

AGENDA

Board of Trustees
Central Iowa Water Works
December 6, 2024
Mid-American Energy Rec Plex, Community Room A
12:00 p.m.

Please join our meeting from your computer, tablet or smartphone.

[Join Zoom Meeting](#)

Meeting ID: 822 5745 2488

United States:

+1 (312) 626-6799

Item 1: Call to Order

Item 2: Roll Call

Item 3: Approving Agenda, as presented or as amended.

Item 4: Public Comment (Please state name, address and limit comments to five minutes)

Item 5: Board Action Items (requiring a weighted vote)

A. Resolutions Related to Assignment and Assumption

1. Resolution – Approving and authorizing the form of Assignment and Assumption Agreement between Des Moines Water Works and Central Iowa Water Works. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)
2. Resolution – Approving and authorizing the form of Assignment and Assumption Agreement between West Des Moines Water Works and Central Iowa Water Works. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)

3. Resolution – Approving and authorizing the form of Assignment and Assumption Agreement between the City of Grimes, Iowa and Central Iowa Water Works. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)
- B. \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A:
1. Approve form of Tax Exemption Certificate.
 2. Resolution – Approving and authorizing the form of Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)
- C. \$ 22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B:
1. Resolution – Approving and authorizing the form of Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)
- D. \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C:
1. Resolution – Approving and authorizing the form of Interim Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes. (A WEIGHTED VOTE IS REQUIRED. SUCH VOTE REQUIRES VOTES REPRESENTING A MAJORITY OF THE WEIGHTED VOTE ALLOCATION PLUS VOTES REPRESENTING AT LEAST THREE (3) MEMBER AGENCIES FOR THE ACTION TO BE ADOPTED BY THE BOARD.)
- E. Resolution – Approving Post-Issuance Compliance Policy

Item 6: Board Action Items (majority vote)

- A. Resolution – Approving Operating Contracts, including Insurance Exhibit, and approving Des Moines Water Works Meter to Cash Supplement
 - 1. Des Moines Water Works Operating Contract
 - a. Meter to Cash Supplement
 - 2. West Des Moines Water Works Operating Contract
 - 3. Polk City Operating Contract
 - 4. Grimes Operating Contract
 - 5. Form of Resolution
- B. Motion – Approve Executive Director Spending Authority of \$50,000.

Item 7: Other Business

Adjournment

Upcoming CIWW Activities			
<u>Date</u>	<u>Time</u>	<u>Location</u>	<u>Meeting</u>
December 10	12:00 p.m.	WDMWW Board Room	Finance and Audit Committee
December 11	1:00 p.m.	DMWW Board Room	Technical Committee
December 18	3:00 p.m.	Mid-American Rec Plex Community Room A	Board of Trustees



CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM

Meeting Date: December 6, 2024

ITEM NUMBER: 5A. 1, 2, 3

SUBJECT: Resolutions Related to Assignment and Assumption

SUMMARY:

In accordance with the 28E/28F Agreement, Des Moines Water Works, West Des Moines Water Works, and the City of Grimes are selling a portion of their water supply facilities to Central Iowa Water Works (CIWW), and pursuant to this Agreement are assigning all of their related currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to CIWW through the attached resolutions.

FINANCIAL IMPACT:

The Assignment and Assumption resolutions will allow CIWW to assume the debt to complete its asset transfer obligations as outlined in the 28E agreement. These documents have been reviewed by bond and general counsel.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Approve and authorize the forms of assignment and assumption agreements between Des Moines Water Works and Central Iowa Water Works, West Des Moines Water Works and Central Iowa Water Works, and the City of Grimes and Central Iowa Water Works.

Prepared by: Jami Madsen

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN DES MOINES WATER WORKS AND CENTRAL IOWA WATER WORKS", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____%

Weighted Vote Result: AYES _____%

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
BETWEEN DES MOINES WATER WORKS AND CENTRAL
IOWA WATER WORKS

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, Des Moines Water Works, a municipal water utility organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$24,799,673 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignment and Assumption Agreement (“Agreement”) attached hereto as Exhibit “A” sets forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, the Board of Trustees believes it is in the best interests of the Members to enter into said Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Central Iowa Water Works hereby finds that it is in the best interest of CIWW to enter into the Assignment and Assumption Agreement with Des Moines Water Works attached hereto as Exhibit "A" and hereby authorizes and approves the Agreement.

BE IT FURTHER RESOLVED, that (i) the Board Chair and Secretary together, individually or collectively be, and are, hereby authorized, empowered and directed to execute, attest, and deliver the Assignment and Assumption Agreement in accordance with these resolutions, substantially in the form now before this Board, with such changes as may be approved by the Executive Director and legal counsel; and (ii) the Board Chair and Secretary, the Executive Director, and the other officers of CIWW be, and are, hereby authorized, empowered and directed, individually or jointly to do all such acts and things, necessary or appropriate to carry out and comply with this Resolution.

PASSED AND APPROVED this 6th day of December 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF POLK)

I, the undersigned Secretary of the Board of Trustees of Central Iowa Water Works, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of Central Iowa Water Works showing proceedings of the Board of Trustees, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of Central Iowa Water Works or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand this 6th day of December, 2024.

Secretary of the Board of Trustees of Central
Iowa Water Works, State of Iowa

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Agreement”), dated as of January 3, 2025, is entered into by and between Des Moines Water Works (the “Assignor”) and Central Iowa Water Works (the “Assignee”).

WITNESSETH

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, Des Moines Water Works, a municipal water utility organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$24,799,673 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignee will issue new Notes (the “Series 2025 Notes”) and enter into new Loan and Disbursement Agreements (the “CIWW Loan Documents”) with the Authority” and will use proceeds thereof to pay Assignor an amount equal to the above-referenced outstanding aggregate principal amount of the Loans; and

WHEREAS, Assigner will use said payment from Assignee to pay off the Loans on January 3, 2025; and

WHEREAS, the Assignor and the Assignee desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, this Agreement is being entered into in connection and conjunction with the transfer and assignment of certain Assignor assets pursuant to the terms of the Central Iowa Water Works 28E/28F Agreement (the "28E/28F Agreement), for which the Assignor and Assignee are parties, pursuant to which Assignor has agreed to transfer to Assignee, and Assignee has agreed to receive and accept from Assignor, a portion of the Designated Water Supply Facilities assets (as set forth in the 28E/28FAgreement) of the Assignor;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, the 28E/28F Agreement, the CIWW Loan Documents and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined in this Agreement shall have the meanings for such terms that are set forth in the 28E/28F Agreement or the CIWW Loan Documents.

2. Assignment. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignor has or will contribute, assign, transfer and convey to Assignee all rights, title and interests of Assignor in, to and under all of the transferred Designated Water Supply Facilities assets of the Assignor as and to the extent set forth in the 28E/28F Agreement and such other property transfer documents as may now or hereafter be prepared to effectuate such property transfers. The Assignor hereby assigns all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned under this Agreement; and further provided that debt service payment obligations are excluded from the assignment hereunder.

3. Assumption. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignee has or will accept the foregoing contribution, assignment, transfer and conveyance of the Designated Water Supply Facilities of the Assignor. The Assignee hereby assumes all of the Assignor's currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assumed under this Agreement; and further provided that debt service payment obligations are excluded from this assumption hereunder.

4. Mutual Acknowledgement. For the avoidance of doubt, it is expressly

acknowledged by the parties that the contributions, assignments, transfers and conveyances set forth in clause (i) of Section 2 hereof, and the acceptances set forth in clause (i) of Section 3 hereof, do not include the Excluded Assets of the Assignor described (and as defined) in the 28E/28F Agreement, and do not include any assets, rights, properties or business of the Assignor other than the Transferred Assets of the Assignor set forth in the 28E/28F Agreement.

5. Acknowledgment of Closing and Closing Date. The parties hereby mutually acknowledge the consummation of the closing as of the date of this Agreement.

6. Effective Date. Pursuant to and in accordance with the CIWW Loan Documents, the transactions contemplated by this Agreement shall take effect as of the date hereof.

7. Further Assurances. Each party hereby expressly acknowledges, without implied limitation, and hereby agrees, at any time and from time to time at the reasonable request of the other party, to execute and deliver, or cause to be executed and delivered, such additional instruments, and take such further actions, as may be reasonably necessary to carry out the transactions contemplated by this Agreement, the CIWW Loan Documents and the 28E/28F Agreement.

8. Certificate of the Department. The consent of the Authority with respect to this Agreement shall be contingent upon receipt by the parties hereto of a certificate of the Department certifying (i) the transfer of the assets from the Assignor to the Assignee complies with the SRF Program and (ii) the Assignee qualifies as a water supply production and supply entity.

9. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

10. Application of Uniform Electronic Transactions Act. The Assignor, the Assignee and the Authority, as the consenting party, agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

[PAGE INTENTIONALLY ENDS HERE. SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of the date first above written.

ASSIGNOR:

DES MOINES WATER WORKS

By: _____

Name: _____

Title: _____

ASSIGNEE:

CENTRAL IOWA WATER WORKS

By: _____

Name: _____

Title: _____

Consented and agreed to as of the date first above written.

CONSENTING PARTY:

IOWA FINANCE AUTHORITY

By: _____

Name: _____

Title: _____

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN WEST DES MOINES WATER WORKS AND CENTRAL IOWA WATER WORKS", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____%

Weighted Vote Result: AYES _____%

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
BETWEEN WEST DES MOINES WATER WORKS AND
CENTRAL IOWA WATER WORKS

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, West Des Moines Water Works, a municipal water utility organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$2,161,000 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignment and Assumption Agreement (“Agreement”) attached hereto as Exhibit “A” sets forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, the Board of Trustees believes it is in the best interests of the Members to enter into said Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Central Iowa Water Works hereby finds that it is in the best interest of CIWW to enter into the Assignment and Assumption Agreement with West Des Moines Water Works attached hereto as Exhibit "A" and hereby authorizes and approves the Agreement.

BE IT FURTHER RESOLVED, that (i) the Board Chair and Secretary together, individually or collectively be, and are, hereby authorized, empowered and directed to execute, attest, and deliver the Assignment and Assumption Agreement in accordance with these resolutions, substantially in the form now before this Board, with such changes as may be approved by the Executive Director and legal counsel; and (ii) the Board Chair and Secretary, the Executive Director, and the other officers of CIWW be, and are, hereby authorized, empowered and directed, individually or jointly to do all such acts and things, necessary or appropriate to carry out and comply with this Resolution.

PASSED AND APPROVED this 6th day of December 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Agreement”), dated as of January 3, 2025, is entered into by and between West Des Moines Water Works (the “Assignor”) and Central Iowa Water Works (the “Assignee”).

WITNESSETH

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, West Des Moines Water Works, a municipal water utility organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$2,161,000 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignee will issue new Notes (the “Series 2025 Notes”) and enter into new Loan and Disbursement Agreements (the “CIWW Loan Documents”) with the Authority” and will use proceeds thereof to pay Assignor an amount equal to the above-referenced outstanding aggregate principal amount of the Loans; and

WHEREAS, Assigner will use said payment from Assignee to pay off the Loans on January 3, 2025; and

WHEREAS, the Assignor and the Assignee desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, this Agreement is being entered into in connection and conjunction with the transfer and assignment of certain Assignor assets pursuant to the terms of the Central Iowa Water Works 28E/28F Agreement (the "28E/28F Agreement), for which the Assignor and Assignee are parties, pursuant to which Assignor has agreed to transfer to Assignee, and Assignee has agreed to receive and accept from Assignor, a portion of the Designated Water Supply Facilities assets (as set forth in the 28E/28FAgreement) of the Assignor;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, the 28E/28F Agreement, the CIWW Loan Documents and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined in this Agreement shall have the meanings for such terms that are set forth in the 28E/28F Agreement or the CIWW Loan Documents.

2. Assignment. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignor has or will contribute, assign, transfer and convey to Assignee all rights, title and interests of Assignor in, to and under all of the transferred Designated Water Supply Facilities assets of the Assignor as and to the extent set forth in the 28E/28F Agreement and such other property transfer documents as may now or hereafter be prepared to effectuate such property transfers. The Assignor hereby assigns all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned under this Agreement; and further provided that debt service payment obligations are excluded from the assignment hereunder.

3. Assumption. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignee has or will accept the foregoing contribution, assignment, transfer and conveyance of the Designated Water Supply Facilities of the Assignor. The Assignee hereby assumes all of the Assignor's currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assumed under this Agreement; and further provided that debt service payment obligations are excluded from this assumption hereunder.

4. Mutual Acknowledgement. For the avoidance of doubt, it is expressly

acknowledged by the parties that the contributions, assignments, transfers and conveyances set forth in clause (i) of Section 2 hereof, and the acceptances set forth in clause (i) of Section 3 hereof, do not include the Excluded Assets of the Assignor described (and as defined) in the 28E/28F Agreement, and do not include any assets, rights, properties or business of the Assignor other than the Transferred Assets of the Assignor set forth in the 28E/28F Agreement.

5. Acknowledgment of Closing and Closing Date. The parties hereby mutually acknowledge the consummation of the closing as of the date of this Agreement.

6. Effective Date. Pursuant to and in accordance with the CIWW Loan Documents, the transactions contemplated by this Agreement shall take effect as of the date hereof.

7. Further Assurances. Each party hereby expressly acknowledges, without implied limitation, and hereby agrees, at any time and from time to time at the reasonable request of the other party, to execute and deliver, or cause to be executed and delivered, such additional instruments, and take such further actions, as may be reasonably necessary to carry out the transactions contemplated by this Agreement, the CIWW Loan Documents and the 28E/28F Agreement.

8. Certificate of the Department. The consent of the Authority with respect to this Agreement shall be contingent upon receipt by the parties hereto of a certificate of the Department certifying (i) the transfer of the assets from the Assignor to the Assignee complies with the SRF Program and (ii) the Assignee qualifies as a water supply production and supply entity.

9. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

10. Application of Uniform Electronic Transactions Act. The Assignor, the Assignee and the Authority, as the consenting party, agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

[PAGE INTENTIONALLY ENDS HERE. SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of the date first above written.

ASSIGNOR:

WEST DES MOINES WATER WORKS

By: _____

Name: _____

Title: _____

ASSIGNEE:

CENTRAL IOWA WATER WORKS

By: _____

Name: _____

Title: _____

Consented and agreed to as of the date first above written.

CONSENTING PARTY:

IOWA FINANCE AUTHORITY

By: _____

Name: _____

Title: _____

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF GRIMES, IOWA AND CENTRAL IOWA WATER WORKS", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____%

Weighted Vote Result: AYES _____%

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT
BETWEEN THE CITY OF GRIMES, Iowa AND CENTRAL
IOWA WATER WORKS

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, the City of Grimes, Iowa is a municipal corporation organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$28,732,000 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignment and Assumption Agreement (“Agreement”) attached hereto as Exhibit “A” sets forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, the Board of Trustees believes it is in the best interests of the Members to enter into said Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Central Iowa Water Works hereby finds that it is in the best interest of CIWW to enter into the Assignment and Assumption Agreement with the City of Grimes, Iowa attached hereto as Exhibit "A" and hereby authorizes and approves the Agreement.

BE IT FURTHER RESOLVED, that (i) the Board Chair and Secretary together, individually or collectively be, and are, hereby authorized, empowered and directed to execute, attest, and deliver the Assignment and Assumption Agreement in accordance with these resolutions, substantially in the form now before this Board, with such changes as may be approved by the Executive Director and legal counsel; and (ii) the Board Chair and Secretary, the Executive Director, and the other officers of CIWW be, and are, hereby authorized, empowered and directed, individually or jointly to do all such acts and things, necessary or appropriate to carry out and comply with this Resolution.

PASSED AND APPROVED this 6th day of December 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Agreement”), dated as of January 3, 2025, is entered into by and between City of Grimes, Iowa (the “Assignor”) and Central Iowa Water Works (the “Assignee”).

WITNESSETH

WHEREAS, the Iowa Finance Authority (the “Authority”), in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, City of Grimes, Iowa, a municipal water utility organized and existing under the Code of Iowa (the “Municipal Utility” or the “Assignor”), participated in the Program and received loans as a means of financing all or part of the construction of certain water supply facilities serving the Assignor and its residents and approved by the Department and undertaken by the Assignor for the purpose of providing safe drinking water to the customers thereof (the “Project”); and

WHEREAS, to assist in financing the Project, the Authority made certain loans to the Assignor which remain outstanding in the aggregate principal amount of \$28,732,000 (the “Loans”) pursuant to the terms, pledge, covenants, representations and warranties pursuant to existing Loan and Disbursement Agreements (the “Initial Loan and Disbursement Agreements”) between the Authority and the Assignor; and

WHEREAS, in accordance with a 28E/28F Agreement, the Assignor is selling a portion of its water supply facilities (the “Designated Water Supply Facilities”) to the Assignee, and pursuant to this Agreement is assigning all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee, and the Assignee has agreed to assume all of the Assignor’s currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements; provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned and assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned and assumed under this Agreement; and further provided that debt service payment obligations are excluded from the assignment and assumption; and

WHEREAS, the Assignee will issue new Notes (the “Series 2025 Notes”) and enter into new Loan and Disbursement Agreements (the “CIWW Loan Documents”) with the Authority” and will use proceeds thereof to pay Assignor an amount equal to the above-referenced outstanding aggregate principal amount of the Loans; and

WHEREAS, Assigner will use said payment from Assignee to pay off the Loans on January 3, 2025; and

WHEREAS, the Assignor and the Assignee desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the CIWW Loan Documents, as consented to by the Authority as the lender of the Loans and party to the Initial Loan and Disbursement Agreements; and

WHEREAS, this Agreement is being entered into in connection and conjunction with the transfer and assignment of certain Assignor assets pursuant to the terms of the Central Iowa Water Works 28E/28F Agreement (the "28E/28F Agreement), for which the Assignor and Assignee are parties, pursuant to which Assignor has agreed to transfer to Assignee, and Assignee has agreed to receive and accept from Assignor, a portion of the Designated Water Supply Facilities assets (as set forth in the 28E/28F Agreement) of the Assignor;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, the 28E/28F Agreement, the CIWW Loan Documents and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined in this Agreement shall have the meanings for such terms that are set forth in the 28E/28F Agreement or the CIWW Loan Documents.

2. Assignment. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignor has or will contribute, assign, transfer and convey to Assignee all rights, title and interests of Assignor in, to and under all of the transferred Designated Water Supply Facilities assets of the Assignor as and to the extent set forth in the 28E/28F Agreement and such other property transfer documents as may now or hereafter be prepared to effectuate such property transfers. The Assignor hereby assigns all of its currently existing rights, duties, obligations and liabilities resulting from the Loans and the Initial Loan and Disbursement Agreements to the Assignee (but no such assignment shall occur with respect to the Assignor's requirements with respect to the Single Audit Act of 1996 and implementing regulations); provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assigned, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assigned under this Agreement; and further provided that debt service payment obligations are excluded from the assignment hereunder.

