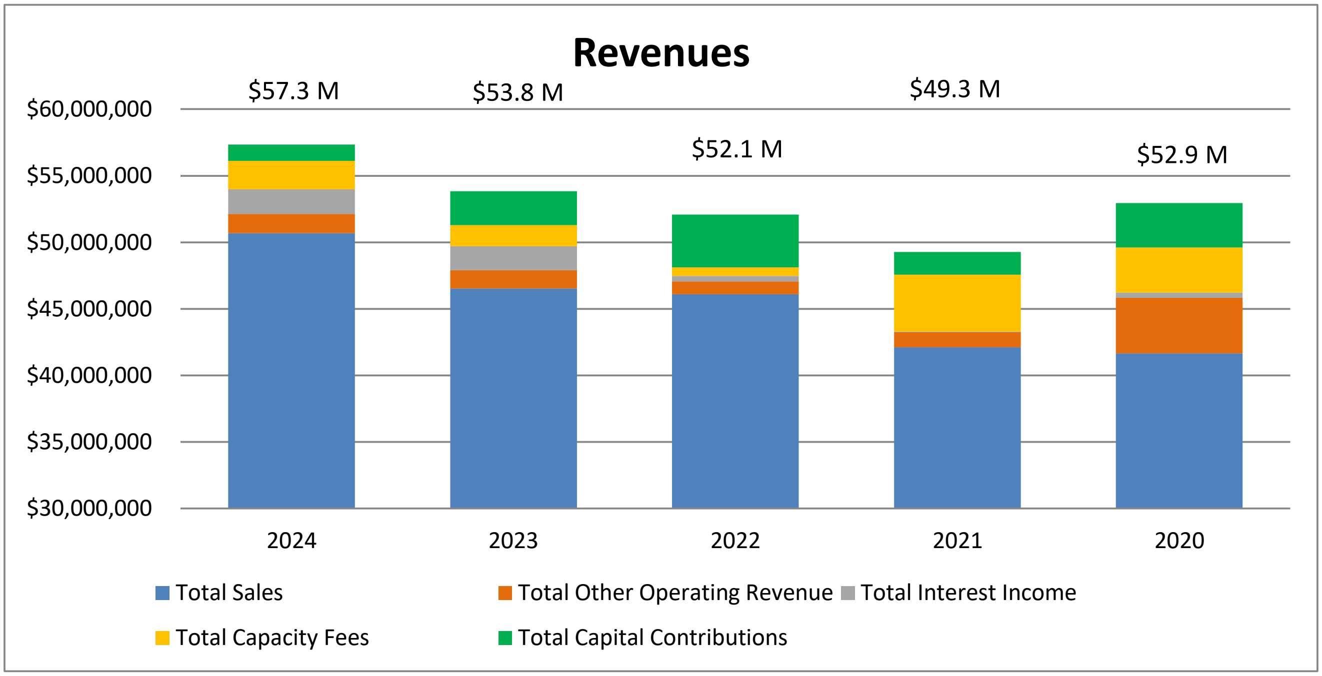
Notes:

a) Other expense includes amortizations and gain (loss) on sale of assets.

b) Number of accounts derived by using an average of all 12 months account totals.

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF OPERATING STATISTICS, COMBINED - UNAUDITED
For the Years Ended December 31,

	2024	2023	2022	2021	2020
Revenues					
Total Sales (Net of allowance)	$ 50,698,423	$ 46,527,187	$ 46,089,951	$ 42,116,882	$ 41,660,492
Total Other Operating Revenue	1,425,710	1,384,648	980,838	1,128,202	4,174,596
Total Interest Income	1,856,880	1,790,772	406,511	32,591	380,904
Total Capacity Fees	2,135,600	1,587,624	647,450	4,280,303	3,392,357
Total Capital Contributions	1,230,969	2,551,092	3,967,419	1,710,093	3,326,555
Total	$ 57,347,582	$ 53,841,323	$ 52,092,169	$ 49,268,071	$ 52,934,904
Expenses					
Operating Expense	$ 22,648,302	$ 21,070,318	$ 19,967,067	$ 16,650,550	$ 16,525,210
Administrative & General Expense	6,468,969	5,424,607	5,605,950	5,235,935	5,476,868
Provision for Depreciation	14,710,862	14,138,132	13,593,329	12,971,907	12,130,885
Interest Expense	7,067,983	7,052,759	7,402,911	7,637,650	7,733,756
Other Expense (a)	(676,910)	(604,169)	(468,904)	(424,622)	(283,982)
Total Expenses	$ 50,219,206	$ 47,081,647	$ 46,100,353	$ 42,071,420	$ 41,582,737
Change in Net Position (loss)	$ 7,128,376	$ 6,759,676	$ 5,991,816	$ 7,196,651	$ 11,352,167
Financial					
Plant in Service (net)	$338,547,903	$330,616,343	$330,364,020	$320,938,399	$316,403,136



HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF OPERATING STATISTICS, COMBINED - UNAUDITED
For the Years Ended December 31,

	2024	2023	2022	2021	2020
Water System					
Total Water Pumped (MG)	12,725	11,737	11,755	10,569	10,676
Total Annual Rainfall (inches)	50.20	48.71	49.60	62.00	62.00
Miles of Water Lines*	390	389	404	395	387
Number of Water Pumping Stations	8	8	7	7	7
Number of Water Storage Tanks	14	13	12	12	12
Storage Capacity in Tanks (MG)	21.45	21.25	17.25	17.25	17.25