3. Assumption. In accordance with and pursuant to the terms of the 28E/28F Agreement the Assignee has or will accept the foregoing contribution, assignment, transfer and conveyance of the Designated Water Supply Facilities of the Assignor. The Assignee hereby assumes all of the Assignor's currently existing rights, duties, obligations and liabilities in and to the Loans and the Initial Loan and Disbursement Agreements (but no such assumption shall occur with respect to the Assignor's requirements with respect to the Single Audit Act of 1996 and implementing regulations); provided, however, that the Loans and the Initial Loan and Disbursement Agreements are not being assumed, and only such rights, duties, obligations and liabilities which have arisen thereunder prior to January 3, 2025 are being assumed under this Agreement; and

further provided that debt service payment obligations are excluded from this assumption hereunder.

4. Mutual Acknowledgement. For the avoidance of doubt, it is expressly acknowledged by the parties that the contributions, assignments, transfers and conveyances set forth in clause (i) of Section 2 hereof, and the acceptances set forth in clause (i) of Section 3 hereof, do not include the Excluded Assets of the Assignor described (and as defined) in the 28E/28F Agreement, and do not include any assets, rights, properties or business of the Assignor other than the Transferred Assets of the Assignor set forth in the 28E/28F Agreement.

5. Acknowledgment of Closing and Closing Date. The parties hereby mutually acknowledge the consummation of the closing as of the date of this Agreement.

6. Effective Date. Pursuant to and in accordance with the CIWW Loan Documents, the transactions contemplated by this Agreement shall take effect as of the date hereof.

7. Further Assurances. Each party hereby expressly acknowledges, without implied limitation, and hereby agrees, at any time and from time to time at the reasonable request of the other party, to execute and deliver, or cause to be executed and delivered, such additional instruments, and take such further actions, as may be reasonably necessary to carry out the transactions contemplated by this Agreement, the CIWW Loan Documents and the 28E/28F Agreement.

8. Certificate of the Department. The consent of the Authority with respect to this Agreement shall be contingent upon receipt by the parties hereto of a certificate of the Department certifying (i) the transfer of the assets from the Assignor to the Assignee complies with the SRF Program and (ii) the Assignee qualifies as a water supply production and supply entity.

9. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

10. Application of Uniform Electronic Transactions Act. The Assignor, the Assignee and the Authority, as the consenting party, agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

[PAGE INTENTIONALLY ENDS HERE. SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of the date first above written.

ASSIGNOR:

CITY OF GRIMES, IOWA

By: _____

Name: _____

Title: _____

ASSIGNEE:

CENTRAL IOWA WATER WORKS

By: _____

Name: _____

Title: _____

Consented and agreed to as of the date first above written.

CONSENTING PARTY:

IOWA FINANCE AUTHORITY

By: _____

Name: _____

Title: _____



CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM

Meeting Date: December 6, 2024

ITEM NUMBER: 5B 1, 2

SUBJECT: \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A

SUMMARY:

This action is establishing five new tax-exempt loans to pay off existing loans from member agencies. Each loan will pay off the loan balance as well as pay for cost of issuance and provide funds to establish a debt service reserve fund as required by the bond covenants.

FINANCIAL IMPACT:

Four of these loans are joint capital loans at a 2% rate and the fifth is an expansion loan at 2.75%. The final maturity dates of these loans range from December 2033 to December 2044. The principal and interest for 2025 have been included in the 2025 budget and in the 2025 rates.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Approve form of Tax Exemption Certificate and Resolution approving and authorizing the form of Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes.

Prepared by: Jami Madsen

December 6, 2024

The Board of Trustees of Central Iowa Water Works, State of Iowa, met in _____ session, at the MidAmerican Energy Company RecPlex, 6500 Grand Ave., West Des Moines, Iowa, at _____ o'clock _____.M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

Vacant: _____

* * * * *

Board Member _____ moved that the form of Tax Exemption Certificate and the Loan and Disbursement Agreements (five) be placed on file and approved. Board Member _____ seconded the motion and the roll being called thereon, the vote was as follows:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____%

Weighted Vote Result: AYES _____%

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF LOAN AND DISBURSEMENT AGREEMENTS BY AND BETWEEN CENTRAL IOWA WATER WORKS AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$26,522,647.03 WATER REVENUE CAPITAL LOAN NOTES, SERIES 2025A, OF CENTRAL IOWA WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____ %

Weighted Vote Result: AYES _____ %

TAX EXEMPTION CERTIFICATE
CENTRAL IOWA WATER WORKS, IOWA

THIS TAX EXEMPTION CERTIFICATE made and entered into on January 3, 2025, by Central Iowa Water Works, State of Iowa (the "Issuer").

INTRODUCTION

This Certificate is executed and delivered in connection with the issuance by the Issuer of its \$26,522,647.03 Water Revenue Capital Loan Note, Series 2025A (the "Bonds"). The Bonds are issued pursuant to the provisions of the Resolution of the Issuer authorizing the issuance of the Bonds. Such Resolution provides that the covenants contained in this Certificate constitute a part of the Issuer's contract with the owners of the Bonds.

The Issuer recognizes that under the Code (as defined below) the tax-exempt status of the interest received by the owners of the Bonds is dependent upon, among other things, the facts, circumstances, and reasonable expectations of the Issuer as to future facts not in existence at this time, as well as the observance of certain covenants in the future. The Issuer covenants that it will take such action with respect to the Bonds as may be required by the Code, and pertinent legal regulations issued thereunder in order to establish and maintain the tax-exempt status of the Bonds, including the observance of all specific covenants contained in the Resolution and this Certificate.

ARTICLE I

DEFINITIONS

The following terms as used in this Certificate shall have the meanings set forth below. The terms defined in the Resolution shall retain the meanings set forth therein when used in this Certificate. Other terms used in this Certificate shall have the meanings set forth in the Code or in the Regulations.

"Annual Debt Service" means the principal of and interest on the Bonds scheduled to be paid during a given Bond Year.

"Bonds" means the \$26,522,647.03 aggregate principal amount of a Water Revenue Capital Loan Note of the Issuer issued in registered form pursuant to the Resolution.

"Bond Counsel" means Ahlers & Cooney, P.C., Des Moines, Iowa, or an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any State of the United States of America.

"Bond Fund" means the Sinking Fund described in the Resolution.

"Bond Year", as defined in Regulation 1.148-1(b), means a one-year period beginning on the day after expiration of the preceding Bond Year. The first Bond Year shall be the one-year or shorter period beginning on the Closing Date and ending on a principal or interest payment date, unless Issuer selects another date.

"Bond Yield" means that discount rate which produces an amount equal to the Issue Price of the Bonds when used in computing the present value of all payments of principal and interest to be paid on the Bonds, using semiannual compounding on a 360-day year as computed under Regulation 1.148-4.

"Certificate" means this Tax Exemption Certificate.

"Closing" means the delivery of the Bonds in exchange for the agreed upon purchase price.

"Closing Date" means the date of Closing.

"Code" means the Internal Revenue Code of 1986, as amended, and any statutes which replace or supplement the Internal Revenue Code of 1986.

"Computation Date" means each five-year period from the Closing Date through the last day of the fifth and each succeeding fifth Bond Year.

"Excess Earnings" means the amount earned on all Nonpurpose Investments minus the amount which would have been earned if such Nonpurpose Investments were invested at a rate equal to the Bond Yield, plus any income attributable to such excess.

"Final Bond Retirement Date" means the date on which the Bonds are actually paid in full.

"Governmental Obligations" means direct general obligations of, or obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by the United States.

"Gross Proceeds", as defined in Regulation 1.148-1(b), means any Proceeds of the Bonds and any replacement proceeds (as defined in Regulation 1.148-1(c)) of the Bonds.

"Gross Proceeds Funds" means the Reserve Fund, the Project Fund and any other fund or account held for the benefit of the owners of the Bonds or containing Gross Proceeds of the Bonds except the Bond Fund and the Rebate Fund.

"Issue Price", as defined in Regulation 1.148-1(b), means the initial offering price of the Bonds to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds were sold to the public. The Purchasers have certified the Issue Price to be not more than \$26,522,647.03.

"Issuer" and "CIWW" means Central Iowa Water Works, State of Iowa.

"Minor Portion of the Bonds", as defined in Regulation 1.148-2(g), means the lesser of five (5) percent of Proceeds or \$100,000. The Minor Portion of the Bonds is computed to be \$100,000.

"Nonpurpose Investments" means any investment property which is acquired with Gross Proceeds and is not acquired to carry out the governmental purpose of the Bonds, and may include but is not limited to U.S. Treasury bonds, corporate bonds, or certificates of deposit.

"Proceeds", as defined in Regulation 1.148-1(b), means Sale Proceeds, investment proceeds and transferred proceeds of the Bonds.

"Project" means the acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system, as more fully described in the Resolution.

"Project Fund" means the fund established in the Resolution.

"Purchaser" means the Iowa Finance Authority, Des Moines, Iowa, constituting the initial purchaser of the Bonds from the Issuer.

"Rebate Amount" means the amount computed as described in this Certificate.

"Rebate Fund" means the fund to be created, if necessary, pursuant to this Certificate.

"Rebate Payment Date" means a date chosen by the Issuer which is not more than 60 days following each Computation Date or the Final Bond Retirement Date.

"Regulations" means the Income Tax Regulations, amendments and successor provisions promulgated by the Department of the Treasury under Sections 103, 148 and 149 of the Code, or other Sections of the Code relating to "arbitrage bonds", including without limitation Regulations 1.148-1 through 1.148-11, 1.149(b)-1, 1.149-d(1), 1.150-1 and 1.150-2.

"Replacement Proceeds" include, but are not limited to, sinking funds, amounts that are pledged as security for an issue, and amounts that are replaced because of a sufficiently direct nexus to a governmental purpose of an issue.

"Resolution" means the resolution of the Issuer adopted on December 6, 2024 authorizing the issuance of the Bonds.

"Sale Proceeds", as defined in Regulation 1.148-1(b), means any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriter's discount or compensation and accrued interest other than pre-issuance accrued interest.

"Sinking Fund" means the Bond Fund.

"Tax Exempt Obligations" means bonds or other obligations the interest on which is excludable from the gross income of the owners thereof under Section 103 of the Code and include certain regulated investment companies, stock in tax-exempt mutual funds and demand deposit SLGS.

"Taxable Obligations" means all investment property, obligations or securities other than Tax Exempt Obligations.

"Verification Certificate" means the certificate attached to this Certificate as Exhibit A, establishing that the Purchaser will not reoffer or sell the Bonds to the public.

ARTICLE II

SPECIFIC CERTIFICATIONS, REPRESENTATIONS AND AGREEMENTS

The Issuer hereby certifies, represents and agrees as follows:

Section 2.1 Authority to Certify and Expectations

(a) The undersigned officer of the Issuer along with other officers of the Issuer, are charged with the responsibility of issuing the Bonds.

(b) This Certificate is being executed and delivered in part for the purposes specified in Section 1.148-2(b)(2) of the Regulations and is intended (among other purposes) to establish reasonable expectations of the Issuer at this time.

(c) The Issuer has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.148-2(b)(2) of the Regulations.

(d) The certifications, representations and agreements set forth in this Article II are made on the basis of the facts, estimates and circumstances in existence on the date hereof, including the following: (1) with respect to amounts expected to be received from delivery of the Bonds, amounts actually received, (2) with respect to payments of amounts into various funds or accounts, review of the authorizations or directions for such payments made by the Issuer pursuant to the Resolution and this Certificate, (3) with respect to the Issue Price, the certifications of the Purchaser as set forth in the Verification Certificate, (4) with respect to expenditure of the Proceeds of the Bonds, actual expenditures and reasonable expectations of the Issuer as to when the Proceeds will be spent for purposes of the Project, (5) with respect to amounts reasonably required in a reserve fund, the certifications of the Municipal Advisor as set forth in Exhibit B hereto, (6) with respect to Bond Yield, review of the Verification Certificate, and (7) with respect to the amount of governmental and Code Section 501(c)(3) bonds to be issued during the calendar year, the budgeting and present planning of Issuer. The Issuer has no

reason to believe such facts, estimates or circumstances are untrue or incomplete in any material way.

(e) To the best of the knowledge and belief of the undersigned officer of the Issuer, there are no facts, estimates or circumstances that would materially change the representations, certifications or agreements set forth in this Certificate, and the expectations herein set out are reasonable.

(f) No arrangement exists under which the payment of principal or interest on the Bonds would be directly or indirectly guaranteed by the United States or any agency or instrumentality thereof.

(g) After the expiration of any applicable temporary periods, and excluding investments in a bona fide debt service fund or reserve fund, not more than five percent (5%) of the Proceeds of the Bonds will be (a) used to make loans which are guaranteed by the United States or any agency or instrumentality thereof, or (b) invested in federally insured deposits or accounts.

(h) The Issuer will file with the Internal Revenue Service in a timely fashion Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, with respect to the Bonds and such other reports required to comply with the Code and applicable Regulations.

(i) The Issuer will take no action which would cause the Bonds to become "private activity bonds" as defined in Section 141(a) of the Code, including any use of the Project by any person other than a governmental unit if such use will be as other than a member of the general public. None of the Proceeds of the Bonds will be used directly or indirectly to make or finance loans to any person other than a governmental unit.

(j) The Issuer will make no change in the nature or purpose of the Project except as provided in Section 6.1 hereof.

(k) Except as provided in Section 6.1 hereof, the Issuer will not establish any sinking fund, bond fund, reserve fund, debt service fund or other fund reasonably expected to be used to pay debt service on the Bonds (other than the Bond Fund and any Reserve Fund), exercise its option to redeem Bonds prior to maturity or effect a refunding of the Bonds.

(l) Except for the Bonds described as \$22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B, no bonds or other obligations of the Issuer (1) were sold in the 15 days preceding the date of sale of the Bonds, (2) were sold or will be sold within the 15 days after the date of sale of the Bonds, (3) have been delivered in the past 15 days or (4) will be delivered in the next 15 days pursuant to a common plan of financing for the issuance of the Bonds and payable out of substantially the same source of revenues.

(m) None of the Proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer used directly or indirectly to acquire obligations having a yield higher than the Bond Yield.

(n) No portion of the Bonds will be issued for the purpose of investing such portion at a higher yield than the Bond Yield.

(o) The Issuer does not expect that the Proceeds of the Bonds will be used in a manner that would cause them to be "arbitrage bonds" as defined in Section 148(a) of the Code. The Issuer does not expect that the Proceeds of the Bonds will be used in a manner that would cause the interest on the Bonds to be includable in the gross income of the owners of the Bonds under the Code. The Issuer will not intentionally use any portion of the Proceeds to acquire higher yielding investments.

(p) The Issuer will not use the Proceeds of the Bonds to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage.

(q) The Issuer has not issued more Bonds, issued the Bonds earlier, or allowed the Bonds to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds.

(r) The Issuer has not employed a device in connection with the issuance of the Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates. The Issuer will not realize any material financial advantage (based on arbitrage or otherwise) in connection with the issuance of the Bonds, or in connection with any transaction or series of transactions connected with the issuance of the Bonds, apart from savings attributable to lower interest rates.

(s) The Bonds will not be Hedge Bonds as described in Section 149(g)(3) of the Code because the Issuer reasonably expects that it will meet the Expenditure Test set forth in Section 2.5(b) hereof and that not more than 50% of the Proceeds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four or more years.

Section 2.2 Receipts and Expenditures of Sale Proceeds

Sale Proceeds received at Closing are expected to be deposited and expended as follows:

- (a) \$265,787.97 representing costs of issuing the Bonds and the Initiation Fee for the Loan will be used within six months of the Closing Date to pay the costs of issuance of the Bonds (with any excess remaining on deposit in the Project Fund); and
- (b) \$1,863,859.06 will be deposited into the Reserve Fund; and
- (c) \$24,393,000 will be deposited into the Project Fund and will be used together with earnings thereon to pay the costs of the Project and will not exceed the amount necessary to accomplish the governmental purposes of the Bonds.

Section 2.3 Purpose of Bonds

The Issuer is issuing the Bonds to pay costs of acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system.

Section 2.4 Facts Supporting Tax-Exemption Classification

The Bonds are considered to be governmental bonds. Proceeds of the Bonds will be used for the purpose of paying costs of acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system. The Bonds are not private activity bonds because less than ten percent of the Proceeds of the Bonds will be used in a trade or business carried on by a non-governmental unit. All of the financed facilities are owned by Central Iowa Water Works (“CIWW”) and are expected to be used by the public generally, including commercial and industrial users, as described herein. There are no contractual arrangements or agreements between Central Iowa Water Works and any commercial or industrial user of the Water System. CIWW only sells wholesale, and only to its members, all of which wholesale customers (the “Members”) are political subdivisions which own and operate retail water distribution systems. The Members primarily have general public users of their water systems. Certain Members have a small number of contractual arrangements or agreements between the applicable Member and certain commercial or industrial users of the applicable Member’s water system for use of output of the water system outside the general public use exception to private activity. There are no other lease, management contract or other similar arrangements with respect to the CIWW Water System or the Members’ water systems. Commercial or industrial users of the Members’ water systems may be or become subject to different rates or charges than those imposed on their residential customers, depending on the volume of the water they purchase. Other than the above-referenced use outside the general public use exception to private activity, CIWW reasonably believes that all such rates and charges are or will be imposed by virtue of Member ordinances or resolutions applicable to all entities meeting the standards set forth therein. Other than the above-referenced use outside the general public use exception to private activity, no other charges or payments will be imposed or paid to Central Iowa Water Works, and CIWW reasonably believes that no other charges or payments will be imposed or paid to its Members, by any contributing industry for water services or Project-related construction and acquisition beyond those mandated by ordinance or resolution for certain classes of users. The above-referenced use outside the general public use exception to private activity constitutes less than 10% of the output of the CIWW Water System and, therefore, less than 10% of the final Issue Price, and all such use is related to the governmental uses by CIWW and its Members, all of which are political subdivisions. CIWW covenants to remain under 10% plus the allowable amount of floating private use under Section 1.141-6, in the aggregate for all private uses.

The Issuer reasonably expects the total project costs to be \$45,093,000 (“Project Cost”). Pursuant to Regulation 26 CFR 1.141-6, the Issuer reasonably expects to contribute approximately \$20,700,000 of qualified equity (from the Taxable Water Revenue Capital Loan Notes, Series 2025B, issued contemporaneously with the Bonds) towards the Project Cost, or 45.9% of the Project Cost, with the remaining \$24,393,000 of the Project Cost to be financed with Proceeds of the Bonds. As described in the prior paragraph, the use outside the general

public use exception to private activity constitutes less than 10% of the output of the CIWW Water System. The Issuer's qualified equity contribution and the allowable floating private use under Section 1.141-6 will allow private activity above 10%, to the extent of the qualified equity contribution and the allowable floating private use. Therefore, the Issuer's total allowable amount of private use (10% plus qualified equity contribution and the allowable floating private use under Section 1.141-6) exceeds the actual amount of private use, which is under 10%.