	2024	2023	2022	2021	2020
Wastewater System					
Average Daily WWTP Flow (MGD) **	4.50	4.37	4.47	4.57	4.92
Miles of Wastewater Lines	231	230	229	227	226
Number of Wastewater Pumping Stations	30	30	30	30	30

Debt Service Coverage Ratio

	2024	2023
Revenue		
Water Sales	38,755,041	35,470,951
Wastewater Sales	11,943,382	11,056,236
Other Operating Income	1,425,710	1,384,648
Capacity Fees	2,135,600	1,587,624
Interest Income	1,856,880	1,790,772
Total Revenue	56,116,613	51,290,231
Expenses		
Operating Expenses	22,648,302	21,070,318
Administrative and General	6,468,969	5,424,607
Total Expenses	29,117,271	26,494,925
Net Revenue Available for Debt Service	26,999,342	24,795,306
Current Annual Senior Debt Service		
Total Debt Service	12,748,707	12,749,057
Annual Senior Debt Service Coverage Ratio	2.12	1.94

INTERNAL CONTROL AND COMPLIANCE SECTION

ATA

ATA, PC
227 Oil Well Road Jackson, TN 38305
P 731.427.8571 **F** 731.424.5701

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Harpeth Valley Utilities District
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of Harpeth Valley Utilities District, as of and for the year ended December 31, 2024, and the Harpeth Valley Utilities District Defined Benefit Plan (fiduciary fund) as of and for the year ended July 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harpeth Valley Utilities District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harpeth Valley Utilities District's internal control. Accordingly, we do not express an opinion on the effectiveness of Harpeth Valley Utilities District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harpeth Valley Utilities District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATA, PC

Jackson, Tennessee
March 25, 2025

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
December 31, 2024

Financial Statement Findings:

No current year findings reported.

HARPETH VALLEY UTILITIES DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS

December 31, 2024

Financial Statement Findings:

No prior year findings reported.

APPENDIX C

SUMMARY OF RESOLUTION

The Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds"), are authorized and issued pursuant to a resolution of the Board of Commissioners of the District adopted on June 24, 2025 (the "2025 Resolution"). The 2025 Resolution is supplementary to resolutions which have authorized the District's outstanding Utilities Revenue Bond, Series 1997 (the "Series 1997 Bond"); Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020 (the "Series 2020 Bonds"); Utilities Revenue Refunding Bonds, Series 2022, dated June 22, 2022 (the "Series 2022 Bonds"); Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024 (the "Series 2024A Bonds"); and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024 (the "Series 2024B Bonds"). These resolutions, together with the 2025 Resolution, are hereinafter referred to as the "Resolution." The terms of the Resolution are equally applicable to the Series 1997 Bond, the Series 2020 Bonds, the Series 2022 Bonds, the Series 2024A Bonds, the Series 2024B Bonds and the Series 2025A Bonds.

Definitions

For purposes of this discussion and as used hereinafter, the following capitalized terms shall have the following meanings.

"Acquired System" shall mean any water procurement, treatment, storage or distribution system or sewage collection, transmission or treatment system, or combination thereof which the District may now or hereafter be authorized by State law or its order of incorporation to own and operate which is acquired by the District pursuant to State law, which, at the election of the Governing Body, may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately operated acquired system into the System;

"Board" shall mean the Board of Commissioners of the District;

"Bond and Interest Sinking Fund" means the Bond and Interest Sinking Fund established pursuant to the Resolution and described herein;

"Bonds" shall mean the Series 1997 Bond, the Series 2020 Bonds, the Series 2022 Bonds, the Series 2024A Bonds, the Series 2024B Bonds, the Series 2025A Bonds and any Parity Bonds so long as any such Bonds are issued and outstanding and have not been paid in full or discharged and defeased as described herein;

"Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption;

"Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing the Parity Bonds from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date;

"Credit Facility" shall mean any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the District provides additional security for any Bonds or Parity Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond or Parity Bond and shall include any Reserve Fund Credit Facility;

"Current Expenses" shall mean expenses incurred by the District in the operation of the System, determined in accordance with generally accepted accounting principles, including the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, the cost of producing potable water, salaries and wages, cost of material and supplies, and insurance premiums, but shall exclude depreciation, amortization of utility plant and financing costs and interest on any bonds, notes or other obligations of the District;

"Current Interest Bonds" shall mean bonds that pay interest semi-annually or at other periodic intervals of not greater than one year;

"Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement executed and delivered in connection with a Reserve Fund Credit Facility;

"Fiscal Year" means the twelve-month period commencing January 1 of each year and ending December 31 of the same year;

"General Fund" means the General Fund established pursuant to the Resolution;

"Governing Body" means the Board of Commissioners of the District;

"Gross Earnings" shall mean all revenues, rentals, earnings and income of the District from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System, including tapping privileges and meter and hydrant fees reported as contributions in aid of construction; proceeds from the sale of property; proceeds of insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by the Resolution and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the District); provided, however, that the term "Gross Earnings" shall not include non-cash contributions in aid of construction; and provided further, that, at the election of the Governing Body, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received by the District from the operation of an Acquired System which is being operated as a separate system as permitted herein;

"Loan Agreement" shall mean any agreement or contract entered into by the District whereby a third party agrees to advance funds to the District and the District agrees to repay those funds with interest;

"Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond as shall be established by the resolution authorizing the Capital Appreciation Bond or any bond purchase agreement relating thereto;

“Maximum Annual Principal and Interest Requirement” shall mean the maximum amount of principal and Compound Accreted Value of and interest on the Bonds and Parity Bonds, including principal payable by reason of mandatory redemption, required to be paid during a Fiscal Year during the term of the Bonds and Parity Bonds; provided, with respect to Short-Term Indebtedness, the annual principal and interest requirement for purposes of this definition shall be calculated as that amount necessary to amortize the Short-Term Indebtedness in twenty approximately equal annual payments of principal and interest; provided (i) if interest on the Short-Term Indebtedness is intended to be excludable from gross income for purposes of federal income taxation, the interest rate for Short-Term Indebtedness shall be assumed to be an interest rate equal to the most recently published Twenty-Five Revenue Bond Index as published in The Bond Buyer (or comparable index if no longer published) plus fifty (50) basis points, or (ii) if interest on the Short-Term Indebtedness is not intended to be excludable from gross income for purposes of federal income taxation, the interest rate shall be assumed to be an interest rate equal to the most recently published rates on U.S. Treasury Obligations with comparable maturities as the Twenty-Five Revenue Bond Index, plus fifty (50) basis points. Any reimbursement or guaranty payment made to a Credit Facility Issuer pursuant to a Financial Guaranty Agreement shall not be included in the calculation of principal or interest for purposes of determining the Maximum Annual Principal and Interest Requirement;

“Net Revenues” means Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, less Current Expenses;

“Parity Bonds” shall mean bonds, notes, Loan Agreements, and other debt obligations, including Short-Term Indebtedness and Variable Rate Bonds, issued or entered into by the District on a parity with the Bonds herein authorized in accordance with the restrictive provisions of the Resolution, provided in the event of the acquisition of any Acquired System, any bonds or other obligations secured by a pledge of and/or lien on such Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System) may become Parity Bonds secured by a lien on the revenues of the System and the statutory mortgage lien on the System provided that the requirements of the Resolution are met with respect to such bonds and the terms of the resolution authorizing such bonds permit such and so long as the Acquired System is not being operated separately from the System as is permitted herein;

“Reserve Fund” means the Debt Service Reserve Fund established pursuant to the Resolution and described herein;

(For certain amendments to the Resolution regarding the Reserve Fund that will be effective upon the issuance of the Series 2025A Bonds, see the section entitled “Amendments to the Resolution Effective Upon the Issuance of the Series 2025A Bonds” on Page C-16.)

“Reserve Fund Credit Facility” shall mean a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility Issuer which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds and Parity Bonds;

“Reserve Fund Credit Facility Issuer” shall mean the issuer of a Reserve Fund Credit Facility rated in the highest rating category by Standard & Poor’s Rating Group, if rated by Standard & Poor’s, and Moody’s Investors Service, Inc., if rated by Moody’s and, A.M. Best & Company, if rated by A.M. Best & Company;

"Reserve Fund Requirement" means the least of (a) the Maximum Annual Principal and Interest Requirement on the Bonds and Parity Bonds (excluding Short-Term Indebtedness) during the term of the Bonds and Parity Bonds; (b) 125% of the average annual principal and interest requirement, including the payment of Compound Accreted Value when due, on a Fiscal Year basis, including principal payable by reason of the mandatory redemption provisions of any Bonds or Parity Bonds, on the Bonds and Parity Bonds (excluding Short-Term Indebtedness) during the term of the Bonds and Parity Bonds, or (c)10% of the stated principal amount of the Bonds and Parity Bonds (excluding Short-Term Indebtedness), as from time to time interpreted under the Code;

"Short-Term Indebtedness" shall mean bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five (5) years or less from their date of issuance, issued by the District as Parity Bonds in accordance with the restrictive provisions of the Resolution;

"State" means the State of Tennessee;

"System" shall mean the complete water procurement, treatment, storage and distribution system and wastewater collection, treatment and disposal system of the District, together with, and including all properties of every nature hereafter owned by the District, including all improvements and extensions made by the District while the Bonds or Parity Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System; and

"Variable Rate Indebtedness" shall mean any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds. For purposes of calculating the Reserve Fund Requirement, determining compliance with the covenant as to rates contained in the Resolution, and determining compliance with the requirements of the Resolution relating to the issuance of Parity Bonds, Variable Rate Indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or, if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii)(A) if interest on the Variable Rate Bonds is intended to be excludable from gross income for purposes of federal income taxation, an interest rate equal to the most recently published Twenty-Five Revenue Bond Index as published in The Bond Buyer (or comparable index if no longer published) plus fifty (50) basis points, or (B) if interest on the Variable Rate Bonds is not intended to be excludable from gross income for purposes of federal income taxation, an interest rate equal to the most recently published rates on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points. For purposes of any rate covenant measuring actual debt service coverage during a test period, Variable Rate Bonds shall be deemed to bear interest at the actual rate per annum applicable during the test period.

Funds and Application of Revenues

As long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds as provided in the Resolution, the entire revenues, rentals, earnings and income of the System shall be applied as summarized below. All such revenues, rentals, earnings and income of the System shall be deposited as collected in the General Fund and used only as follows:

(a) The first available money in the General Fund shall be used from month to month for the payment of Current Expenses.