No amount of Proceeds of the Bonds is to be used directly or indirectly to make or finance loans to persons other than governmental units.

Section 2.5 Facts Supporting Temporary Periods for Proceeds

(a) Time Test. Not later than six months after the Closing Date, the Issuer will incur a substantial binding obligation to a third party to expend at least 5% of the net Sale Proceeds of the Bonds.

(b) Expenditure Test. Not less than 85% of the net Sale Proceeds will be expended for Project costs, including the reimbursement of other funds expended to date, within a three-year temporary period from the Closing Date.

(c) Due Diligence Test. Not later than six months after Closing, work on the Project will have commenced and will proceed with due diligence to completion.

(d) Proceeds of the Bonds representing less than six months accrued interest on the Bonds will be spent within six months of this date to pay interest on the Bonds, and will be invested without restriction as to yield for a temporary period not in excess of six months.

Section 2.6 Resolution Funds at Restricted or Unrestricted Yield

(a) Proceeds of the Bonds will be held and accounted for in the manner provided in the Resolution. The Issuer has not and does not expect to create or establish any other bond fund, reserve fund, or similar fund or account for the Bonds. The Issuer has not and will not pledge any moneys or Taxable Obligations in order to pay debt service on the Bonds or restrict the use of such moneys or Taxable Obligations so as to give reasonable assurances of their availability for such purposes.

(b) Any monies which are invested beyond a temporary period are expected to constitute less than a major portion of the Bonds or to be restricted for investment at a yield not greater than one-eighth of one percent above the Bond Yield.

(c) The Issuer has established and will use the Bond Fund primarily to achieve a proper matching of revenues and debt service within each Bond Year and the Issuer will apply moneys deposited into the Bond Fund to pay the principal of and interest on the Bonds. Such Fund will be depleted at least once each Bond Year except for a reasonable carryover amount. The carryover amount will not exceed the greater of (1) one year's earnings on the Bond Fund or (2) one-twelfth of Annual Debt Service. The Issuer will spend moneys deposited from time to

time into such fund within 13 months after the date of deposit. Revenues, intended to be used to pay debt service on the Bonds, will be deposited into the Bond Fund as set forth in the Resolution. The Issuer will spend interest earned on moneys in such fund not more than 12 months after receipt. Accordingly, the Issuer will treat the Bond Fund as a bona fide debt service fund as defined in Regulation 1.148-1(b).

Amounts on deposit in the Bond Fund will be subject to the arbitrage rebate requirements set forth in Article III.

Investment of amounts on deposit in the Bond Fund will not be subject to arbitrage rebate requirements as the Bonds meet the safe harbor set forth in Regulation 1.148-3(k), because the average annual debt service on the Bonds will not exceed \$2,500,000; the Bonds meet the safe harbor set forth in Code Section 148(f)(A)(4)(ii) because the Bonds are not private activity bonds, the average maturity of the issue (determined in accordance with Code Section 147(b)(2)(A)) is at least 5 years and the rates of interest on the bonds which are part of the issue do not vary during the term of the issue; and the Bonds are expected to meet one or more of the spending exemptions from rebate as provided in Section 3.3 hereof.

(d) The Minor Portion of the Bonds will be invested without regard to yield.

(e) A Reserve Fund is established to secure the Bonds, however, the Issuer does not expect that principal of or interest on the Bonds will be paid from the Reserve Fund. Monies in the Reserve Fund will not be accumulated except to a reasonable extent. Within one year of receipt, earnings upon the investment of the Reserve Fund monies will be commingled with other revenues from the operations of the Issuer which are substantial in amount for accounting and expenditure.

(f) The amounts on deposit in the Reserve Fund will at all times be equal to or less than the Allowable Reserve Fund Amount. However, if the amount in the Reserve Fund exceeds the Allowable Reserve Fund Amount, such excess must be invested at a yield no higher than the Bond Yield or will be invested in Tax Exempt Obligations.

(g) For purposes of Subsections (e) and (f), the following terms shall have the meanings set forth below:

(i) "Allowable Reserve Fund Amount" as described in Regulation 1.148-2(f)(2) means an amount equal to the lesser of ten (10) percent of the stated principal amount of the Bonds and Parity Obligations, the maximum Annual Debt Service on the Bonds and Parity Obligations, or 125% of the average annual principal and interest requirement on the Bonds and Parity Obligations. At the time of Closing, the Allowable Reserve Fund Amount is computed to be \$3,445,537.50 (consisting of \$1,863,859.06 funded from the Bonds plus \$1,581,678.44 funded from the Taxable Series 2025B Notes).

(ii) "Reserve Fund" means that portion of the Reserve Fund as described in the Resolution.

(h) The Bond Fund and the Bond Reserve Fund are funds which either (a) are reasonably expected to be used to pay debt service on the Bonds and other Parity Bonds, or (b) are pledged to the payment of debt service on the Parity Bonds should other sources prove insufficient. The Bond Fund is a "sinking fund" as defined in Regulation 1.148-1(c)(2). The Bond Fund and the Reserve Fund apply to two or more issues, and each fund in the aggregate shall be referred to as a "Commingled Fund". Each Commingled Fund shall be allocated among the various issues of Parity Bonds according to the methods described below.

(i) For purposes of Subsection (h), the following terms shall have the meanings set forth below:

(i) "Bond Fund Allocation Factor" shall be determined by dividing the original face amount of the Bonds, \$26,522,647.03, by the sum of the original face amounts of all outstanding Parity Bonds.

(ii) "Parity Bonds" means the Bonds, and all other outstanding bonds of the Issuer ranking on a parity with the Bonds as set forth in the Resolution.

(iii) "Reserve Fund Allocation Factor" shall be determined by dividing the original principal amount of the Bonds, \$26,522,647.03 by the sum of the original face amounts of all outstanding Parity Bonds.

A portion of the investments in each Commingled Fund and earnings thereon shall be allocated to the Bonds by applying a certain percentage (the "Series 2025A Share") of the market value of the investments in the applicable Commingled Fund. Each time an issue of Parity Bonds is no longer outstanding and each time additional Parity Bonds are issued, the Issuer shall calculate the Series 2025A Share for the Bond Fund and Reserve Fund. The Series 2025A Share is determined for each Commingled Fund by applying the Bond Fund Allocation Factor and the Reserve Fund Allocation Factor, as applicable. Each time it shall be necessary to determine the earnings on the Bond Fund or the Reserve Fund, the Issuer shall multiply the earnings for the applicable Commingled Fund by the applicable Series 2025A Share. The Issuer may, at any time, use any other allocation method for the Reserve Fund or the Bond Fund allowed by Regulation 1.148-6(e)(6).

Section 2.7 Pertaining to Yields

(a) The purchase price of all Taxable Obligations to which restrictions apply under this Certificate as to investment yield or rebate of Excess Earnings, if any, has been and shall be calculated using (i) the price taking into account discount, premium and accrued interest, as applicable, actually paid or (ii) the fair market value if less than the price actually paid and if such Taxable Obligations were not purchased directly from the United States Treasury. The Issuer will acquire all such Taxable Obligations directly from the United States Treasury or in an arm's length transaction without regard to any amounts paid to reduce the yield on such Taxable Obligations. The Issuer will not pay or permit the payment of any amounts (other than to the United States) to reduce the yield on any Taxable Obligations. Obligations pledged to the payment of debt service on the Bonds, or deposited into any reserve fund after they have been

acquired by the Issuer will be treated as though they were acquired for their fair market value on the date of such pledge or deposit. Obligations on deposit in any reserve fund on the Closing Date shall be treated as if acquired for their fair market value on the Closing Date.

(b) Qualified guarantees have not been used in computing yield.

(c) The Bond Yield has been computed as not less than 2.2326 percent. This Bond Yield has been computed on the basis of a purchase price for the Bonds equal to the Issue Price.

ARTICLE III

REBATE

Section 3.1 Records

Sale Proceeds of the Bonds will be held and accounted for in the manner provided in the Resolution. The Issuer will maintain adequate records for funds created by the Resolution and this Certificate including all deposits, withdrawals, transfers from, transfers to, investments, reinvestments, sales, purchases, redemptions, liquidations and use of money or obligations until six years after the Final Bond Retirement Date.

Section 3.2 Rebate Fund

(a) In the Resolution, the Issuer has covenanted to pay to the United States the Rebate Amount, an amount equal to the Excess Earnings on the Gross Proceeds Funds, if any, at the times and in the manner required or permitted and subject to stated special rules and allowable exceptions or exemptions.

(b) The Issuer may establish a fund pursuant to the Resolution and this Certificate which is herein referred to as the Rebate Fund. The Issuer will invest and expend amounts on deposit in the Rebate Fund in accordance with this Certificate.

(c) Moneys in the Rebate Fund shall be held by the Issuer or its designee and, subject to Sections 3.4, 3.5 and 6.1 hereof, shall be held for future payment to the United States as contemplated under the provisions of this Certificate and shall not constitute part of the trust estate held for the benefit of the owners of the Bonds or the Issuer.

(d) The Issuer will pay to the United States from legally available money of the Issuer (whether or not such available money is on deposit in any fund or account related to the Bonds) any amount which is required to be paid to the United States.

Section 3.3 Exceptions to Rebate

The Issuer reasonably expects that the Bonds are [not] eligible for one or more exemptions from the arbitrage rebate rules set forth in the Treasury Regulations. If the Bonds are ineligible, or become ineligible, for an exemption to the arbitrage rebate rules, the Issuer will

comply with the provisions of Article III hereof. A description of the applicable rebate exemption(s) is as follows:

- Six Month Exception

The Gross Proceeds of the Bonds are expected to be fully expended for the governmental purposes for which the Bonds were issued no later than six months after the date of issue. If contrary to the reasonable expectations of the Issuer, the Gross Proceeds are not expended within six months, the Issuer will comply with the arbitrage rebate requirements of the Code.

- Eighteen-Month Exemption

The Gross Proceeds of the Bonds are expected to be expended for the governmental purposes for which the Bonds were issued in accordance with the following schedule:

- 1) 15 percent spent within six months of the Closing Date;
- 2) 60 percent spent within one year of the Closing Date;
- 3) 100 percent spent within eighteen months of the Closing Date (subject to 5 percent retainage for not more than one year).

In any event, the Issuer expects that the 5% reasonable retainage will be spent within 30 months of the Closing Date. For purposes of determining compliance with the six-month and twelve-month spending periods, the amount of investment earnings included shall be based on the Issuer's reasonable expectations that the average annual interest rate on investments will be not more than 6.0%. For purposes of determining compliance with the eighteen-month spending period, the amount of investment earnings included shall be based on actual earnings. If the Issuer fails to meet the foregoing expenditure schedule, the Issuer shall comply with the arbitrage rebate requirements of the Code.

- Election to Treat as Construction Bonds – Construction Portion Only.

The Construction portion of the Bonds qualify as a "construction issue" as defined in Section 148(f)(4)(C)(vi) of the Code. The Issuer reasonably expects that more than 75 percent of the "available construction proceeds" ("ACP") of the Bonds, as defined in Section 148(f)(4)(C)(vi) of the Code, will be used for construction expenditures and that not less than the following percentages of the available construction proceeds will be spent within the following periods:

- 1) 10 percent spent within six months of the Closing Date
- 2) 45 percent spent within one year of the Closing Date
- 3) 75 percent spent within eighteen months of the Closing Date
- 4) 100 percent spent within two years of the Closing Date (subject to 5 percent retainage for not more than one year)

In any event, the Issuer expects that the 5% reasonable retainage will be spent within a three-year period beginning on the Closing Date. A failure to spend an amount that does not exceed the

lesser of (i) 3% of the issue price or (ii) \$250,000, is disregarded if the Issuer exercises due diligence to complete the Project.

- Election with respect to future earnings

Pursuant to Section 1.148-7(h)(i)(3) of the Regulations, the Issuer shall calculate the amount of future earnings to be used in determining compliance with the first three spending periods based on its reasonable expectations that the average annual interest rate on investments of the ACP will be not more than 5.0%. Compliance with the final spending period shall be calculated using actual earnings.

- Election with respect to Reserve Fund earnings.

The Issuer shall expend the earnings on the Reserve Fund in accordance with the schedule set forth above and will comply with the rebate requirements of the Code following the end of the two year schedule.

If the Issuer fails to meet the foregoing expenditure schedule, the Issuer shall comply with the arbitrage rebate requirements of the Code.

Section 3.4 Calculation of Rebate Amount

(a) As soon after each Computation Date as practicable, the Issuer shall, if necessary, calculate and determine the Excess Earnings on the Gross Proceeds Funds (the "Rebate Amount"). All calculations and determinations with respect to the Rebate Amount will be made on the basis of actual facts as of the Computation Date and reasonable expectations as to future events.

(b) If the Rebate Amount exceeds the amount currently on deposit in the Rebate Fund, the Issuer may deposit an amount in the Rebate Fund such that the balance in the Rebate Fund after such deposit equals the Rebate Amount. If the amount in the Rebate Fund exceeds the Rebate Amount, the Issuer may withdraw such excess amount provided that such withdrawal can be made from amounts originally transferred to the Rebate Fund and not from earnings thereon, which may not be transferred, and only if such withdrawal may be made without liquidating investments at a loss.

Section 3.5 Rebate Requirements and the Bond Fund

It is expected that the Bond Fund described in the Resolution and Section 2.6(c) of this Certificate will be treated as a bona fide debt service fund as defined in Regulation 1.148-1(b). As such, any amount earned during a Bond Year on the Bond Fund and amounts earned on such amounts, if allocated to the Bond Fund, will not be taken into account in calculating the Rebate Amount for the reasons outlined in Section 2.6(c) hereof. However, should the Bond Fund cease to be treated as a bona fide debt service fund, the Bond Fund will become subject to the rebate requirements set forth in Section 3.4 hereof.

Section 3.6 Investment of the Rebate Fund

(a) Immediately upon a transfer to the Rebate Fund, the Issuer may invest all amounts in the Rebate Fund not already invested and held in the Rebate Fund, to the extent possible, in (1) SLGS, such investments to be made at a yield of not more than one-eighth of one percent above the Bond Yield, (2) Tax Exempt Obligations, (3) direct obligations of the United States or (4) certificates of deposit of any bank or savings and loan association. All investments in the Rebate Fund shall be made to mature not later than the next Rebate Payment Date.

(b) If the Issuer invests in SLGS, the Issuer shall file timely subscription forms for such securities (if required). To the extent possible, amounts received from maturing SLGS shall be reinvested immediately in zero yield SLGS maturing on or before the next Rebate Payment Date.

Section 3.7 Payment to the United States

(a) On each Rebate Payment Date, the Issuer will pay to the United States at least ninety percent (90%) of the Rebate Amount less a computation credit of \$1,000 per Bond Year for which the payment is made.

(b) The Issuer will pay to the United States not later than sixty (60) days after the Final Bond Retirement Date all the rebatable arbitrage as of such date and any income attributable to such rebatable arbitrage as described in Regulation 1.148-3(f)(2).

(c) If necessary, on each Rebate Payment Date, the Issuer will mail a check to the Internal Revenue Service Center, Ogden, UT 84201. Each payment shall be accompanied by a copy of Form 8038-T, Arbitrage Rebate, filed with respect to the Bonds or other information reporting form as is required to comply with the Code and applicable Regulations.

Section 3.8 Records

(a) The Issuer will keep and retain adequate records with respect to the Bonds, the Gross Proceeds Funds, the Bond Fund, the Reserve Fund and the Rebate Fund until six years after the Final Bond Retirement Date. Such records shall include descriptions of all calculations of amounts transferred to the Rebate Fund, if any, and descriptions of all calculations of amounts paid to the United States as required by this Certificate. Such records will also show all amounts earned on moneys invested in such funds, and the actual dates and amounts of all principal, interest and redemption premiums (if any) paid on the Bonds.

(b) Records relating to the investments in such Funds shall completely describe all transfers, deposits, disbursements and earnings including:

(i) a complete list of all investments and reinvestments of amounts in each such Fund including, if applicable, purchase price, purchase date, type of security, accrued interest paid, interest rate, dated date, principal amount, date of maturity, interest payment dates, date of liquidation, receipt upon liquidation, market value of such

investment on the Final Bond Retirement Date if held by the Issuer on the Final Bond Retirement Date, and market value of the investment on the date pledged to the payment of the Bonds, or the date of deposit into the Reserve Fund, or the Closing Date if different from the purchase date.

(ii) the amount and source of each payment to, and the amount, purpose and payee of each payment from, each such Fund.

Section 3.9 Additional Payments

The Issuer hereby agrees to pay to the United States from legally available money of the Issuer (whether or not such available money is on deposit in any fund or account related to the Bonds) any amount which is required to be paid to the United States, but which is not available in a fund related to the Bonds for transfer to the Rebate Fund or payment to the United States.

ARTICLE IV

INVESTMENT RESTRICTIONS

Section 4.1 Avoidance of Prohibited Payments

The Issuer will not enter into any transaction that reduces the amount required to be deposited into the Rebate Fund or paid to the United States because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Bond Yield not been relevant to either party. The Issuer will not invest or direct the investment of any funds in a manner which reduces an amount required to be paid to the United States because such transaction results in a small profit or larger loss than would have resulted if the transaction had been at arm's length and had the Bond Yield not been relevant to the Issuer. In particular, notwithstanding anything to the contrary contained herein or in the Resolution, the Issuer will not invest or direct the investment of any funds in a manner which would violate any provision of this Article IV.

Section 4.2 Market Price Requirement

(a) The Issuer will not purchase or direct the purchase of Taxable Obligations for more than the then available market price for such Taxable Obligations. The Issuer will not sell, liquidate or direct the sale or liquidation of Taxable Obligations for less than the then available market price.

(b) For purposes of this Certificate, United States Treasury obligations purchased directly from the United States Treasury will be deemed to be purchased at the market price.

Section 4.3 Investment in Certificates of Deposit

(a) Notwithstanding anything to the contrary contained herein or in the Resolution, the Issuer will invest or direct the investment of funds on deposit in the Reserve Fund, any other Gross Proceeds Fund, the Bond Fund, and the Rebate Fund, in a certificate of deposit of a bank or savings bank which is permitted by law and by the Resolution only if (1) the price at which such certificate of deposit is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in certificates of deposit of the same type or (2) if there is no active secondary market in such certificates of deposit, the certificate of deposit must have a yield (A) as high or higher than the yield on comparable obligations traded on an active secondary market, as certified by a dealer who maintains such a market, and (B) as high or higher than the yield available on comparable obligations of the United States Treasury.