(b) The next available money in the General Fund shall next be used to make deposits into a separate and special fund, to be known as the "Bond and Interest Sinking Fund," to be kept separate and apart from all other funds of the District and used to pay principal and Compound Accreted Value of and interest on the Bonds and Parity Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds and Parity Bonds are paid in full or discharged and satisfied pursuant to the defeasance provisions of the Resolution summarized herein under the heading "Discharge and Satisfaction of Bonds". Each monthly deposit shall consist of an interest component and a principal component. The interest component shall be an amount equal to one-sixth (1/6th) of the interest coming due on the Current Interest Bonds and any Parity Bonds that are Current Interest Bonds then outstanding on the next succeeding interest payment date. The principal component shall be an amount which shall be established annually on each September 1 for all payments to be made during the ensuing twelve-month period commencing in September of each year and ending in August of the next year and shall be not less than one-twelfth (1/12th) of the total of the Compound Accreted Value and principal amounts, as the case may be, coming due, whether by maturity or mandatory redemption, on the Bonds and Parity Bonds then outstanding during such twelve-month period. No further deposit shall be required when the Bond Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date and the total of the Compound Accreted Values or principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness. Money in the Bond Fund shall be used solely and is hereby expressly and exclusively pledged for the purpose of paying principal and Compound Accreted Value of and interest on the Bonds and Parity Bonds.

(c) The next available money in the General Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement.

(d) To the extent the Reserve Fund Requirement for the Bonds and Parity Bonds is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the District, or a combination thereof, the next available money in the General Fund shall be used to make deposits into a separate and special fund, to be known and designated as the "Debt Service Reserve Fund" to be kept separate and apart from all other funds of the District. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the General Fund thereafter received which shall not then be required to pay Current Expenses, to be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal or Compound Accreted Value of or interest on the Bonds and any Parity Bonds for the payment of which funds are not available in the Bond Fund.

At the option of the District, the District may satisfy the Reserve Fund Requirement, or a portion thereof, by providing for the benefit of owners of the Bonds and Parity Bonds a Reserve Fund Credit Facility or Facilities in an amount not greater than the Reserve Fund Requirement applicable to the Bonds and any Parity Bonds. In the event any Reserve Fund Credit Facility Issuer, or any successor thereto, shall cease to have a rating required for a Reserve Fund Credit Facility Issuer or any Reserve Fund Credit Facility becomes unenforceable for any reason, within 90 days from the date the District receives notice of either of said events, the District shall either substitute a new Reserve Fund Credit Facility or Facilities or commence funding the Reserve Fund from Net Revenues as required by the preceding paragraph hereof, or a combination thereof. At any time during the term hereof, the District shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the parity bond provisions of the Resolution or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the District shall satisfy the Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the Reserve Fund Requirement for the Bonds and Parity Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect. The President is authorized to act for the District in determining whether to provide the Reserve Fund Credit Facility for the Bonds.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the District, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the District, from Revenues after payment of Current Expenses and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of provisions of the Resolution summarized under the heading “Discharge and Satisfaction of Bonds” herein, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement.

(e) If the District enters into an interest rate swap or other interest rate hedging transaction with respect to the payment of interest with respect to the Bonds or Parity Bonds, the amounts that the District pays or receives under such interest rate swap or other hedging transaction shall be taken into account in calculating the interest requirements on such Bonds or Parity Bonds. Such payments shall be made or such funds received at such times and in such amounts as shall be established by a supplemental resolution authorizing the interest rate swap or other hedging transaction. In the case of Variable Rate Indebtedness in which financial covenants are based on the synthetic fixed rate under a swap, utilization of the synthetic fixed rate under a swap for purposes of performing any required calculations under the applicable legal documentation shall be permitted only if such documentation and the applicable swap satisfy the following requirements:

1. The swap provider must be rated least A-/A3 or better by Standard & Poor's and Moody's (the "Initial Rating Requirement").

2. Assuming satisfaction of the Initial Rating Requirement, and thereafter as long as the long-term indebtedness of the swap provider or the claims paying ability of the swap provider does not fall below Baa2 or BBB by either Standard & Poor's or Moody's (the "Minimum Rating Requirement"), all interest rate assumptions for purposes of establishing or demonstrating compliance with financial covenants (e.g., rate covenant, reserve requirement, additional bonds test) may be based upon the synthetic fixed interest rate under the swap.

3. Failure to maintain a swap provider holding the Minimum Rating Requirement or, if the issuer elects, failure to replace any such swap provider by another swap provider which holds the Initial Rating Requirement within ten business days, will have the following effects: (1) compliance with any required rate covenant for the preceding Fiscal Year will be based on the actual interest paid on the Variable Rate Indebtedness during such Fiscal Year without regard to the swap; (2) in the case of Reserve Fund Requirement, the amount required to be on deposit therein will be re-calculated based on the variable rate, calculated as of the date of original issuance of the Variable Rate Indebtedness and any resulting deficiency will be restored within the same twelve- (12) month restoration period established herein; and (3) any "forward-looking" financial covenant based upon "Debt Service," "Annual Debt Service" or "Maximum Annual Debt Service" will be based upon the variable rate.

4. For short-dated swaps having terms or weighted average maturities of ten years or less, whereupon related bonds automatically convert to a pre-set fixed rate, the embedded swap provider must meet the Initial Rating Requirement. With respect to financial covenants, the synthetic fixed rate based on the swap may be utilized for purposes of demonstrating or establishing compliance with the applicable covenant. Failure to maintain a swap provider holding the Minimum Rating Requirement during the embedded swap period will require replacement of the Swap provider within ten business days. Failure to replace will require re-calculation of the applicable financial covenants as described above.

(f) Money thereafter remaining in the General Fund may be used to pay principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from the revenues of the System but junior and subordinate in all respects to the Bonds.

(g) The next available money in the General Fund shall be used to fund such additional reserves and funds as in the judgment and determination of the Governing Body are necessary for the sound and prudent operation of the System.

(h) Money on deposit in the Funds described in this Section may be invested at the direction of the District in such investments as shall be permitted by applicable law, as determined by an authorized representative of the District, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as Revenues of the System and shall be deposited in the General

Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature more than two (2) years from the date the money is so invested. The District is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

(i) The money in the General Fund shall be allotted and paid into the funds hereinbefore described in the order in which said funds are listed on a cumulative basis, and, if in any month the money in the General Fund shall be insufficient to place the required amount in said funds, the deficiency shall be made up in the following month or months after payment into all Funds enjoying a prior claim to the Revenues shall have been met in full.

(j) Money on deposit in the funds described above may be invested by the District in such investments as shall be permitted by applicable law, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be credited to the General Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created.

(k) The General Fund shall be held and maintained by the District and, when not invested, kept on deposit with a financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in the General Fund so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

(l) All monies which the fiscal agent shall have withdrawn from any account or fund described above under its control, and holds for the payment of the principal of or interest on any Bonds, or shall have received from any other source and set aside, shall be held in trust for the respective holders of such bonds for five (5) years and after such period shall be paid to the District and any unpaid Bond owner shall look only to the District for payment thereof.

Charges for Services Supplied by the System

While the Bonds remain outstanding and unpaid, the District has covenanted and agreed that it will permit no free service to be furnished to any consumer or user whatsoever; that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of the Resolution.

The District has covenanted that the System will be operated on a fully metered basis and that the District will bill its customers on a monthly basis and, to the extent permitted by applicable law or regulation, will discontinue service to any customer whose bill remains unpaid sixty (60) days following the mailing of such bill, until such bill, service charges and penalties shall have been paid in full.

General Covenants

Maintenance and Operation of the System. The District will maintain the System in good condition and operate the System in an efficient manner and at reasonable cost and conduct all activities associated therewith or incident thereto.

Insurance. The District will maintain insurance on properties of the System of a kind and in an amount that would normally be carried by private companies engaged in a similar type and size of business. The proceeds of any insurance, except public liability insurance, received by the District shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

Accounting Records and Reports. The District will cause to be kept proper books and accounts adapted to the System, and shall cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or firm of such accountants, and, upon request, will make generally available to the owners of any of the Bonds the audited financial statements of the District as certified by such accountant or accountants.

Each such audit, in addition to whatever matters may be thought proper by the accountant or accountants to be included therein, shall include at least the following: (i) a statement in detail of the revenues and expenditures of the System and the excess of revenues over expenditures for the Fiscal Year; (ii) a statement showing beginning and ending balances of each fund described in the Bond Resolution; (iii) a balance sheet as of the end of the Fiscal Year; (iv) the accountants' comments regarding the manner in which the District has carried out the requirements of the Resolution and the accountants' recommendations with respect to any change or improvement in the operation of the System; (v) a list of the insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy; (vi) the number and classification of customer service connections to the System as of the end of the Fiscal Year; (vii) the disposition of any Bond proceeds during the Fiscal Year; and (viii) a statement as to all breaches or defaults by the District of its covenants under the Resolution of which the accountants have knowledge or, in the alternative, a statement that they have no knowledge of any such breach or default.

The District will furnish copies of such audits to the owner of any of the Bonds, upon written request thereof, within 120 days after the close of each Fiscal Year. The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the District relating thereto. If the District shall fail to provide such audits and reports, the owner or owners of twenty-five percent (25%) in principal amount of the outstanding Bonds may cause such audits and reports to be prepared at the expense of the District.

Performance of Duties. The District will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State of Tennessee, including the making and collecting of reasonable and sufficient rates for the services rendered by the System as provided by the Resolution, and will apply the revenues of the System to the purposes and Funds specified in the Resolution.

Rate Covenant. Prior to the commencement of each Fiscal Year, the Governing Body will cause to be made an estimate of the revenues and expenditures for the Fiscal Year next succeeding, based on rates then in effect, and, based on such estimate, the Governing Body shall adjust such rates to the extent necessary to produce Net Revenues for the next succeeding Fiscal Year (i) equal to not less than 1.20 times the amount of principal, Compound Accreted Value and interest payable during the next succeeding Fiscal Year on the outstanding Bonds, Parity Bonds, if any, and subordinate lien bonds, if any, whether by maturity or mandatory redemption, (ii) sufficient, in addition, to provide for any required deposits during the succeeding Fiscal Year to the Reserve Fund and any other funds established by the District pursuant to the Resolution, any resolution authorizing Parity Bonds or subordinate lien bonds or pursuant to sound and prudent operating practices as determined by the Governing Body, and (iii) sufficient to pay any amounts payable during such Fiscal Year under any Financial Guaranty Agreement or with respect to any Reserve Fund Credit Facility.

Transfer of Possession and Control of the System. The District will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or any of the System facilities sold at fair market value, provided that:

> (1) The District is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;
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> (2) Any sale proceeds will be applied either (A) to redemption of Bonds and Parity Bonds in accordance with the provisions governing repayment of Bonds and Parity Bonds in advance of maturity, or (B) to the purchase of Bonds or Parity Bonds at the market price thereof so long as such price does not exceed the amount at which the Bonds or Parity Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;
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> (3) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System and the operation of the System or its revenue producing capacity is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and
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> (4) The District shall have received an opinion of recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds or Parity Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the District is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

Budget. Prior to the beginning of each Fiscal Year, the Governing Body shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Current Expenses, and capital expenditures for the System for the ensuing Fiscal Year and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request. The District has covenanted that Current Expenses and capital expenditures incurred in any Fiscal Year will not exceed the reasonable and necessary amounts therefor and that the District will not expend any amounts or incur any obligations therefor in excess of the amounts provided for Current Expenses and capital expenditures in the budget except upon resolution of the Governing Body.