(b) The certificate of deposit described in part 2(A) of paragraph 4.3(a) above must be executed by a dealer who maintains an active secondary market in comparable certificates of deposit and must be based on actual trades adjusted to reflect the size and term of that certificate of deposit and the stability and reputation of the bank or savings bank issuing the certificate of deposit.

Section 4.4 Investment Pursuant to Investment Contracts and Agreements

The Issuer will invest or direct the investment of funds on deposit in the Gross Proceeds Funds, the Bond Fund, and the Rebate Fund pursuant to an investment contract (including a repurchase agreement) only if all of the following requirements are satisfied:

(a) The Issuer makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers.

(2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements of paragraph (d)(6)(iii)(B)(1) or (2) of section 1.148-5 of the Regulations.

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment.

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers have an equal opportunity to bid and no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(b) The bids received by the Issuer meet all of the following requirements:

(1) The Issuer receives at least three bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (d)(6)(iii)(A) of section 1.148-5 of the Regulations and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (d)(6)(iii)(B)(1) of section 1.148-5 of the Regulations is from a reasonably competitive provider, within the meaning of paragraph (d)(6)(iii)(A)(7) of section 1.148-5 of the Regulations.

(3) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(c) The winning bid meets the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other investments. If the investment is not a guaranteed investment contract, the winning bid is the lowest cost bona fide bid (including any broker's fees).

- (d) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.
- (e) The Issuer will retain the following records with the bond documents until three years after the last outstanding bond is redeemed:
 - (1) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation.
 - (2) The receipt or other record of the amount actually paid by the Issuer for the investments, including a record of any administrative costs paid by the Issuer, and the certification under paragraph (d)(6)(iii)(D) of section 1.148-5 of the Regulations.
 - (3) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.
 - (4) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.
 - (5) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

Section 4.5 Records

The Issuer will maintain records of all purchases, sales, liquidations, investments, reinvestments, redemptions, disbursements, deposits, and transfers of amounts on deposit.

Section 4.6 Investments to be Legal

All investments required to be made pursuant to this Certificate shall be made to the extent permitted by law. In the event that any such investment is determined to be ultra vires, it shall be liquidated and the proceeds thereof shall be invested in a legal investment, provided that prior to reinvesting such proceeds, the Issuer shall obtain an opinion of Bond Counsel to the effect that such reinvestment will not cause the Bonds to become arbitrage bonds under Sections 103, 148, 149, or any other applicable provision of the Code.

ARTICLE V

GENERAL COVENANTS

The Issuer hereby covenants to perform all acts within its power necessary to ensure that the reasonable expectations set forth in Article II hereof will be realized. The Issuer reasonably expects to comply with all covenants contained in this Certificate.

ARTICLE VI

AMENDMENTS AND ADDITIONAL AGREEMENTS

Section 6.1 Opinion of Bond Counsel; Amendments

The various provisions of this Certificate need not be observed and this Certificate may be amended or supplemented at any time by the Issuer if the Issuer receives an opinion or opinions of Bond Counsel that the failure to comply with such provisions will not cause any of the Bonds to become "arbitrage bonds" under the Code and that the terms of such amendment or supplement will not cause any of the Bonds to become "arbitrage bonds" under the Code, or otherwise cause interest on any of the Bonds to become includable in gross income for federal income tax purposes.

Section 6.2 Additional Covenants, Agreements

The Issuer hereby covenants to make, execute and enter into (and to take such actions, if any, as may be necessary to enable it to do so) such agreements as may be necessary to comply with any changes in law or regulations in order to preserve the tax-exempt status of the Bonds to the extent that it may lawfully do so. The Issuer further covenants (1) to impose such limitations on the investment or use of moneys or investments related to the Bonds, (2) to make such payments to the United States Treasury, (3) to maintain such records, (4) to perform such calculations, and (5) to perform such other lawful acts as may be necessary to preserve the tax-exempt status of the Bonds.

Section 6.3 Amendments

Except as otherwise provided in Section 6.1 hereof, all the rights, powers, duties and obligations of the Issuer shall be irrevocable and binding upon the Issuer and shall not be subject to amendment or modification by the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be executed by its duly authorized officer, all as of the day first above written.

Treasurer, Central Iowa Water Works, State of
Iowa

EXHIBIT "A"

VERIFICATION CERTIFICATE OF THE PURCHASER

The undersigned the Executive Director of the Iowa Finance Authority (the "Purchaser"), hereby certifies as follows:

1. The Purchaser and Central Iowa Water Works, Iowa (the "Issuer"), have entered into a Loan and Disbursement Agreement (the "Agreement"), providing for the purchase of \$26,522,647.03 Water Revenue Capital Loan Notes of Central Iowa Water Works dated as of the date of delivery (the "Notes").
2. The Agreement is in full force and effect and has not been repealed, rescinded or amended.
3. The Purchaser hereby confirms that the Notes were purchased at par and will not be reoffered to the public, the terms of purchase being as follows:

Principal Amount Issued	Principal Amount Sold	Interest Rate	Price (% of par) (do not include accrued interest)
\$26,522,647.03	None	1.75% (Notes 1-4) 2.50% (Note 5)	100%

IN WITNESS WHEREOF, the Purchaser has caused this Verification Certificate to be executed by its duly authorized officer this _____ day of _____, 2025.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT "B"

CERTIFICATE OF MUNICIPAL ADVISOR

I, the undersigned, do hereby certify that I am the _____ of PFM Financial Advisors, LLC (the "Financial Advisor"). The Municipal Advisor acknowledges that this Certificate is given, in part, as the basis for certain representations made in the Tax Exemption Certificate delivered by Central Iowa Water Works, State of Iowa (the "Issuer"), as of the date hereof, in connection with the issuance of \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A, of the Issuer (the " Bonds "), and as a basis for certain opinions of Ahlers & Cooney, P.C., Bond Counsel, with regard to the tax-exempt status of the Bonds. All definitions contained in the Tax Exemption Certificate are hereby incorporated by reference.

1. Since Issuer revenues are subject to changes beyond its control, potential purchasers of the Bonds expect a reserve fund to be established to provide some measure of protection for their investments and to provide a workout period for the Issuer in case of adversity.

2. A reasonable time period for providing a workout is one year. Therefore, the reserve fund provided in the Resolution authorizing the issuance of the Bonds is, in our opinion, reasonably required under current market conditions.

IN WITNESS WHEREOF, I hereunto affix my official signature this _____ day of _____, 2025.

PFM FINANCIAL ADVISORS, LLC

By: _____

Title: _____

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF LOAN AND DISBURSEMENT AGREEMENTS BY AND BETWEEN CENTRAL IOWA WATER WORKS AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$26,522,647.03 WATER REVENUE CAPITAL LOAN NOTES, SERIES 2025A, OF CENTRAL IOWA WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES

WHEREAS, certain water utilities, rural water districts and governmental entities have established a regional water authority as a separate public entity and political subdivision created under Chapter 28E and Chapter 28F, Iowa Code, known as the "Central Iowa Water Works" ("CIWW") to act as a regional water wholesale production and supply entity under the material terms and conditions as set forth in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the "CIWW Agreement");

WHEREAS, CIWW establishes a shared regional system of drinking water supply production facilities under regional ownership and governance to meet existing and future needs for safe, reliable, abundant drinking water to be distributed to the customers of its Member Agencies;

WHEREAS, the Board of Trustees of Central Iowa Water Works, Iowa, sometimes hereinafter referred to as the "Issuer", has heretofore established charges, rates and rentals for services which are and will continue to be collected as system revenues of the Central Iowa Water Works regional water production and supply system, sometimes hereinafter referred to as the "System", and said revenues have not been pledged and are available for the payment of Water Revenue Capital Loan Notes, Series 2025A, subject to the following premises; and

WHEREAS, Issuer proposes to issue its Water Revenue Capital Loan Notes, Series 2025A, to the extent of \$26,522,647.03, for the purpose of defraying the costs of the Project as set forth in Section 1 of this Resolution; and, it is deemed necessary and advisable and in the best interests of Central Iowa Water Works that the form of Loan and Disbursement Agreements (five) by and between Central Iowa Water Works and the Iowa Finance Authority, be approved and authorized; and

WHEREAS, the Issuer is (1) acquiring certain assets and facilities from the City of Grimes ("Grimes"), Des Moines Water Works ("DMWW"), and West Des Moines Water Works ("WDMWW"), and (2) entering into the Agreements and issuing the Notes to pay for said assets

and facilities, and (3) paying Grimes, DMWW and WDMWW such amounts, respectively, from the proceeds of the Notes, equal to the outstanding principal amounts of the following obligations of Grimes, DMWW and WDMWW, which amounts Grimes, DMWW and WDMWW are using to pay off said obligations:

- \$2,432,000 Water Revenue Bonds, Series 2013, dated July 26, 2013, now outstanding in the principal amount of \$1,051,000 (Grimes)
- \$4,200,000 Water Revenue Bonds, Series 2019, dated March 8, 2019, now outstanding in the principal amount of \$3,004,000 (Grimes)
- A portion (\$3,977,000) (of which \$2,341,332 is currently outstanding) of the \$8,543,000 Water Revenue Bonds, Series 2023, dated November 3, 2023 (still in draw period) (Grimes)
- \$14,200,000 (of which \$5,995,436.75 is currently outstanding) Water Revenue Capital Loan Notes, Series 2024A, dated September 20, 2024 (still in draw period) (Des Moines Water Works)
- \$3,477,000 Water Revenue Capital Loan Notes, Series 2017, dated February 10, 2017, now outstanding in the principal amount of \$2,161,000 (West Des Moines Water Works)

WHEREAS, the notice of intention of Issuer to take action for the issuance of \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A, has heretofore been duly published and no objections to such proposed action have been filed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CENTRAL IOWA WATER WORKS, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

◆ "Additional Bonds" shall mean any water revenue bonds or notes or other obligations issued on a parity with the Notes in accordance with the provisions of Section 21 hereof.

◆ "Agreements" shall mean five (5) Loan and Disbursement Agreements dated as of the Closing between Central Iowa Water Works and the Original Purchaser, relating to the Loans made to Central Iowa Water Works under the Program, each Agreement correlating with one of the Notes;

◆ "Closing" shall mean the date of delivery of the Notes to the Original Purchaser and the funding of the Loan;

◆ "Fiscal Year" shall mean the twelve months' period beginning on January 1 of each year and ending on the last day of December of the same year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the System; provided, that the requirements of a fiscal year as expressed in this Resolution shall exclude any payment of principal or interest falling

due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year;

◆ "Governing Body" shall mean the Board of Trustees of Central Iowa Water Works, or its successor in function with respect to the operation and control of the System;

◆ "Independent Auditor" shall mean an independent firm of certified public accountants or the Auditor of State;

◆ "Issuer" shall mean Central Iowa Water Works, Iowa;

◆ "Loan" shall mean the principal amount allocated by the Original Purchaser to Central Iowa Water Works under the Program, equal in amount to the principal amount of the Notes;

◆ "Net Revenues" shall mean gross earnings of the System after deduction of Current Expenses; "Current Expenses" shall mean and include the reasonable and necessary cost of operating, maintaining, repairing and insuring the System, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies, but excluding depreciation and principal of and interest on the Notes and any Parity Obligations or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not System expenses;

◆ "Notes" or "Note" shall mean \$26,522,647.03 Water Revenue Capital Loan Notes, Series 2025A, authorized to be issued by this Resolution;

◆ "Original Purchaser" shall mean the Iowa Finance Authority, as the purchaser of the Notes from Issuer at the time of their original issuance;

◆ "Parity Obligations" shall mean notes or bonds payable solely from the Net Revenues of the System on an equal basis with the Notes herein authorized to be issued and shall include Additional Bonds as authorized to be issued under the terms of this Resolution and the Outstanding Obligations. "Outstanding Obligations" shall mean the Water Revenue Capital Loan Notes, Series 2025B dated January 3, 2025, issued concurrently with the Notes, and issued in accordance with a resolution adopted December 6, 2024, \$22,484,366 of which obligations are still outstanding and unpaid and remain a lien on the Net Revenues of the System;

◆ "Paying Agent" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Notes as the same shall become due;

◆ "Permitted Investments" shall mean any investments permitted in Iowa Code chapter 12B or section 12C.9. All interim investments must mature before the date

on which the moneys are required for payment of principal and interest on the Notes or project costs;

◆ "Program" shall mean the Iowa Drinking Water Facilities Financing Program undertaken by the Original Purchaser;

◆ "Project" shall mean the costs of acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system;

◆ "Project Fund" shall mean the Loan Account maintained under the Program for the benefit of the Issuer, into which the proceeds of the Loans and the Notes shall be allocated and held until disbursed to pay Project costs;

◆ "Rebate Fund" shall mean the fund so defined in and established pursuant to the Tax Exemption Certificate;

◆ "Registrar" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes;

◆ "Reserve Fund Requirement" shall mean an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on the Notes and Parity Obligations in any succeeding Fiscal Year, (b) 10 percent of the stated principal amount of the Notes and Parity Obligations (for issues with original issue discount or original issue premium of more than de minimis amount the issue price as defined in the Tax Exemption Certificate shall be substituted for the stated principal amount), or (c) 125% of the average amount of principal and interest coming due on the Notes and Parity Obligations in any succeeding Fiscal Year. For purposes of this definition, stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue;

◆ "Secretary of the Board of Trustees" shall mean the Secretary of the Board of Trustees or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities;

◆ "System" shall mean the regional water production and supply system of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all water treatment facilities, storage facilities, pumping stations and all related property and improvements and extensions made by Issuer while any of the Notes or Parity Obligations remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles;

◆ "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Notes; and

◆ "Treasurer" shall mean the Central Iowa Water Works Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Notes issued hereunder.

◆ "Yield Restricted" shall mean required to be invested at a yield that is not materially higher than the yield on the Notes under Section 148(a) of the Internal Revenue Code or regulations issued thereunder.

Section 2. Authority; Approval of Loan and Disbursement Agreements. The Agreements and the Notes authorized by this Resolution shall be issued pursuant to Chapter 28F of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Agreements shall be substantially in the form attached to this Resolution and are authorized to be executed and issued on behalf of the Issuer by the Chairperson and attested by the Secretary of the Board of Trustees.

Section 3. Authorization and Purpose. There are hereby authorized to be issued, negotiable, serial, fully registered Revenue Notes of Central Iowa Water Works, State of Iowa, each to be designated as "Water Revenue Capital Loan Note, Series 2025A", in the aggregate amount of \$26,522,647.03, for the purpose of paying costs of the Project. The Board of Trustees, pursuant to Chapter 28F of the Code of Iowa, hereby finds and determines that it is necessary and advisable to issue said Notes authorized by the Agreements and this Resolution.

Section 4. Source of Payment. The Notes herein authorized and Parity Obligations and the interest thereon shall be payable solely and only out of the Net Revenues of the System and shall be a first lien on the future Net Revenues of the System. The Notes shall not be general obligations of the Issuer or its members nor shall the Notes be payable in any manner by taxation and the Issuer and its members shall be in no manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of the Notes.

Section 5. Note Details. Water Revenue Capital Loan Notes, Series 2025A, of Central Iowa Water Works in the amount of \$26,522,647.03, shall be issued to evidence the obligations of the Issuer under the Agreements pursuant to the provisions of Chapter 28F of the Code of Iowa for the aforesaid purpose. The Notes shall be designated "WATER REVENUE CAPITAL LOAN NOTE, SERIES 2025A", be dated the date of delivery, and bear interest at the rates per annum set forth in the Notes from the date of each advancement made under the Agreements, until payment thereof, at the office of the Paying Agent, said interest payable on June 1, 2025, and semi-annually thereafter on the 1st day of December and June in each year until maturity as set forth on the Debt Service Schedules attached to the Agreements as Exhibit A and incorporated herein by this reference. As set forth on said Debt Service Schedules, principal shall be payable on December 1, 2025 and annually thereafter on the 1st day of December in the amounts set forth therein until principal and interest are fully paid, except that the final installment of the entire balance of principal and interest of each note, if not sooner paid, shall

become due and payable on the final maturity date noted on each of the Notes, respectively. Notwithstanding the foregoing or any other provision hereof, for Notes R-4 and R-5, principal and interest shall be payable as shown on said Debt Service Schedules until completion of the Project, at which time the final Debt Service Schedules shall be determined based upon actual advancements, final costs and completion of the Project, all as provided in the administrative rules governing the Program. Payment of principal and interest on the Notes shall at all times conform to said Debt Service Schedules and the rules of the Program.

The Notes shall be executed by the manual or facsimile signature of the Chairperson and attested by the manual or facsimile signature of the Secretary, and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated clearing house system transfer to the registered owner of the Note. The Notes may be in the denomination of \$100,000 or larger and shall at the request of the Original Purchaser be initially issued as five Notes in the denomination of \$1,157,064.99, \$2,359,281.61, \$3,272,316.38, \$4,326,151.26, and \$15,407,832.79 and numbered R-1, R-2, R-3, R-4, and R-5, respectively.

Section 6. Initiation Fee and Servicing Fee. In addition to the payment of principal of and interest on the Notes, the Issuer also agrees to pay the Initiation Fee and the Servicing Fee as defined and in accordance with the terms of the Agreement.

Section 7. Redemption. The Notes are subject to optional redemption at a price of par plus accrued interest (i) on any date upon receipt of written consent of the Original Purchaser or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Notes may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity, by giving not less than thirty (30) days' notice of redemption by certified or registered mail to the Original Purchaser (or any other registered owner of the Note). The terms of redemption shall be par, plus accrued interest to date of call. The Notes are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

Section 8. Registration of Notes; Appointment of Registrar; Transfer; Ownership; Delivery; and Cancellation.

(a) Registration. The ownership of Notes may be transferred only by the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. The Secretary of the Board of Trustees is hereby appointed as Note Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

(b) Transfer. The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed

by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

(c) Registration of Transferred Notes. In all cases of the transfer of the Notes, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Notes, in accordance with the provisions of this Resolution.

(d) Ownership. As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Notes and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

(e) Cancellation. All Notes which have been redeemed shall not be reissued but shall be cancelled by the Registrar. All Notes which are cancelled by the Registrar shall be destroyed and a Certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Notes to the Issuer.

(f) Non-Presentation of Notes. In the event any payment check, wire, or electronic transfer of funds representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the

Paying Agent shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

Section 9. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of Registrar authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note to Registrar, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Registrar and Issuer that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Registrar and Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer or its agent may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 10. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of any Note, shall be made to the registered holder thereof or to their designated Agent as the same appear on the books of the Registrar on the 15th day of the month preceding the payment date. All such payments shall fully discharge the obligations of the Issuer in respect of such Notes to the extent of the payments so made. Upon receipt of the final payment of principal, the holder of the Note shall surrender the Note to the Paying Agent.