Fidelity Bond Coverage. All officers or employees of the District or persons other than banks or other financial institutions having custody of funds of the District shall be under fidelity bond at all times in reasonable and customary amounts.

Competing Franchises. The District will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently served by the District by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; providing nothing contained in the Resolution shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the District is in full compliance with the covenants set forth in the Master Bond Resolution immediately following such transfer or exchange.

Governance of the District. For the purpose of assuring the efficient, impartial and non-political operation of the System for the benefit of the District and the owners of the Bonds from time to time outstanding, the complete and independent control and operation of the System shall continue to be vested in the Governing Body, subject, however, to the obligation and duty on the part of the Governing Body to carry out and perform faithfully all of the covenants and agreements contained herein. It is agreed with the owners from time to time of the Bonds and made a part of the contract rights that will vest in such owners at the time of delivery of the Bonds that the System will be so operated by the Governing Body.

Remedies of Bond Owners

Except as otherwise set forth in the Resolution, the owners of the Bonds and Parity Bonds shall have all the rights of action and remedies afforded by the common law, the constitution and statutes of the State of Tennessee and of the United States of America for the enforcement of payment of their Bonds and of the pledge of Net Revenues, and of all covenants of the District pursuant to the Resolution, including all the benefits and rights granted by the District Act relating to the creation of the statutory mortgage lien.

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the District by the provisions of the Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms of the Resolution.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the District with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Current Expenses, and to apply the income and revenues thereof in conformity with the provisions of the Resolution.

Additional Bonds

The Resolution provides that the District shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the revenues of the System having priority over the lien of the Bonds.

The Resolution further provides for the issuance of bonds on a parity with the Bonds under the following conditions, but not otherwise:

(a) Additional bonds, notes, Loan Agreements or obligations may be issued on a parity with the Bonds and Parity Bonds without regard to the requirements of subsection (c) of this Section, if such bonds, notes, Loan Agreements or obligations shall be issued for the purpose of refunding any of the Bonds or Parity Bonds which shall have matured or become subject to mandatory redemption, or which shall mature or shall become subject to mandatory redemption not later than three months after the date of delivery of such refunding bonds, notes, Loan Agreements or obligations and for the payment of which insufficient money is available in the Bond Fund.

(b) Additional bonds, notes, Loan Agreements or obligations may be issued on a parity with the Bonds and Parity Bonds without regard to the requirements of subsection (c) of this Section, if such bonds, notes, Loan Agreements or obligations shall be issued for the purpose of refunding any outstanding Bonds or Parity Bonds under circumstances not resulting in the defeasance of all of the Bonds and Parity Bonds, provided the Maximum Annual Principal and Interest Requirement computed with respect to all Bonds and Parity Bonds to be outstanding as of the date of issuance of such additional bonds, notes, Loan Agreements or obligations (and after giving effect to the application of the proceeds thereof) shall not be greater than 105% of the Maximum Annual Principal and Interest Requirement computed with respect to all Bonds and Parity Bonds outstanding as of the date immediately preceding the issuance of such additional bonds, notes, Loan Agreements or obligations.

(c) For the purpose of refunding any outstanding Bonds or Parity Bonds, under circumstances not resulting in the defeasance of all of the Bonds and Parity Bonds, and/or extending, improving or replacing the System, and/or acquiring an Acquired System or any additional System improvements, if all of the following conditions shall have been met:

(1) Either:

(A) the Net Revenues of the System for the most recent Fiscal Year for which the annual audit required by the terms hereof has been delivered must have been equal to at least 1.20 times the Maximum Annual Principal and Interest Requirement computed with respect to the bonds, notes, Loan Agreements or obligations proposed to be issued and all outstanding Bonds and Parity Bonds other than any Bonds or Parity Bonds intended to be refunded by the proposed additional bonds, notes, Loan Agreements or obligations, plus the amounts payable to the Reserve Fund pursuant to the requirements hereof and amounts payable under any Financial Guaranty Agreement and in connection with any Reserve Fund Credit Facility; provided, however, if the annual audit for the most recent Fiscal Year has not been delivered within nine (9) months after the end of such Fiscal Year, Parity Bonds may not be issued pursuant to this subsection (c)(1)(A) unless the District obtains from the certified public accountant engaged by the District to audit its financial records a certification as the coverage required by this subparagraph; or