Section 11. Execution, Authentication and Delivery of the Notes. Upon the adoption of this Resolution, the Chairperson and Secretary of the Board of Trustees shall execute the Notes by their manual or authorized signature and deliver the Notes to the Registrar, who shall authenticate the Notes and deliver the same to or upon order of the Original Purchaser. No Note shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless the Registrar shall duly endorse and execute on such Note a Certificate of Authentication substantially in the form of the Certificate herein set forth. Such Certificate upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly issued under this Resolution and that the holder thereof is entitled to the benefits of this Resolution.

Section 12. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving prompt written notice to each registered noteholder.

Section 13. Form of Note. Notes shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

(6)	(6)		
(7)	(8)		
(1)			
(2)	(3)	(4)	(5)
(9)			
(9a)			
(10) (Continued on the back of this Bond)			
(11)(12)(13)	(14)	(15)	

FIGURE 1
(Front)

<p>(10) (Continued)</p>		<p>(16)</p>
-----------------------------	--	-------------

FIGURE 2
(Back)

The text of the Notes to be located thereon at the item numbers shown shall be as follows:

Item 1, figure 1 = "STATE OF IOWA"
"COUNTIES OF POLK, DALLAS, MADISON, AND WARREN"
"CENTRAL IOWA WATER WORKS"
"WATER REVENUE CAPITAL LOAN NOTE"
"SERIES 2025A"

Item 2, figure 1 = Rate: _____ %
Item 3, figure 1 = Final Maturity: December 1, _____
Item 4, figure 1 = Note Date: January 3, 2025
Item 5, figure 1 = CUSIP # N/A
Item 6, figure 1 = "Registered"
Item 7, figure 1 = Certificate No. R- _____
Item 8, figure 1 = Principal Amount: \$ _____

Item 9, figure 1 = Central Iowa Water Works, Iowa, a political subdivision and an instrumentality of political subdivisions, organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to

IOWA FINANCE AUTHORITY

Item 10, figure 1 = or registered assigns, the principal sum of (principal amount written out) in lawful money of the United States of America, on the maturity dates and in the principal amounts set forth on the Debt Service Schedule attached hereto and incorporated herein by this reference, with interest on said sum from the date of each advancement made under a certain Loan and Disbursement Agreement dated as of the date hereof until paid at the rate of 1.75% per annum, payable on June 1, 2025, and semi-annually thereafter on the 1st day of December and June in each year. As set forth on said Debt Service Schedule, principal shall be payable on December 1, 2025 and annually thereafter on the first day of December in the amounts set forth therein until principal and interest are fully paid, except that the final installment of the entire balance of principal and interest, if not sooner paid, shall become due and payable on December 1, 20____. [Notwithstanding the foregoing or any other provision hereof, principal and interest shall be payable as shown on said Debt Service Schedule until completion of the Project, at which time the final Debt Service Schedule shall be determined and attached hereto based upon actual advancements, final costs and completion of the Project, all as provided in the administrative rules governing the Iowa Drinking Water Facilities Financing Program.] Payment of principal and interest of this Note shall at all times conform to said Debt Service Schedule and the rules of the Drinking Water State Revolving Fund Program.

Interest and principal shall be paid to the registered holder of the Note as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding such interest payment date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is issued pursuant to the provisions of Chapter 28F of the Code of Iowa, for the purpose of paying costs of acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system, and evidences amounts payable under a certain Loan and Disbursement Agreement dated as of the date hereof, in conformity to a Resolution of the Board of Trustees of said Central Iowa Water Works duly passed and approved. For a complete statement of the Net Revenues and funds from which and the conditions under which this Note is payable, a statement of the conditions under which additional notes or bonds of equal standing may be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above-described Loan and Disbursement Agreement and Resolution.

This Note is subject to optional redemption at a price of par plus accrued interest (i) on any date upon receipt of written consent of the Iowa Finance Authority or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of this Note may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity, by lot by giving thirty (30) days' notice of redemption by certified or registered mail, to the Iowa Finance Authority (or any other registered owner of the Note). This Note is also subject to mandatory redemption as set forth in Section 5 of the Agreement.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by the Secretary of the Board of Trustees, Central Iowa Water Works, Iowa the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered Noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Note Resolution.

This Note and the series of which it forms a part, other obligations ranking on a parity therewith and any additional obligations which may be hereafter issued and outstanding from time to time on a parity with said Notes, as provided in the Resolution and Loan and Disbursement Agreement of which notice is hereby given and which are hereby made a part hereof, are payable from and secured by a pledge of the Net Revenues of the System (the "System"), as defined and provided in said Resolution. There has heretofore been established and Central Iowa Water Works covenants and agrees that it will maintain just and equitable rates or charges for the use of and service rendered by said System in each year for the payment of the proper and reasonable expenses of operation and maintenance of said System and for the establishment of a sufficient sinking fund to meet the principal of and interest on this series of Notes, and other obligations ranking on a parity therewith, as the same become due. **This Note is not payable in any manner by taxation and under no circumstances shall the Issuer or any of the members of the Issuer be in any manner liable by reason of the failure of said Net Revenues to be sufficient for the payment hereof. Neither the payment of the principal nor any part thereof nor any interest thereon constitutes a debt, liability or obligation of**

any of the members of the Issuer or of the Issuer itself within the meaning of any constitutional, statutory or charter provision or otherwise.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, Central Iowa Water Works by its Board of Trustees has caused this Note to be signed by the manual or facsimile signature of its Chairperson and attested by the manual or facsimile signature of its Secretary of the Board of Trustees, and authenticated by the manual or facsimile signature of an authorized representative of the Registrar, the Secretary of the Board of Trustees of Central Iowa Water Works, Iowa.

- Item 11, figure 1 = Date of authentication:
- Item 12, figure 1 = This is one of the Notes described in the within mentioned Resolution, as registered by the Secretary of the Board of Trustees.

SECRETARY OF THE BOARD OF TRUSTEES

By: _____
Registrar

- Item 13, figure 1 = Registrar and Transfer Agent: Secretary of the Board of Trustees
Paying Agent: Secretary of the Board of Trustees

SEE REVERSE FOR CERTAIN DEFINITIONS

- Item 15, figure 1 = (Signature Block)

CENTRAL IOWA WATER WORKS, STATE OF IOWA

By: (manual or facsimile signature)
Chairperson

ATTEST:

By: (manual or facsimile signature)
Secretary of the Board of Trustees

- Item 17, figure 2 = [Assignment Block]
[Information Required for Registration]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) the within Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax Identification
Number of Transferee(s) _____
Transferee is a(n):
Individual* _____ Corporation _____
Partnership _____ Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as tenants in common
IA UNIF TRANS MIN ACT - Custodian

(Cust) (Minor)
Under Iowa Uniform Transfers to Minors Act.....
(State)

Section 14. Equality of Lien. The timely payment of principal of and interest on the Notes and Parity Obligations shall be secured equally and ratably by the Net Revenues of the System without priority by reason of number or time of sale or delivery; and the Net Revenues of the System are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 15. Application of Note Proceeds - Project Fund. Proceeds of the Notes shall be credited to the Project Fund and expended therefrom for the purposes of issuance. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Notes at any time that other funds of the System shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution.

Section 16. User Rates. There has heretofore been established and published as required by law, just and equitable rates or charges for the use of the service rendered by the System. Said rates or charges shall be paid by each member and customer of Central Iowa Water Works that is connected with and uses the System, by or through any part of the System or that in any way uses or is served by the System.

Any revenue paid and collected for the use of the System and its services by the Issuer or any department, agency or instrumentality of the Issuer shall be used and accounted for in the same manner as any other revenues derived from the operations of the System.

Section 17. Application of Revenues. From and after the delivery of any Notes, and as long as any of the Notes or Parity Obligations shall be outstanding and unpaid either as to principal or as to interest, or until all of the Notes and Parity Obligations then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the System shall be deposited as collected in a fund to be known as the Water Revenue Fund (the "Revenue Fund"), and shall be disbursed only as follows:

The provisions in the resolution authorizing the issuance of the Outstanding Obligations adopted on December 6, 2024, whereby there was created and is to be maintained a Water Revenue Note Principal and Interest Sinking Fund, and for the monthly payment into said fund from the future Net Revenues of the System such portion thereof as will be sufficient to meet the principal and interest of the Outstanding Obligations, and maintaining a reserve therefor, are hereby ratified and confirmed, and all such provisions inure to and constitute the security for the payment of the principal and interest on Notes hereby authorized to be issued; provided, however, that the amounts to be set aside and paid into the Water Revenue Note Principal and Interest Sinking Fund in equal monthly installments from the earnings shall be sufficient to pay the principal and interest due each year, not only on the Outstanding Obligations, but also the

principal and interest of the Notes herein authorized to be issued and to maintain a reserve therefor. Said provisions in the resolution are hereby ratified, confirmed, adopted and incorporated herein as a part of this Resolution. Except as may be otherwise provided in the said resolution, proceeds of the Notes or other funds may be invested in Permitted Investments.

Nothing in this Resolution shall be construed to impair the rights vested in the Outstanding Obligations. The amounts herein required to be paid into the various funds named in this Section shall be inclusive of payments required in respect to the Outstanding Obligations. The provisions of the legislation authorizing the Outstanding Obligations and the provisions of this Resolution are to be construed wherever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail until such time as the notes or bonds authorized by said resolution have been paid in full or otherwise satisfied as therein provided at which time the provisions of this Resolution shall again prevail.

At such time as the Outstanding Obligations are paid and so long as the Notes or Parity Obligations remain outstanding and unpaid the same are discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the system shall be deposited and collected in a fund to be known as the Revenue Fund, and shall be disbursed only as follows:

- Operation and Maintenance Fund. Money in the Revenue Fund shall first be disbursed to make deposits into a separate and special fund to pay current expenses. The fund shall be known as the Water Utility Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be deposited in the Operation and Maintenance Fund each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to this account from the Revenue Fund to the extent necessary to pay current expenses accrued and payable to the extent that funds are not available in the Surplus Fund.
- Sinking Fund. Money in the Revenue Fund shall next be disbursed to make deposits into a separate and special fund to pay principal of and interest on the Notes and Parity Obligations. The fund shall be known as the Water Revenue Note Principal and Interest Sinking Fund (the "Sinking Fund"). The required amount to be deposited in the Sinking Fund in any month shall be an amount equal to 1/6th of the installment of interest coming due on the next interest payment date on the then outstanding Notes and Parity Obligations plus 1/12th of the installment of principal coming due on such Notes on the next succeeding principal payment date until the full amount of such installment is on hand. If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Revenue Fund. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Notes and Parity Obligations as the same shall become due and payable.
- Reserve Fund. Money in the Revenue Fund shall next be disbursed to create and maintain a debt service reserve in an amount equal to the Reserve Fund

Requirement. Such fund shall be known as the Water Revenue Debt Service Reserve Fund (the "Reserve Fund"). Unless otherwise provided under the Program, in each month there shall be deposited in the Reserve Fund an amount equal to 25% of the amount required by this Resolution to be deposited in such month in the Sinking Fund; provided, however, that when the amount on deposit in the Reserve Fund shall be not less than the Reserve Fund Requirement, no further deposits shall be made into the Reserve Fund except to maintain such level, and when the amount on deposit in the Reserve Fund is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Notes and Parity Obligations for the payment of which insufficient money shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount.

- Subordinate Obligations. Money in the Revenue Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the Net Revenues of the System, but subordinate to the Notes and Parity Obligations, and which have been issued for the purposes of extensions and improvements to the System or to retire the Notes or Parity Obligations in advance of maturity, or to pay for extraordinary repairs or replacements to the System.

- Surplus Revenue. All money thereafter remaining in the Revenue Fund at the close of each month may be deposited in any of the funds created by this Resolution, to pay for extraordinary repairs or replacements to the System, or may be used to pay or redeem the Notes or Parity Obligations, any of them, or for any lawful purpose.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis on the 10th day of each month, or on the next succeeding business day when the 10th shall not be a business day; and if in any month the money in the Revenue Fund shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full.

Section 18. Investments. Moneys on hand in the Project Fund and all of the funds provided by this Resolution may be invested only in Permitted Investments or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation, or its equivalent successor, and the deposits of which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or its equivalent successor in any one financial institution shall be continuously secured in compliance with Iowa Code chapter 12C, or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All investments shall mature before the date on which the moneys are required for the purposes for which the fund was created or otherwise as

herein provided. The provisions of this Section shall not be construed to require the Issuer to maintain separate accounts for the funds created by this Section.

The Sinking Fund shall be segregated in a separate account but may be invested in the same manner as other funds of the Issuer but designated as a trust fund on the books and records of the Issuer. The Sinking Fund shall not be available for any other purposes other than those specified in this Resolution.

All income derived from such investments shall be deposited in the Revenue Fund and shall be regarded as revenues of the System. Investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund was created.

Section 19. Covenants Regarding the Operation of the System. The Issuer hereby covenants and agrees with each and every holder of the Notes and Parity Obligations:

(a) Maintenance and Efficiency. The Issuer will maintain the System in good condition and operate it in an efficient manner and at reasonable cost.

(b) Sufficiency of Rates. On or before the beginning of each Fiscal Year the Governing Body will adopt or continue in effect rates for all services rendered by the System determined to be sufficient to produce Net Revenues for the next succeeding Fiscal Year which are (i) adequate to pay the principal and interest requirements thereof and to create or maintain the reserves as provided in this Resolution, and (ii) not less than 110 percent of the principal and interest requirements of the next succeeding Fiscal Year. No free use of the System by the Issuer or any department, agency or instrumentality of the Issuer shall be permitted except upon the determination of the Governing Body that the rates and changes otherwise in effect are sufficient to provide Net Revenues at least equal to the requirements of this subsection.

(c) Insurance. The Issuer shall maintain insurance for the benefit of the Noteholders on the insurable portions of the System of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of business. The proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the System damaged or destroyed, or if not so used shall be placed in an improvement fund for the benefit of the System.

(d) Accounting and Audits. The Issuer will cause to be kept proper books and accounts adapted to the System and in accordance with generally accepted accounting practices and will diligently act to cause the books and accounts to be audited and reported upon by an Independent Auditor and will provide copies of the audit report to the Department, all as provided in the Agreement. The Original Purchaser and holders of any of the Notes and Parity Obligations shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating thereto.

(e) State Laws. The Issuer will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Iowa, including the making and collecting of reasonable and sufficient rates for services rendered by the System as above provided, and will segregate the revenues of the System and apply said revenues to the funds specified in this Resolution.

(f) Property. The Issuer will not sell, lease, mortgage or in any manner dispose of the System, or any capital part thereof, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Notes and Parity Obligations shall have been provided for in the manner provided in this Resolution; provided, however, this covenant shall not be construed to prevent the disposal by the Issuer of property which in the judgment of its Governing Body has become inexpedient or unprofitable to use in connection with the System, or if it is to the advantage of the System that other property of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such property shall be placed in a revolving fund to be used in preference to other sources for capital improvements to the System. Any such proceeds of the disposition of property acquired with the proceeds of the Notes or Parity Obligations shall not be used to pay principal or interest on the Notes and Parity Obligations or for payments into the Sinking **or Reserve** Fund.

(g) Fidelity Bond. That the Issuer shall maintain fidelity bond coverage in amounts which normally would be carried by private companies engaged in a similar kind of business on each officer or employee having custody of funds of the System.

(h) Additional Charges. The Issuer will require proper connecting charges and/or other security for the payment of service charges.

(i) Budget. The Governing Body of the Issuer shall approve and conduct operations pursuant to a system budget of revenues and current expenses for each Fiscal Year. Such budget shall take into account revenues and current expenses during the current and last preceding Fiscal Years. Copies of such budget and any amendments thereto shall be mailed to the Original Purchaser and to the Noteholders upon request.

(j) Loan and Disbursement Agreements. The Issuer will comply with the terms and conditions of the Loan and Disbursement Agreements and perform as provided thereunder.

Section 20. Remedies of Noteholders. Except as herein expressly limited the holder or holders of the Notes and Parity Obligations shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of their Notes and interest thereon, and of the pledge of the revenues made hereunder, and of all covenants of the Issuer hereunder.

Section 21. Prior Lien and Parity Obligations. The Issuer will issue no other notes, bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or Net Revenues of the System having priority over the Notes or Parity Obligations.

Additional Bonds may be issued on a parity and equality of rank with the Notes with respect to the lien and claim of such additional obligations to the Net Revenues of the System and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Notes or Parity Obligations which shall have matured or which shall mature not later than three months after the date of delivery of such refunding obligation and for the payment of which there shall be insufficient money in the Sinking Fund and the Reserve Fund;

(b) For the purpose of making extensions, additions, improvements or replacements to the System, or refunding any outstanding Notes, Parity Obligations or other obligations issued for such extensions, additions and improvements, if all of the following conditions shall have been met:

(i) before any such Additional Bonds ranking on a parity are issued, there will have been procured and filed with the Secretary, a statement of an Independent Auditor or independent financial advisor, not a regular employee of the Issuer, reciting the opinion based upon necessary investigations that the Net Revenues of the System for the preceding Fiscal Year (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum amount that will be required in any Fiscal Year prior to the longest maturity of any of the then outstanding Notes or Parity Obligations for both principal of and interest on all Notes or Parity Obligations then outstanding which are payable from the net earnings of the System and the Additional Bonds then proposed to be issued.

For the purpose of determining the Net Revenues of the System for the preceding Fiscal Year as aforesaid, the amount of the gross revenues for such year may be adjusted by an independent consulting engineer, the Independent Auditor or the independent financial advisor, so as to reflect any changes in the amount of such revenues which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any such Additional Bonds been in effect during all of such preceding Fiscal Year.

(ii) the Additional Bonds must be payable as to principal and as to interest on the same month and day as the Notes herein authorized.

(iii) for the purposes of this Section, principal and interest falling due on the first day of a Fiscal Year shall be deemed a requirement of the immediately preceding Fiscal Year.

(iv) for the purposes of this Section, general obligation bonds or notes shall be refunded only upon a finding of necessity by the Governing Body and only to the extent the general obligation bonds or notes were issued or the proceeds thereof were expended for the System.

(v) for purposes of this Section, "preceding Fiscal Year" shall be the most recently completed Fiscal Year for which audited financial statements prepared by a certified public accountant are issued and available, but in no event a Fiscal Year which ended more than eighteen months prior to the date of issuance of the Additional Bonds.

(c) As set forth in the Agreements.

Section 22. Disposition of Proceeds; Arbitrage Not Permitted. The Issuer reasonably expects and covenants that no use will be made of the proceeds from the issuance and sale of the Notes issued hereunder which will cause any of the Notes to be classified as arbitrage bonds within the meaning of Section 148(a) and (b) of the Internal Revenue Code of the United States, and that throughout the term of said Notes it will comply with the requirements of said statute and regulations issued thereunder.

To the best knowledge and belief of the Issuer, there are no facts or circumstances that would materially change the foregoing statements or the conclusion that it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be arbitrage bonds. Without limiting the generality of the foregoing, the Issuer hereby agrees to comply with the provisions of the Tax Exemption Certificate and the provisions of the Tax Exemption Certificate are hereby incorporated by reference as part of this Resolution. The Treasurer is hereby directed to make and insert all calculations and determinations necessary to complete the Tax Exemption Certificate in all respects and to execute and deliver the Tax Exemption Certificate at issuance of the Notes to certify as to the reasonable expectations and covenants of the Issuer at that date.

The Issuer covenants that it will treat as Yield Restricted any proceeds of the Notes remaining unexpended after three years from the issuance and any other funds required by the Tax Exemption Certificate to be so treated. If any investments are held with respect to the Notes and Parity Obligations, the Issuer shall treat the same for the purpose of restricted yield as held in proportion to the original principal amounts of each issue.

The Issuer covenants that it will exceed any investment yield restriction provided in this Resolution only in the event that it shall first obtain an opinion of recognized bond counsel that the proposed investment action will not cause the Notes to be classified as arbitrage bonds under Section 148(a) and (b) the Internal Revenue Code or regulations issued thereunder.

The Issuer covenants that it will proceed with due diligence to spend the proceeds of the Notes for the purpose set forth in this Resolution. The Issuer further covenants that it will make no change in the use of the proceeds available for the construction of facilities or change in the use of any portion of the facilities constructed therefrom by persons other than the Issuer or the

general public unless it has obtained an opinion of bond counsel or a revenue ruling that the proposed project or use will not be of such character as to cause interest on any of the Notes not to be exempt from federal income taxes in the hands of holders other than substantial users of the project, under the provisions of Section 142(a) of the Internal Revenue Code of the United States, related statutes and regulations.

Section 23. Additional Covenants, Representations and Warranties of the Issuer. The Issuer certifies and covenants with the purchasers and holders of the Notes from time to time outstanding that the Issuer through its officers, (a) will make such further specific covenants, representations and assurances as may be necessary or advisable; (b) comply with all representations, covenants and assurances contained in the Tax Exemption Certificate, which Tax Exemption Certificate shall constitute a part of the contract between the Issuer and the owners of the Notes; (c) consult with bond counsel (as defined in the Tax Exemption Certificate); (d) pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Notes; (e) file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

Section 24. Amendment of Resolution to Maintain Tax Exemption. This Resolution may be amended without the consent of any owner of the Notes if, in the opinion of bond counsel, such amendment is necessary to maintain tax exemption with respect to the Notes under applicable Federal law or regulations.

Section 25. Discharge and Satisfaction of Notes. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Notes and Parity Obligations, or any of them, in any one or more of the following ways:

(a) By paying the Notes or Parity Obligations when the same shall become due and payable; and

(b) By depositing in trust with the Treasurer, or with a corporate trustee designated by the Governing Body, for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Notes or Obligations shall

cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 26. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the holder or holders of the Notes and Parity Obligations, and after the issuance of any of the Notes no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as all of the Notes and Parity Obligations, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution.

Section 27. Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to any of the holders of the Bonds and Parity Obligations, amend or supplement this Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Notes or Parity Obligations; or to comply with any applicable provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the holders of the Notes or Parity Obligations;

(b) to change the terms or provisions of this Resolution to the extent necessary to prevent the interest on the Notes or Parity Obligations from being includable within the gross income of the holders thereof for federal income tax purposes;

(c) to grant to or confer upon the holders of the Notes or Parity Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Notes;

(d) to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or

(e) to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Section 28. Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the Notes and Parity Obligations at any time outstanding (not including in any case any Notes which may then be held or owned by or for the account of the Issuer, but including such Refunding Obligations as may have been issued for the purpose of refunding any of such Notes if such Refunding Obligations shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

- (a) Make any change in the maturity or interest rate of the Notes, or modify the terms of payment of principal of or interest on the Notes or any of them or impose any conditions with respect to such payment;
- (b) Materially affect the rights of the holders of less than all of the Notes and Parity Obligations then outstanding; and
- (c) Reduce the percentage of the principal amount of Notes, the consent of the holders of which is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be mailed by certified mail to each registered owner of any Note as shown by the records of the Registrar. Such notice shall 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 Secretary of the Board of Trustees.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with the Secretary of the Board of Trustees an instrument or instruments executed by the holders of at least two-thirds in aggregate principal amount of the Notes then outstanding as in this Section defined, 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 Governing Body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the holders of all of the Notes and Parity Obligations.

Any consent given by the holder of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Secretary of the Board of Trustees.

The fact and date of the execution of any instrument under the provisions of this Section 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 and numbers of the Notes held by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Notes described in such certificate.

Notwithstanding anything in this Section to the contrary, the holder or holders of 100% of the Notes and Parity Obligations may consent to any amendment of this Resolution, or waive any notices required hereunder, on such terms and under such conditions as said holders shall determine to be appropriate.

Section 29. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 30. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other Ordinances, Resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

Section 31. Rule of Construction. This Resolution and the terms and conditions of the Notes authorized hereby shall be construed whenever possible so as not to conflict with the terms and conditions of the Loan and Disbursement Agreement. In the event such construction is not possible, or in the event of any conflict or inconsistency between the terms hereof and those of the Loan and Disbursement Agreement, the terms of the Loan and Disbursement Agreement shall prevail and be given effect to the extent necessary to resolve any such conflict or inconsistency.

PASSED AND APPROVED this _____ day of _____, 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

LOAN AND DISBURSEMENT AGREEMENT
\$15,407,832.79 WATER REVENUE NOTES

This Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Treasury Regulations” shall mean, to the extent applicable to the Notes, the regulations promulgated under Sections 103 and 141 through 150 of the Code.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$15,407,832.79 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(i) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Revenue Note from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Note (assuming solely for this purpose that the proceeds of the Revenue Note loaned to the Participant represent all of the proceeds of the Notes) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of

the Notes loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to acquire any “non-governmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to pay the principal of or interest on any issue of State or local governmental obligations (“refinancing of indebtedness”) unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(v) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Notes or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(vi) The Participant shall not use the proceeds of the Notes (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) in any manner which would cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water

System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after

providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public

Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have

resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and, in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default

under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually

on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$58,213.42), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 2.5% per annum (the “Rate”). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.75% the “Interest Rate”).

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if

corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys’ fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule
Des Moines WW D0741R to CIWW (2025A-5)
Water Revenue Bond
FS-77-23-DWSRF-075



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Aug 8, 2025
Final Maturity Date	Dec 1, 2044
Loan Period in Years	20
Total Loaned Amount	\$ 15,407,832.79
Net Proceeds to Borrower	\$ 15,349,619.37
Annual Interest Rate	2.50%
Total Interest	\$ 4,484,926.64
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 448,492.66
Total Loan Costs	\$ 5,010,458.46

Estimated Draw Schedule

Loan Balance	Jan 3, 2025	5,995,436.75
Disbursement - DSRF	Jan 3, 2025	1,085,016.13
Disbursement - Issuance Cost	Jan 3, 2025	64,603.24
Disbursement - Initiation Fee	Jan 3, 2025	58,213.42
Estimated Draw -	Jan 10, 2025	2,051,140.79
Estimated Draw -	Feb 14, 2025	1,025,570.41
Estimated Draw -	Mar 21, 2025	1,025,570.41
Estimated Draw -	Apr 25, 2025	1,025,570.41
Estimated Draw -	May 30, 2025	1,025,570.41
Estimated Draw -	Jul 4, 2025	1,025,570.41
Estimated Draw -	Aug 8, 2025	1,025,570.41
Total Loaned Amount		15,407,832.79

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	11,953,984.16		135,829.53	13,582.95	149,412.48		11,953,984.16
Dec 1, 2025	15,407,832.79	2,832.79	185,547.11	18,554.71	206,934.61	356,347.09	15,405,000.00
Jun 1, 2026	15,405,000.00		192,562.50	19,256.25	211,818.75		15,405,000.00
Dec 1, 2026	15,405,000.00	628,000.00	192,562.50	19,256.25	839,818.75	1,051,637.50	14,777,000.00
Jun 1, 2027	14,777,000.00		184,712.50	18,471.25	203,183.75		14,777,000.00
Dec 1, 2027	14,777,000.00	646,000.00	184,712.50	18,471.25	849,183.75	1,052,367.50	14,131,000.00
Jun 1, 2028	14,131,000.00		176,637.50	17,663.75	194,301.25		14,131,000.00
Dec 1, 2028	14,131,000.00	663,000.00	176,637.50	17,663.75	857,301.25	1,051,602.50	13,468,000.00
Jun 1, 2029	13,468,000.00		168,350.00	16,835.00	185,185.00		13,468,000.00
Dec 1, 2029	13,468,000.00	681,000.00	168,350.00	16,835.00	866,185.00	1,051,370.00	12,787,000.00
Jun 1, 2030	12,787,000.00		159,837.50	15,983.75	175,821.25		12,787,000.00
Dec 1, 2030	12,787,000.00	700,000.00	159,837.50	15,983.75	875,821.25	1,051,642.50	12,087,000.00
Jun 1, 2031	12,087,000.00		151,087.50	15,108.75	166,196.25		12,087,000.00
Dec 1, 2031	12,087,000.00	719,000.00	151,087.50	15,108.75	885,196.25	1,051,392.50	11,368,000.00
Jun 1, 2032	11,368,000.00		142,100.00	14,210.00	156,310.00		11,368,000.00
Dec 1, 2032	11,368,000.00	739,000.00	142,100.00	14,210.00	895,310.00	1,051,620.00	10,629,000.00
Jun 1, 2033	10,629,000.00		132,862.50	13,286.25	146,148.75		10,629,000.00
Dec 1, 2033	10,629,000.00	760,000.00	132,862.50	13,286.25	906,148.75	1,052,297.50	9,869,000.00
Jun 1, 2034	9,869,000.00		123,362.50	12,336.25	135,698.75		9,869,000.00
Dec 1, 2034	9,869,000.00	780,000.00	123,362.50	12,336.25	915,698.75	1,051,397.50	9,089,000.00
Jun 1, 2035	9,089,000.00		113,612.50	11,361.25	124,973.75		9,089,000.00
Dec 1, 2035	9,089,000.00	802,000.00	113,612.50	11,361.25	926,973.75	1,051,947.50	8,287,000.00
Jun 1, 2036	8,287,000.00		103,587.50	10,358.75	113,946.25		8,287,000.00
Dec 1, 2036	8,287,000.00	824,000.00	103,587.50	10,358.75	937,946.25	1,051,892.50	7,463,000.00
Jun 1, 2037	7,463,000.00		93,287.50	9,328.75	102,616.25		7,463,000.00
Dec 1, 2037	7,463,000.00	847,000.00	93,287.50	9,328.75	949,616.25	1,052,232.50	6,616,000.00
Jun 1, 2038	6,616,000.00		82,700.00	8,270.00	90,970.00		6,616,000.00
Dec 1, 2038	6,616,000.00	870,000.00	82,700.00	8,270.00	960,970.00	1,051,940.00	5,746,000.00
Jun 1, 2039	5,746,000.00		71,825.00	7,182.50	79,007.50		5,746,000.00
Dec 1, 2039	5,746,000.00	894,000.00	71,825.00	7,182.50	973,007.50	1,052,015.00	4,852,000.00
Jun 1, 2040	4,852,000.00		60,650.00	6,065.00	66,715.00		4,852,000.00
Dec 1, 2040	4,852,000.00	918,000.00	60,650.00	6,065.00	984,715.00	1,051,430.00	3,934,000.00
Jun 1, 2041	3,934,000.00		49,175.00	4,917.50	54,092.50		3,934,000.00
Dec 1, 2041	3,934,000.00	944,000.00	49,175.00	4,917.50	998,092.50	1,052,185.00	2,990,000.00
Jun 1, 2042	2,990,000.00		37,375.00	3,737.50	41,112.50		2,990,000.00
Dec 1, 2042	2,990,000.00	970,000.00	37,375.00	3,737.50	1,011,112.50	1,052,225.00	2,020,000.00
Jun 1, 2043	2,020,000.00		25,250.00	2,525.00	27,775.00		2,020,000.00
Dec 1, 2043	2,020,000.00	996,000.00	25,250.00	2,525.00	1,023,775.00	1,051,550.00	1,024,000.00
Jun 1, 2044	1,024,000.00		12,800.00	1,280.00	14,080.00		1,024,000.00
Dec 1, 2044	1,024,000.00	1,024,000.00	12,800.00	1,280.00	1,038,080.00	1,052,160.00	0.00

LOAN AND DISBURSEMENT AGREEMENT
\$2,359,281.61 WATER REVENUE NOTES

This Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Treasury Regulations” shall mean, to the extent applicable to the Notes, the regulations promulgated under Sections 103 and 141 through 150 of the Code.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$2,359,281.61 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(i) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Revenue Note from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Note (assuming solely for this purpose that the proceeds of the Revenue Note loaned to the Participant represent all of the proceeds of the Notes) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of

the Notes loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to acquire any “non-governmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to pay the principal of or interest on any issue of State or local governmental obligations (“refinancing of indebtedness”) unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(v) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Notes or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(vi) The Participant shall not use the proceeds of the Notes (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) in any manner which would cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water

System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after

providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public

Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have

resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and, in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default

under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually

on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$8,859.10), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the “Rate”). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the “Interest Rate”).

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if

corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys’ fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

WDWW D0389R to CIWW (2025A-2)

**Water Revenue Bond
FS-77-16-DWSRF-022**



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2037
Loan Period in Years	13
Total Loaned Amount	\$ 2,350,422.51
Net Proceeds to Borrower	\$ 2,350,422.51
Annual Interest Rate	1.75%
Total Interest	\$ 298,246.81
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 42,606.69
Total Loan Costs	\$ 340,853.51

Estimated Draw Schedule

Loan Balance -	Jan 3, 2025	2,161,000.00
Disbursement - DSRF	Jan 3, 2025	165,121.12
Disbursement - Issuance Cost	Jan 3, 2025	24,301.39
Disbursement - Initiation Fee	Jan 3, 2025	8,859.10
Total Loaned Amount		2,359,281.61

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	2,359,281.61		17,203.10	2,457.59	19,660.69		2,359,281.61
Dec 1, 2025	2,359,281.61	151,281.61	20,643.71	2,949.10	174,874.43	194,535.12	2,208,000.00
Jun 1, 2026	2,208,000.00		19,320.00	2,760.00	22,080.00		2,208,000.00
Dec 1, 2026	2,208,000.00	164,000.00	19,320.00	2,760.00	186,080.00	208,160.00	2,044,000.00
Jun 1, 2027	2,044,000.00		17,885.00	2,555.00	20,440.00		2,044,000.00
Dec 1, 2027	2,044,000.00	168,000.00	17,885.00	2,555.00	188,440.00	208,880.00	1,876,000.00
Jun 1, 2028	1,876,000.00		16,415.00	2,345.00	18,760.00		1,876,000.00
Dec 1, 2028	1,876,000.00	171,000.00	16,415.00	2,345.00	189,760.00	208,520.00	1,705,000.00
Jun 1, 2029	1,705,000.00		14,918.75	2,131.25	17,050.00		1,705,000.00
Dec 1, 2029	1,705,000.00	175,000.00	14,918.75	2,131.25	192,050.00	209,100.00	1,530,000.00
Jun 1, 2030	1,530,000.00		13,387.50	1,912.50	15,300.00		1,530,000.00
Dec 1, 2030	1,530,000.00	178,000.00	13,387.50	1,912.50	193,300.00	208,600.00	1,352,000.00
Jun 1, 2031	1,352,000.00		11,830.00	1,690.00	13,520.00		1,352,000.00
Dec 1, 2031	1,352,000.00	182,000.00	11,830.00	1,690.00	195,520.00	209,040.00	1,170,000.00
Jun 1, 2032	1,170,000.00		10,237.50	1,462.50	11,700.00		1,170,000.00
Dec 1, 2032	1,170,000.00	185,000.00	10,237.50	1,462.50	196,700.00	208,400.00	985,000.00
Jun 1, 2033	985,000.00		8,618.75	1,231.25	9,850.00		985,000.00
Dec 1, 2033	985,000.00	189,000.00	8,618.75	1,231.25	198,850.00	208,700.00	796,000.00
Jun 1, 2034	796,000.00		6,965.00	995.00	7,960.00		796,000.00
Dec 1, 2034	796,000.00	193,000.00	6,965.00	995.00	200,960.00	208,920.00	603,000.00
Jun 1, 2035	603,000.00		5,276.25	753.75	6,030.00		603,000.00
Dec 1, 2035	603,000.00	197,000.00	5,276.25	753.75	203,030.00	209,060.00	406,000.00
Jun 1, 2036	406,000.00		3,552.50	507.50	4,060.00		406,000.00
Dec 1, 2036	406,000.00	201,000.00	3,552.50	507.50	205,060.00	209,120.00	205,000.00
Jun 1, 2037	205,000.00		1,793.75	256.25	2,050.00		205,000.00
Dec 1, 2037	205,000.00	205,000.00	1,793.75	256.25	207,050.00	209,100.00	0.00

LOAN AND DISBURSEMENT AGREEMENT
\$4,326,151.26 WATER REVENUE NOTES

This Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Treasury Regulations” shall mean, to the extent applicable to the Notes, the regulations promulgated under Sections 103 and 141 through 150 of the Code.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$4,326,151.26 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(i) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Revenue Note from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Note (assuming solely for this purpose that the proceeds of the Revenue Note loaned to the Participant represent all of the proceeds of the Notes) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of

the Notes loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to acquire any “non-governmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to pay the principal of or interest on any issue of State or local governmental obligations (“refinancing of indebtedness”) unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(v) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Notes or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(vi) The Participant shall not use the proceeds of the Notes (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) in any manner which would cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water

System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after

providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public

Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have

resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and, in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default

under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually

on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$16,303.86), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the “Rate”). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the “Interest Rate”).