(B) (i) the Net Revenues of the System for the most recent Fiscal Year for which the annual audit required by the terms hereof has been delivered must be equal at least to 1.20 times the Maximum Annual Principal and Interest Requirement computed with respect to the bonds, notes, Loan Agreements or obligations proposed to be issued and all outstanding Bonds and Parity Bonds other than any Bonds or Parity Bonds intended to be refunded by the proposed bonds, notes, Loan Agreements or obligations; provided, however, that if the annual audit for the most recent Fiscal Year has not been delivered within nine (9) months after the end of such Fiscal Year, Parity Bonds may not be issued pursuant to this subsection (c)(1)(B) unless the District obtains from the certified public accountant engaged by the District to audit its financial records a certification as the coverage required by this subparagraph; provided, further, that if prior to the issuance of such additional bonds, notes, Loan Agreements or obligations the District shall have adopted a revised schedule of rates for the System and resolved to put such rate schedule in effect at or prior to the issuance of the additional bonds, notes, Loan Agreements or obligations, then the Net Revenues for the Fiscal Year immediately preceding the issuance of such additional bonds, notes, Loan Agreements or obligations, as certified by an independent engineer or engineering firm or a nationally recognized firm of financial feasibility consultants having a favorable reputation for skill and experience in the financial feasibility of water and sewer systems, that would have resulted from such rates had they been in effect for such period, may be used in lieu of the actual Net Revenues for such Fiscal Year; and (ii) the Net Revenues for each of the next three (3) Fiscal Years ending after the issuance of the additional bonds, notes, Loan Agreements or obligations, as estimated by an independent engineer or engineering firm, or a nationally recognized firm of financial feasibility consultants, having a favorable reputation for skill and experience in the financial feasibility of water and sewer systems, must be equal to at least 1.20 times the Maximum Annual Principal and Interest Requirement computed with respect to the additional bonds, notes, Loan Agreements or obligations proposed to be issued and all outstanding Bonds and Parity Bonds other than any Bonds or Parity Bonds intended to be refunded by the proposed additional bonds, notes, Loan Agreements or obligations; provided, however, that if the proposed additional bonds, notes, Loan Agreements or obligations are to be issued for the acquisition or construction of any extension, improvement or replacement to the System or the acquisition of an Acquired System, then the estimate of Net Revenues may be for the next three (3) Fiscal Years ending after the time that such improvement, extension or replacement is expected to be placed in service and the period of construction thereof, subject to reduction in debt service during the period of construction in an amount equal to any capitalized interest funded from proceeds of the additional bonds;

(2) The payments required to be made into the Bond Fund and the Reserve Fund must be current;

(3) The proceeds of the additional bonds, notes, Loan Agreements or obligations may be used only to (i) make improvements, extensions, renewals or replacements to the System or to refund Bonds or Parity Bonds, (ii) fund necessary reserves related thereto (iii) fund capitalized interest related to the additional bonds, notes, Loan Agreements or other obligations, and (iv) pay the costs and expenses of issuance and sale of the additional bonds.

All the provisions and covenants of the Resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds or obligations, modification of the Resolution, the defeasance of Bonds, and such other provisions thereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds or obligations, and said provisions, when so incorporated, shall be equally applicable to the additional bonds or obligations issued pursuant to the terms of the Section summarized above in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds or obligations remain outstanding.

Resolution a Contract

The provisions of the Resolution will constitute a contract between the District and the owners of the Bonds and Parity Bonds shall not be amended, except as provided in the Resolution, until such time as all of the Bonds and Parity Bonds shall have been discharged and satisfied as provided in the Resolution.

Amendment of the Resolution

The Resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission therein.

The Resolution may also be amended if such amendment shall have been consented to by a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the District but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the District) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in the Resolution; provided, however, that the Resolution may not be so modified or amended in such manner as to:

a. Make any change in the maturities or redemption dates of the Bonds;

b. Make any change in the rates of interest borne by the Bonds;

c. Reduce the amount of the principal payments or redemption premiums payable on the Bonds;

d. Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;

e. Affect the rights of the registered owners of less than all of the Bonds then outstanding;

f. Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

Whenever the District shall propose to amend or modify the Resolution under the provisions of the Section hereby summarized, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the District for public inspection.

Whenever at any time within one (1) year from the date of mailing of said notice there shall be filed with the Secretary of the Governing Body an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the District may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as provided in the Resolution, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the District from taking any action pursuant to the provisions thereof.

Any consent given by the registered owner of a Bond pursuant to the provisions of the Resolution shall be irrevocable for a period of six (6) months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond and Parity Bond during such period. Such consent may be revoked at any time after six (6) months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the District office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of the Section summarized hereby may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

Discharge and Satisfaction of Bonds

If the District shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

1. by paying or causing to be paid, by depositing sufficient funds as and when required with the Registration Agent for the Bonds being retired, the principal of, premium, if any, and interest on such Bonds, as and when the same become due and payable; or

2. by depositing or causing to be deposited with any trust company or any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency (an “Agent”; which may be the Registration Agent) in trust or escrow, at or prior to the maturity or redemption date of the Bonds, Federal Obligations in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem such Bonds and to pay interest thereon until the maturity or redemption date; and/or

3. by delivering such Bonds to the Registration Agent for cancellation by it;

and if the District shall also pay or cause to be paid all other sums payable under the terms of the Resolution by the District with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens and pledges entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues and the statutory mortgage lien set forth herein, shall be fully discharged and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If the District shall pay and discharge the indebtedness evidenced by any such Bonds in the manner provided above then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided herein, neither Federal Obligations nor moneys deposited with the Agent pursuant to the Resolution nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust or escrow for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the District as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to the District, as received by the Agent. For the purposes of the Section of the Resolution summarized above, Federal Obligations shall mean and include any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of Federal agencies to the extent unconditionally guaranteed by the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Nothing contained in the Section summarized above shall be construed to alter or change the redemption provisions set forth in the Resolution. No optional redemption privilege shall be exercised with respect to the Bonds except at the option and election of the District. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the District.

Amendments to the Resolution Effective Upon the Issuance of the Series 2025A Bonds

The Resolution authorizing the Series 2020 Bonds approved the amendments to the Resolution described below. These amendments will become effective upon the issuance of the Series 2025A Bonds and the defeasance of the outstanding Series 2015 Bonds and Series 2016 Bonds. The purchasers of the Series 2025A Bonds shall be deemed to have purchased the Series 2025A Bonds subject to these amendments.