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if

corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys’ fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

Grimes D0472R to CIWW (2025A-4)

Water Revenue Bond
FS-77-23-DWSRF-024



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Aug 8, 2025
Final Maturity Date	Dec 1, 2044
Loan Period in Years	20
Total Loaned Amount	\$ 4,309,847.40
Net Proceeds to Borrower	\$ 4,309,847.40
Annual Interest Rate	1.75%
Total Interest	\$ 827,679.05
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 124,097.83
Total Loan Costs	\$ 951,776.88

Estimated Draw Schedule

Est. Loan Balance -	Jan 3, 2025	2,341,332.00
Disbursement - DSRF	Jan 3, 2025	303,880.93
Disbursement - Issuance Cost	Jan 3, 2025	28,966.47
Disbursement - Initiation Fee	Jan 3, 2025	16,303.86
Estimated Draw -	Jan 10, 2025	272,611.34
Estimated Draw -	Feb 14, 2025	272,611.34
Estimated Draw -	Mar 21, 2025	272,611.33
Estimated Draw -	Apr 25, 2025	272,611.33
Estimated Draw -	May 30, 2025	272,611.33
Estimated Draw -	Jul 4, 2025	272,611.33
Total Loaned Amount		4,326,151.26

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	3,780,928.60		24,309.29	3,472.76	27,782.05		3,780,928.60
Dec 1, 2025	4,326,151.26	193,151.26	37,429.76	5,347.11	235,928.13	263,710.18	4,133,000.00
Jun 1, 2026	4,133,000.00		36,163.75	5,407.69	41,571.44		4,133,000.00
Dec 1, 2026	4,133,000.00	181,000.00	36,163.75	5,407.69	222,571.44	264,142.88	3,952,000.00
Jun 1, 2027	3,952,000.00		34,580.00	5,407.69	39,987.69		3,952,000.00
Dec 1, 2027	3,952,000.00	185,000.00	34,580.00	5,407.69	224,987.69	264,975.38	3,767,000.00
Jun 1, 2028	3,767,000.00		32,961.25	5,407.69	38,368.94		3,767,000.00
Dec 1, 2028	3,767,000.00	188,000.00	32,961.25	5,407.69	226,368.94	264,737.88	3,579,000.00
Jun 1, 2029	3,579,000.00		31,316.25	5,407.69	36,723.94		3,579,000.00
Dec 1, 2029	3,579,000.00	192,000.00	31,316.25	5,407.69	228,723.94	265,447.88	3,387,000.00
Jun 1, 2030	3,387,000.00		29,636.25	5,407.69	35,043.94		3,387,000.00
Dec 1, 2030	3,387,000.00	196,000.00	29,636.25	4,233.75	229,870.00	264,913.94	3,191,000.00
Jun 1, 2031	3,191,000.00		27,921.25	3,988.75	31,910.00		3,191,000.00
Dec 1, 2031	3,191,000.00	200,000.00	27,921.25	3,988.75	231,910.00	263,820.00	2,991,000.00
Jun 1, 2032	2,991,000.00		26,171.25	3,738.75	29,910.00		2,991,000.00
Dec 1, 2032	2,991,000.00	204,000.00	26,171.25	3,738.75	233,910.00	263,820.00	2,787,000.00
Jun 1, 2033	2,787,000.00		24,386.25	3,483.75	27,870.00		2,787,000.00
Dec 1, 2033	2,787,000.00	208,000.00	24,386.25	3,483.75	235,870.00	263,740.00	2,579,000.00
Jun 1, 2034	2,579,000.00		22,566.25	3,223.75	25,790.00		2,579,000.00
Dec 1, 2034	2,579,000.00	212,000.00	22,566.25	3,223.75	237,790.00	263,580.00	2,367,000.00
Jun 1, 2035	2,367,000.00		20,711.25	2,958.75	23,670.00		2,367,000.00
Dec 1, 2035	2,367,000.00	216,000.00	20,711.25	2,958.75	239,670.00	263,340.00	2,151,000.00
Jun 1, 2036	2,151,000.00		18,821.25	2,688.75	21,510.00		2,151,000.00
Dec 1, 2036	2,151,000.00	221,000.00	18,821.25	2,688.75	242,510.00	264,020.00	1,930,000.00
Jun 1, 2037	1,930,000.00		16,887.50	2,412.50	19,300.00		1,930,000.00
Dec 1, 2037	1,930,000.00	225,000.00	16,887.50	2,412.50	244,300.00	263,600.00	1,705,000.00
Jun 1, 2038	1,705,000.00		14,918.75	2,131.25	17,050.00		1,705,000.00
Dec 1, 2038	1,705,000.00	229,000.00	14,918.75	2,131.25	246,050.00	263,100.00	1,476,000.00
Jun 1, 2039	1,476,000.00		12,915.00	1,845.00	14,760.00		1,476,000.00
Dec 1, 2039	1,476,000.00	234,000.00	12,915.00	1,845.00	248,760.00	263,520.00	1,242,000.00
Jun 1, 2040	1,242,000.00		10,867.50	1,552.50	12,420.00		1,242,000.00
Dec 1, 2040	1,242,000.00	239,000.00	10,867.50	1,552.50	251,420.00	263,840.00	1,003,000.00
Jun 1, 2041	1,003,000.00		8,776.25	1,253.75	10,030.00		1,003,000.00
Dec 1, 2041	1,003,000.00	244,000.00	8,776.25	1,253.75	254,030.00	264,060.00	759,000.00
Jun 1, 2042	759,000.00		6,641.25	948.75	7,590.00		759,000.00
Dec 1, 2042	759,000.00	248,000.00	6,641.25	948.75	255,590.00	263,180.00	511,000.00
Jun 1, 2043	511,000.00		4,471.25	638.75	5,110.00		511,000.00
Dec 1, 2043	511,000.00	253,000.00	4,471.25	638.75	258,110.00	263,220.00	258,000.00
Jun 1, 2044	258,000.00		2,257.50	322.50	2,580.00		258,000.00
Dec 1, 2044	258,000.00	258,000.00	2,257.50	322.50	260,580.00	263,160.00	0.00

LOAN AND DISBURSEMENT AGREEMENT
\$1,157,064.99 WATER REVENUE NOTES

This Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Treasury Regulations” shall mean, to the extent applicable to the Notes, the regulations promulgated under Sections 103 and 141 through 150 of the Code.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$1,157,064.99 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(i) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Revenue Note from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Note (assuming solely for this purpose that the proceeds of the Revenue Note loaned to the Participant represent all of the proceeds of the Notes) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of

the Notes loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to acquire any “non-governmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to pay the principal of or interest on any issue of State or local governmental obligations (“refinancing of indebtedness”) unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(v) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Notes or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(vi) The Participant shall not use the proceeds of the Notes (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) in any manner which would cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water

System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after

providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public

Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have

resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and, in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default

under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually

on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$4,308.61), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the “Rate”). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the “Interest Rate”).

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if

corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys’ fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

Grimes D0276R to CIWW (2025A-1)

Water Revenue Bond

FS-77-14-DWSRF-002



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2033
Loan Period in Years	9
Total Loaned Amount	\$ 1,152,756.38
Net Proceeds to Borrower	\$ 1,152,756.38
Annual Interest Rate	1.75%
Total Interest	\$ 100,566.25
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 14,366.61
Total Loan Costs	\$ 114,932.86

Estimated Draw Schedule

Loan Balance	Jan 3, 2025	1,051,000.00
Disbursement - DSRF	Jan 3, 2025	80,306.48
Disbursement - Issuance Cost	Jan 3, 2025	21,449.90
Disbursement - Initiation Fee	Jan 3, 2025	4,308.61
Total Loaned Amount		1,157,064.99

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	1,157,064.99		8,436.93	1,205.28	9,642.21		1,157,064.99
Dec 1, 2025	1,157,064.99	139,064.99	10,124.32	1,446.33	150,635.64	160,277.85	1,018,000.00
Jun 1, 2026	1,018,000.00		8,907.50	1,272.50	10,180.00		1,018,000.00
Dec 1, 2026	1,018,000.00	119,000.00	8,907.50	1,272.50	129,180.00	139,360.00	899,000.00
Jun 1, 2027	899,000.00		7,866.25	1,123.75	8,990.00		899,000.00
Dec 1, 2027	899,000.00	121,000.00	7,866.25	1,123.75	129,990.00	138,980.00	778,000.00
Jun 1, 2028	778,000.00		6,807.50	972.50	7,780.00		778,000.00
Dec 1, 2028	778,000.00	123,000.00	6,807.50	972.50	130,780.00	138,560.00	655,000.00
Jun 1, 2029	655,000.00		5,731.25	818.75	6,550.00		655,000.00
Dec 1, 2029	655,000.00	126,000.00	5,731.25	818.75	132,550.00	139,100.00	529,000.00
Jun 1, 2030	529,000.00		4,628.75	661.25	5,290.00		529,000.00
Dec 1, 2030	529,000.00	128,000.00	4,628.75	661.25	133,290.00	138,580.00	401,000.00
Jun 1, 2031	401,000.00		3,508.75	501.25	4,010.00		401,000.00
Dec 1, 2031	401,000.00	131,000.00	3,508.75	501.25	135,010.00	139,020.00	270,000.00
Jun 1, 2032	270,000.00		2,362.50	337.50	2,700.00		270,000.00
Dec 1, 2032	270,000.00	134,000.00	2,362.50	337.50	136,700.00	139,400.00	136,000.00
Jun 1, 2033	136,000.00		1,190.00	170.00	1,360.00		136,000.00
Dec 1, 2033	136,000.00	136,000.00	1,190.00	170.00	137,360.00	138,720.00	0.00

LOAN AND DISBURSEMENT AGREEMENT
\$3,272,316.38 WATER REVENUE NOTES

This Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Treasury Regulations” shall mean, to the extent applicable to the Notes, the regulations promulgated under Sections 103 and 141 through 150 of the Code.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$3,272,316.38 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(i) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Revenue Note from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Note (assuming solely for this purpose that the proceeds of the Revenue Note loaned to the Participant represent all of the proceeds of the Notes) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of

the Notes loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Notes loaned to the Participant to acquire any “non-governmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to pay the principal of or interest on any issue of State or local governmental obligations (“refinancing of indebtedness”) unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(v) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Notes to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Notes or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(vi) The Participant shall not use the proceeds of the Notes (assuming solely for this purpose that the proceeds of the Notes loaned to the Participant represent all of the proceeds of the Notes) in any manner which would cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water

System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after

providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant's rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public

Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have

resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and, in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default

under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually

on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$12,315.01), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the “Rate”). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the “Interest Rate”).

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if

corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys’ fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

Grimes D0472R to CIWW (2025A-3)

Water Revenue Bond

FS-77-18-DWSRF-016



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2039
Loan Period in Years	15
Total Loaned Amount	\$ 3,260,001.37
Net Proceeds to Borrower	\$ 3,260,001.37
Annual Interest Rate	1.75%
Total Interest	\$ 472,790.91
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 67,541.56
Total Loan Costs	\$ 540,332.46

Estimated Draw Schedule

Loan Balance -	Jan 3, 2025	3,004,000.00
Disbursement - DSRF	Jan 3, 2025	229,534.40
Disbursement - Issuance Cost	Jan 3, 2025	26,466.97
Disbursement - Initiation Fee	Jan 3, 2025	12,315.01
Total Loaned Amount		3,272,316.38

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	3,272,316.38		23,860.64	3,408.66	27,269.30		3,272,316.38
Dec 1, 2025	3,272,316.38	202,316.38	28,632.77	4,090.40	235,039.54	262,308.84	3,070,000.00
Jun 1, 2026	3,070,000.00		26,862.50	3,837.50	30,700.00		3,070,000.00
Dec 1, 2026	3,070,000.00	192,000.00	26,862.50	3,837.50	222,700.00	253,400.00	2,878,000.00
Jun 1, 2027	2,878,000.00		25,182.50	3,597.50	28,780.00		2,878,000.00
Dec 1, 2027	2,878,000.00	196,000.00	25,182.50	3,597.50	224,780.00	253,560.00	2,682,000.00
Jun 1, 2028	2,682,000.00		23,467.50	3,352.50	26,820.00		2,682,000.00
Dec 1, 2028	2,682,000.00	200,000.00	23,467.50	3,352.50	226,820.00	253,640.00	2,482,000.00
Jun 1, 2029	2,482,000.00		21,717.50	3,102.50	24,820.00		2,482,000.00
Dec 1, 2029	2,482,000.00	204,000.00	21,717.50	3,102.50	228,820.00	253,640.00	2,278,000.00
Jun 1, 2030	2,278,000.00		19,932.50	2,847.50	22,780.00		2,278,000.00
Dec 1, 2030	2,278,000.00	208,000.00	19,932.50	2,847.50	230,780.00	253,560.00	2,070,000.00
Jun 1, 2031	2,070,000.00		18,112.50	2,587.50	20,700.00		2,070,000.00
Dec 1, 2031	2,070,000.00	212,000.00	18,112.50	2,587.50	232,700.00	253,400.00	1,858,000.00
Jun 1, 2032	1,858,000.00		16,257.50	2,322.50	18,580.00		1,858,000.00
Dec 1, 2032	1,858,000.00	216,000.00	16,257.50	2,322.50	234,580.00	253,160.00	1,642,000.00
Jun 1, 2033	1,642,000.00		14,367.50	2,052.50	16,420.00		1,642,000.00
Dec 1, 2033	1,642,000.00	221,000.00	14,367.50	2,052.50	237,420.00	253,840.00	1,421,000.00
Jun 1, 2034	1,421,000.00		12,433.75	1,776.25	14,210.00		1,421,000.00
Dec 1, 2034	1,421,000.00	225,000.00	12,433.75	1,776.25	239,210.00	253,420.00	1,196,000.00
Jun 1, 2035	1,196,000.00		10,465.00	1,495.00	11,960.00		1,196,000.00
Dec 1, 2035	1,196,000.00	230,000.00	10,465.00	1,495.00	241,960.00	253,920.00	966,000.00
Jun 1, 2036	966,000.00		8,452.50	1,207.50	9,660.00		966,000.00
Dec 1, 2036	966,000.00	234,000.00	8,452.50	1,207.50	243,660.00	253,320.00	732,000.00
Jun 1, 2037	732,000.00		6,405.00	915.00	7,320.00		732,000.00
Dec 1, 2037	732,000.00	239,000.00	6,405.00	915.00	246,320.00	253,640.00	493,000.00
Jun 1, 2038	493,000.00		4,313.75	616.25	4,930.00		493,000.00
Dec 1, 2038	493,000.00	244,000.00	4,313.75	616.25	248,930.00	253,860.00	249,000.00
Jun 1, 2039	249,000.00		2,178.75	311.25	2,490.00		249,000.00
Dec 1, 2039	249,000.00	249,000.00	2,178.75	311.25	251,490.00	253,980.00	0.00



CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM

Meeting Date: December 6, 2024

ITEM NUMBER: 5C

SUBJECT: \$ 22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B

SUMMARY:

This action is establishing three new taxable loans to pay off existing loans from Grimes. Each loan will pay off the loan balance as well as pay for cost of issuance and provide funds to establish a debt service reserve fund as required by the bond covenants.

FINANCIAL IMPACT:

These loans are at a rate of 2% and will be paid for from rates via schedule VI-2, Mandatory Rate Setting Principles, as Joint Capital Debt Service. The final maturity dates for these loans range from December 2036 to December 2041. This debt service has been included in the 2025 budget and rates.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Approving and authorizing the form of Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes.

Prepared by: _____

Jami Madsen

December 6, 2024

The Board of Trustees of Central Iowa Water Works, State of Iowa, met in _____ session, at the MidAmerican Energy Company RecPlex, 6500 Grand Ave., West Des Moines, Iowa, at _____ o'clock _____.M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

Vacant: _____

* * * * *

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF LOAN AND DISBURSEMENT AGREEMENTS BY AND BETWEEN CENTRAL IOWA WATER WORKS AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$22,484,366 TAXABLE WATER REVENUE CAPITAL LOAN NOTES, SERIES 2025B, OF CENTRAL IOWA WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____ %

Weighted Vote Result: AYES _____ %

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF LOAN AND DISBURSEMENT AGREEMENTS BY AND BETWEEN CENTRAL IOWA WATER WORKS AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$22,484,366 TAXABLE WATER REVENUE CAPITAL LOAN NOTES, SERIES 2025B, OF CENTRAL IOWA WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES

WHEREAS, certain water utilities, rural water districts and governmental entities have established a regional water authority as a separate public entity and political subdivision created under Chapter 28E and Chapter 28F, Iowa Code, known as the "Central Iowa Water Works" ("CIWW") to act as a regional water wholesale production and supply entity under the material terms and conditions as set forth in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the "CIWW Agreement");

WHEREAS, CIWW establishes a shared regional system of drinking water supply production facilities under regional ownership and governance to meet existing and future needs for safe, reliable, abundant drinking water to be distributed to the customers of its Member Agencies;

WHEREAS, the Board of Trustees of Central Iowa Water Works, Iowa, sometimes hereinafter referred to as the "Issuer", has heretofore established charges, rates and rentals for services which are and will continue to be collected as system revenues of the Central Iowa Water Works regional water production and supply system, sometimes hereinafter referred to as the "System", and said revenues have not been pledged and are available for the payment of Taxable Water Revenue Capital Loan Notes, Series 2025B, subject to the following premises; and

WHEREAS, Issuer proposes to issue its Taxable Water Revenue Capital Loan Notes, Series 2025B, to the extent of \$22,484,366, for the purpose of defraying the costs of the Project as set forth in Section 1 of this Resolution; and, it is deemed necessary and advisable and in the best interests of Central Iowa Water Works that the form of Loan and Disbursement Agreements (three) by and between Central Iowa Water Works and the Iowa Finance Authority, be approved and authorized; and

WHEREAS, the Issuer is (1) acquiring certain assets and facilities from the City of Grimes, and (2) entering into the Agreements and issuing the Notes to pay for said assets and facilities, and (3) paying the City of Grimes an amount, from the proceeds of the Notes, equal to

the outstanding principal amount of the following obligations of the City of Grimes, which amount the City of Grimes is using to pay off said obligations:

- \$577,000 Taxable Water Revenue Bonds, Series 2016, dated September 23, 2016, now outstanding in the principal amount of \$363,000 (Grimes)
- \$1,559,000 Taxable Water Revenue Bonds, Series 2019B, dated June 7, 2019, now outstanding in the principal amount of \$1,203,000 (Grimes)
- \$21,990,000 Taxable Water Revenue Bonds, Series 2020, dated January 10, 2020, now outstanding in the principal amount of \$19,134,000 (Grimes); and

WHEREAS, the notice of intention of Issuer to take action for the issuance of \$22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B, has heretofore been duly published and no objections to such proposed action have been filed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CENTRAL IOWA WATER WORKS, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

◆ "Additional Bonds" shall mean any water revenue bonds or notes or other obligations issued on a parity with the Notes in accordance with the provisions of Section 21 hereof.