The definition of “Reserve Fund” in the Resolution is revised to read as follows: “Reserve Fund” means the Debt Service Reserve Fund established pursuant to the Resolution, with an account therein for each series of bonds which has a Reserve Fund Requirement; provided an account therein may be utilized for more than one series of bonds if all such series of bonds are specified in the resolution authorizing such bonds to share a pledge of such account and have a combined Reserve Fund Requirement. Nothing herein shall prohibit the District from issuing one or more series of bonds without a Reserve Fund Requirement and no deposit to the Reserve Fund and no Reserve Fund Credit Facility shall be required in connection therewith.

The definition of "Reserve Fund Credit Facility Issuer" in the Resolution is revised to read as follows: "Reserve Fund Credit Facility Issuer" means the issuer of a Reserve Fund Credit Facility rated, at the time at which such Reserve Fund Credit Facility is purchased, in the second-highest rating category (without regard to gradations within such category) by each Rating Agency that rates such Reserve Fund Credit Facility Issuer and which also rates any Bonds secured by such Reserve Fund Credit Facility.

The definition of "Reserve Fund Requirement" in the Resolution is revised to read as follows: "Reserve Fund Requirement" means an amount determined from time to time by the District as a reasonable reserve, if any, for the payment of principal of and interest on a series of bonds pursuant to the resolution authorizing such bonds.

The portion of the Resolution set forth in subsection (d) above under "Funds and Application of Revenues" is amended and restated as follows:

> To the extent any series of bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the District, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than 24 consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the District for legally permissible purposes. If in any month the amounts on deposit in the Revenue Fund, after application of such amounts pursuant to subsections (a) – (c) above, are insufficient to fully fund all accounts of the Reserve Fund as described in this subsection (d), then such available amounts shall be applied pro rata among accounts of the Reserve Fund pro rata in proportion to the respective amounts required to be deposited to such accounts in such month.
>
> At the option of the District, the District may satisfy the Reserve Fund Requirement applicable to a series of bonds, or a portion thereof, by providing for the benefit of owners of such series of bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the District for legally permissible purposes. At any time during the term hereof, the District shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions hereof with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement,

the District shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the District, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement for a series of bonds is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the District shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the defeasance provisions of the Resolution, the terms, covenants, liability and liens provided or created in the Resolution or in any resolution supplemental thereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the District shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under the Resolution consistent with the terms of the Financial Guaranty Agreement.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

Notwithstanding anything herein to the contrary, the District may issue Parity Bonds without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Bonds.

The 2025 Resolution establishes the Reserve Fund Requirement for the Series 2025A Bonds at $0.

APPENDIX D

HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

$__________ UTILITIES REVENUE REFUNDING BONDS, SERIES 2025A

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered this ___ day of July, 2025 by the Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the "Issuer") in connection with the issuance of its $____________ Utilities Revenue Refunding Bonds, Series 2025A (the "Bonds"). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (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.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on January 1 of each calendar year and ending December 31 of the same calendar year.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer, dated July ___, 2025, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"Resolution" means the bond resolution adopted by the Board of Commissioners of the Issuer on June 24, 2025.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after December 31, 2025, the Issuer shall provide annual financial information and operating data within 270 days after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) Operating data of the type included under the following headings of the Official Statement, which data may be presented in a format other than as set in the Official Statement:

(A) Summary of Operations for the preceding year
(B) The numbers and types of customers of the District's water system
(C) The identity of the customers, the gallons sold, the percentage of water sales and the termination dates of the contracts for those customers who have entered into long term contracts with the District
(D) The amount of water consumed by the District's customers during the previous year
(E) The annual water billings of the District for the prior year
(F) The number and type of sewer customers and the sewer usage for the prior year
(G) The billings of the sewer system for the prior year
(H) The debt service coverage for the preceding year
(I) The schedule of rates and charges for water and sewer services

(b) *Audited Financial Statements*. For Fiscal Years ending on or after December 31, 2025, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) Modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) The consummation of a merger, consolidation or acquisition involving an 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;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information*. The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement*. The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

(a) This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), 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, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall 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 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Dissemination Agent. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent.

SECTION 11. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 12. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

HARPETH VALLEY UTILITIES DISTRICT OF
DAVIDSON AND WILLIAMSON COUNTIES,
TENNESSEE

By: ____
President of the Board of Commissioners

APPENDIX E

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES 2025A BONDS

(Closing Date)

The Harpeth Valley Utilities District
of Davidson and Williamson Counties, Tennessee
Nashville, Tennessee

____
____

Re: The Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee Utilities Revenue Refunding Bonds, Series 2025A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (the “Issuer”) of $_________ Utilities Revenue Refunding Bonds, Series 2025A, dated the date hereof (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the Board of Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable solely from and secured by a pledge of revenues to be derived from the operation of the water and sewer system of the Issuer, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said system, on a parity and equality of lien with the District’s outstanding Utilities Revenue Bond, Series 1997, dated August 13, 1998; Utilities Revenue Improvement Bonds, Series 2020, dated February 5, 2020; Utilities Revenue Refunding Bonds, Series 2022, dated June 22, 2022; Utilities Revenue Refunding Bonds, Series 2024A, dated September 4, 2024 and Utilities Revenue Bonds, Series 2024B, dated October 24, 2024. We express no opinion as to the sufficiency of such revenues for the payment of principal of and interest on the Bonds.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,