◆ "Agreements" shall mean the three (3) Loan and Disbursement Agreements dated as of the Closing between Central Iowa Water Works and the Original Purchaser, relating to the Loans made to Central Iowa Water Works under the Program, each Agreement correlating with one of the Notes;

◆ "Closing" shall mean the date of delivery of the Notes to the Original Purchaser and the funding of the Loan;

◆ "Fiscal Year" shall mean the twelve months' period beginning on January 1 of each year and ending on the last day of December of the same year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the System; provided, that the requirements of a fiscal year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year;

◆ "Governing Body" shall mean the Board of Trustees of Central Iowa Water Works, or its successor in function with respect to the operation and control of the System;

◆ "Independent Auditor" shall mean an independent firm of certified public accountants or the Auditor of State;

- ◆ "Issuer" shall mean Central Iowa Water Works, Iowa;
- ◆ "Loan" shall mean the principal amount allocated by the Original Purchaser to Central Iowa Water Works under the Program, equal in amount to the principal amount of the Notes;
- ◆ "Net Revenues" shall mean gross earnings of the System after deduction of Current Expenses; "Current Expenses" shall mean and include the reasonable and necessary cost of operating, maintaining, repairing and insuring the System, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies, but excluding depreciation and principal of and interest on the Notes and any Parity Obligations or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not System expenses;
- ◆ "Notes" or "Note" shall mean \$22,484,366 Taxable Water Revenue Capital Loan Notes, Series 2025B, authorized to be issued by this Resolution;
- ◆ "Original Purchaser" shall mean the Iowa Finance Authority, as the purchaser of the Notes from Issuer at the time of their original issuance;
- ◆ "Parity Obligations" shall mean notes or bonds payable solely from the Net Revenues of the System on an equal basis with the Notes herein authorized to be issued and shall include Additional Bonds as authorized to be issued under the terms of this Resolution and the Outstanding Obligations. "Outstanding Obligations" shall mean the Water Revenue Capital Loan Notes, Series 2025A, dated January 3, 2025, issued concurrently with the Notes, and issued in accordance with a resolution adopted December 6, 2024, \$26,522,647.03 of which obligations are outstanding and unpaid and remain a lien on the Net Revenues of the System;
- ◆ "Paying Agent" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Notes as the same shall become due;
- ◆ "Permitted Investments" shall mean any investments permitted in Iowa Code chapter 12B or section 12C.9. All interim investments must mature before the date on which the moneys are required for payment of principal and interest on the Notes or project costs;
- ◆ "Program" shall mean the Iowa Drinking Water Facilities Financing Program undertaken by the Original Purchaser;
- ◆ "Project" shall mean the costs of acquisition, extension and improvement of all or part of the CIWW regional water production and supply system;

◆ "Project Fund" shall mean the Loan Account maintained under the Program for the benefit of the Issuer, into which the proceeds of the Loans and the Notes shall be allocated and held until disbursed to pay Project costs;

◆ "Registrar" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes;

◆ "Reserve Fund Requirement" shall mean an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on the Notes and Parity Obligations in any succeeding Fiscal Year, (b) 10 percent of the stated principal amount of the Notes and Parity Obligations (for issues with original issue discount or original issue premium of more than a de minimis amount the issue price shall be substituted for the stated principal amount), or (c) 125% of the average amount of principal and interest coming due on the Notes and Parity Obligations in any succeeding Fiscal Year. For purposes of this definition, stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue;

◆ "Secretary of the Board of Trustees" shall mean the Secretary of the Board of Trustees or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities;

◆ "System" shall mean the regional water production and supply system of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all water treatment facilities, storage facilities, pumping stations and all related property and improvements and extensions made by Issuer while any of the Notes or Parity Obligations remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles;

◆ "Treasurer" shall mean the Central Iowa Water Works Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Notes issued hereunder.

Section 2. Authority; Approval of Loan and Disbursement Agreements. The Agreements and the Notes authorized by this Resolution shall be issued pursuant to Chapter 28F of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Agreements shall be substantially in the form attached to this Resolution and are authorized to be executed and issued on behalf of the Issuer by the Chairperson and attested by the Secretary of the Board of Trustees.

Section 3. Authorization and Purpose. There are hereby authorized to be issued, negotiable, serial, fully registered Taxable Revenue Notes of Central Iowa Water Works, State of Iowa, each to be designated as "Taxable Water Revenue Capital Loan Note, Series 2025B", in the aggregate amount of \$22,484,366, for the purpose of paying costs of the Project. The Board

of Trustees, pursuant to Chapter 28F of the Code of Iowa, hereby finds and determines that it is necessary and advisable to issue said Notes authorized by the Agreements and this Resolution.

Section 4. Source of Payment. The Notes herein authorized and Parity Obligations and the interest thereon shall be payable solely and only out of the Net Revenues of the System and shall be a first lien on the future Net Revenues of the System. The Notes shall not be general obligations of the Issuer or its members nor shall the Notes be payable in any manner by taxation and the Issuer and its members shall be in no manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of the Notes.

Section 5. Note Details. Taxable Water Revenue Capital Loan Notes, Series 2025B, of Central Iowa Water Works in the amount of \$22,484,366, shall be issued to evidence the obligations of the Issuer under the Agreements pursuant to the provisions of Chapter 28F of the Code of Iowa for the aforesaid purpose. The Notes shall be designated "TAXABLE WATER REVENUE CAPITAL LOAN NOTE, SERIES 2025B", be dated the date of delivery, and bear interest at the rate of 1.75% per annum from the date of each advancement made under the Agreements, until payment thereof, at the office of the Paying Agent, said interest payable on June 1, 2025, and semi-annually thereafter on the 1st day of December and June in each year until maturity as set forth on the Debt Service Schedules attached to the Agreements as Exhibit A and incorporated herein by this reference. As set forth on said Debt Service Schedules, principal shall be payable on December 1, 2025 and annually thereafter on the 1st day of December in the amounts set forth therein until principal and interest are fully paid, except that the final installment of the entire balance of principal and interest of each Note, if not sooner paid, shall become due and payable on the final maturity date noted on each of the Notes, respectively. Payment of principal and interest on the Notes shall at all times conform to said Debt Service Schedules and the rules of the Program.

The Notes shall be executed by the manual or facsimile signature of the Chairperson and attested by the manual or facsimile signature of the Secretary, and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated clearing house system transfer to the registered owner of the Note. The Notes may be in the denomination of \$100,000 or larger and shall at the request of the Original Purchaser be initially issued as three Notes in the denomination of \$399,499.84, \$1,321,999.47, and \$20,762,866.69 and numbered R-1, R-2, and R-3, respectively.

Section 6. Initiation Fee and Servicing Fee. In addition to the payment of principal of and interest on the Notes, the Issuer also agrees to pay the Initiation Fee and the Servicing Fee as defined and in accordance with the terms of the Agreement.

Section 7. Redemption. The Notes are subject to optional redemption at a price of par plus accrued interest (i) on any date upon receipt of written consent of the Original Purchaser or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Notes may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity, by giving not less than thirty (30) days' notice of redemption by certified or registered mail to the Original Purchaser (or any other registered

owner of the Note). The terms of redemption shall be par, plus accrued interest to date of call. The Notes are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

Section 8. Registration of Notes; Appointment of Registrar; Transfer; Ownership; Delivery; and Cancellation.

(a) Registration. The ownership of Notes may be transferred only by the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. The Secretary of the Board of Trustees is hereby appointed as Note Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

(b) Transfer. The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

(c) Registration of Transferred Notes. In all cases of the transfer of the Notes, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Notes, in accordance with the provisions of this Resolution.

(d) Ownership. As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Notes and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

(e) Cancellation. All Notes which have been redeemed shall not be reissued but shall be cancelled by the Registrar. All Notes which are cancelled by the Registrar

shall be destroyed and a Certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Notes to the Issuer.

(f) Non-Presentation of Notes. In the event any payment check, wire, or electronic transfer of funds representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the Paying Agent shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

Section 9. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of Registrar authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note to Registrar, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Registrar and Issuer that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Registrar and Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer or its agent may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 10. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of any Note, shall be made to the registered holder thereof or to their designated Agent as the same appear on the books of the Registrar on the 15th day of the month preceding the payment date. All such payments shall fully discharge the obligations of the Issuer in respect of such Notes to the extent of the payments so made. Upon receipt of the final payment of principal, the holder of the Note shall surrender the Note to the Paying Agent.

Section 11. Execution, Authentication and Delivery of the Notes. Upon the adoption of this Resolution, the Chairperson and Secretary of the Board of Trustees shall execute the Notes by their manual or authorized signature and deliver the Notes to the Registrar, who shall authenticate the Notes and deliver the same to or upon order of the Original Purchaser. No Note shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless the Registrar shall duly endorse and execute on such Note a Certificate of Authentication

substantially in the form of the Certificate herein set forth. Such Certificate upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly issued under this Resolution and that the holder thereof is entitled to the benefits of this Resolution.

Section 12. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving prompt written notice to each registered noteholder.

Section 13. Form of Note. Notes shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

(6)	(6)		
(7)	(8)		
(1)			
(2)	(3)	(4)	(5)
(9)			
(9a)			
(10) (Continued on the back of this Bond)			
(11)(12)(13)	(14)	(15)	

FIGURE 1
(Front)

(10) (Continued)		(16)
---------------------	--	------

FIGURE 2
(Back)

The text of the Notes to be located thereon at the item numbers shown shall be as follows:

Item 1, figure 1 = "STATE OF IOWA"
"COUNTIES OF POLK, DALLAS, MADISON, AND WARREN"
"CENTRAL IOWA WATER WORKS"
"TAXABLE WATER REVENUE CAPITAL LOAN NOTE"
"SERIES 2025B"

Item 2, figure 1 = Rate: _____ %
Item 3, figure 1 = Final Maturity: _____
Item 4, figure 1 = Note Date: January 3, 2025
Item 5, figure 1 = CUSIP # N/A
Item 6, figure 1 = "Registered"
Item 7, figure 1 = Certificate No. _____
Item 8, figure 1 = Principal Amount: \$ _____

Item 9, figure 1 = Central Iowa Water Works, Iowa, a political subdivision and an instrumentality of political subdivisions, organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to

IOWA FINANCE AUTHORITY

Item 10, figure 1 = or registered assigns, the principal sum of (principal amount written out) in lawful money of the United States of America, on the maturity dates and in the principal amounts set forth on the Debt Service Schedule attached hereto and incorporated herein by this reference, with interest on said sum from the date of each advancement made under a certain Loan and Disbursement Agreement dated as of the date hereof until paid at the rate of 1.75% per annum, payable on June 1, 2025, and semi-annually thereafter on the 1st day of December and June in each year. As set forth on said Debt Service Schedule, principal shall be payable on December 1, 2025 and annually thereafter on the first day of December in the amounts set forth therein until principal and interest are fully paid, except that the final installment of the entire balance of principal and interest, if not sooner paid, shall become due and payable on December 1, 20____. Payment of principal and interest of this Note shall at all times conform to said Debt Service Schedule and the rules of the Drinking Water State Revolving Fund Program.

Interest and principal shall be paid to the registered holder of the Note as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding such interest payment date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is issued pursuant to the provisions of Chapter 28F of the Code of Iowa, for the purpose of paying costs of acquisition, extension and improvement of all or part of the CIWW regional water production and supply system, and evidences amounts payable under a certain Loan and Disbursement Agreement dated as of the date hereof, in conformity to a Resolution of

the Board of Trustees of said Central Iowa Water Works duly passed and approved. For a complete statement of the Net Revenues and funds from which and the conditions under which this Note is payable, a statement of the conditions under which additional notes or bonds of equal standing may be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above-described Loan and Disbursement Agreement and Resolution.

This Note is subject to optional redemption at a price of par plus accrued interest (i) on any date upon receipt of written consent of the Iowa Finance Authority or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of this Note may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity, by lot by giving thirty (30) days' notice of redemption by certified or registered mail, to the Iowa Finance Authority (or any other registered owner of the Note). This Note is also subject to mandatory redemption as set forth in Section 5 of the Agreement.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by the Secretary of the Board of Trustees, Central Iowa Water Works, Iowa, the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered Noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Note Resolution.

THE HOLDERS OF THE NOTES SHOULD TREAT THE INTEREST AS SUBJECT TO FEDERAL INCOME TAX.

This Note and the series of which it forms a part, other obligations ranking on a parity therewith and any additional obligations which may be hereafter issued and outstanding from time to time on a parity with said Notes, as provided in the Resolution and Loan and Disbursement Agreement of which notice is hereby given and which are hereby made a part hereof, are payable from and secured by a pledge of the Net Revenues of the System (the "System"), as defined and provided in said Resolution. There has heretofore been established and Central Iowa Water Works covenants and agrees that it will maintain just and equitable rates or charges for the use of and service rendered by said System in each year for the payment of the proper and reasonable expenses of operation and maintenance of said System and for the establishment of a sufficient sinking fund to meet the principal of and interest on this series of Notes, and other obligations ranking on a parity therewith, as the same become due. **This Note is not payable in any manner by taxation and under no circumstances shall the Issuer or any of the members of the Issuer be in any manner liable by reason of the failure of said Net Revenues to be sufficient for the payment hereof. Neither the payment of the principal nor any part thereof nor any interest thereon constitutes a debt, liability or obligation of any of the members of the Issuer or of the Issuer itself within the meaning of any constitutional, statutory or charter provision or otherwise.**

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, Central Iowa Water Works by its Board of Trustees has caused this Note to be signed by the manual or facsimile signature of its Chairperson and attested by the manual or facsimile signature of its Secretary of the Board of Trustees, and authenticated by the manual or facsimile signature of an authorized representative of the Registrar, the Secretary of the Board of Trustees of Central Iowa Water Works, Iowa.

Item 11, figure 1 = Date of authentication:
Item 12, figure 1 = This is one of the Notes described in the within mentioned Resolution, as registered by the Secretary of the Board of Trustees.

SECRETARY OF THE BOARD OF TRUSTEES

By: _____
Registrar

Item 13, figure 1 = Registrar and Transfer Agent: Secretary of the Board of Trustees
Paying Agent: Secretary of the Board of Trustees

SEE REVERSE FOR CERTAIN DEFINITIONS

Item 15, figure 1 = (Signature Block)

CENTRAL IOWA WATER WORKS, STATE OF IOWA

By: (manual or facsimile signature)
Chairperson

ATTEST:

By: (manual or facsimile signature)
Secretary of the Board of Trustees

Item 17, figure 2 = [Assignment Block]
[Information Required for Registration]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) the

within Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____

Address of Transferee(s) _____

Social Security or Tax Identification

Number of Transferee(s) _____

Transferee is a(n):

Individual* _____

Corporation _____

Partnership _____

Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with rights of survivorship and not as tenants in common

IA UNIF TRANS MIN ACT - Custodian

(Cust) (Minor)

Under Iowa Uniform Transfers to Minors Act.....

(State)

Section 14. Equality of Lien. The timely payment of principal of and interest on the Notes and Parity Obligations shall be secured equally and ratably by the Net Revenues of the System without priority by reason of number or time of sale or delivery; and the Net Revenues of the System are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 15. Application of Note Proceeds - Project Fund; Reserve Fund. Proceeds of the Notes in the amount of \$1,581,678.44 shall be credited to the Reserve Fund. The remaining proceeds of the Notes shall be credited to the Project Fund and expended therefrom for the purposes of issuance. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Notes at any time that other funds of the System shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution.

Section 16. User Rates. There has heretofore been established and published as required by law, just and equitable rates or charges for the use of the service rendered by the System. Said rates or charges shall be paid by each member and customer of Central Iowa Water Works that is connected with and uses the System, by or through any part of the System or that in any way uses or is served by the System.

Any revenue paid and collected for the use of the System and its services by the Issuer or any department, agency or instrumentality of the Issuer shall be used and accounted for in the same manner as any other revenues derived from the operations of the System.

Section 17. Application of Revenues. From and after the delivery of any Notes, and as long as any of the Notes or Parity Obligations shall be outstanding and unpaid either as to principal or as to interest, or until all of the Notes and Parity Obligations then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the System shall be deposited as collected in a fund to be known as the Water Revenue Fund (the "Revenue Fund"), and shall be disbursed only as follows:

The provisions in the resolution authorizing the issuance of the Outstanding Obligations adopted on December 6, 2024, whereby there was created and is to be maintained a Water Revenue Note Principal and Interest Sinking Fund, and for the monthly payment into said fund from the future Net Revenues of the System such portion thereof as will be sufficient to meet the principal and interest of the Outstanding Obligations, and maintaining a reserve therefor, are hereby ratified and confirmed, and all such provisions inure to and constitute the security for the payment of the principal and interest on Notes hereby authorized to be issued; provided, however, that the amounts to be set aside and paid into the Water Revenue Note Principal and Interest Sinking Fund in equal monthly installments from the earnings shall be sufficient to pay the principal and interest due each year, not only on the Outstanding Obligations, but also the principal and interest of the Notes herein authorized to be issued and to maintain a reserve

therefor. Said provisions in the resolution are hereby ratified, confirmed, adopted and incorporated herein as a part of this Resolution. Except as may be otherwise provided in the said resolution, proceeds of the Notes or other funds may be invested in Permitted Investments.

Nothing in this Resolution shall be construed to impair the rights vested in the Outstanding Obligations. The amounts herein required to be paid into the various funds named in this Section shall be inclusive of payments required in respect to the Outstanding Obligations. The provisions of the legislation authorizing the Outstanding Obligations and the provisions of this Resolution are to be construed wherever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the resolution first adopted shall prevail until such time as the notes or bonds authorized by said resolution have been paid in full or otherwise satisfied as therein provided at which time the provisions of this Resolution shall again prevail.

At such time as the Outstanding Obligations are paid and so long as the Notes or Parity Obligations remain outstanding and unpaid the same are discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the system shall be deposited and collected in a fund to be known as the Revenue Fund, and shall be disbursed only as follows:

- Operation and Maintenance Fund. Money in the Revenue Fund shall first be disbursed to make deposits into a separate and special fund to pay current expenses. The fund shall be known as the Water Utility Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be deposited in the Operation and Maintenance Fund each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to this account from the Revenue Fund to the extent necessary to pay current expenses accrued and payable to the extent that funds are not available in the Surplus Fund.

- Sinking Fund. Money in the Revenue Fund shall next be disbursed to make deposits into a separate and special fund to pay principal of and interest on the Notes and Parity Obligations. The fund shall be known as the Water Revenue Note Principal and Interest Sinking Fund (the "Sinking Fund"). The required amount to be deposited in the Sinking Fund in any month shall be an amount equal to 1/6th of the installment of interest coming due on the next interest payment date on the then outstanding Notes and Parity Obligations, plus 1/12th of the installment of principal coming due on such Notes on the next succeeding principal payment date until the full amount of such installment is on hand. If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Revenue Fund. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Notes and Parity Obligations as the same shall become due and payable.

- Reserve Fund. Money in the Revenue Fund shall next be disbursed to create and maintain a debt service reserve in an amount equal to the Reserve Fund Requirement. Such fund shall be known as the Water Revenue Debt Service Reserve

Fund (the "Reserve Fund"). Unless otherwise provided under the Program, in each month there shall be deposited in the Reserve Fund an amount equal to 25% of the amount required by this Resolution to be deposited in such month in the Sinking Fund; provided, however, that when the amount on deposit in the Reserve Fund shall be not less than the Reserve Fund Requirement, no further deposits shall be made into the Reserve Fund except to maintain such level, and when the amount on deposit in the Reserve Fund is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Notes and Parity Obligations for the payment of which insufficient money shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount.

- Subordinate Obligations. Money in the Revenue Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the Net Revenues of the System, but subordinate to the Notes and Parity Obligations, and which have been issued for the purposes of extensions and improvements to the System or to retire the Notes or Parity Obligations in advance of maturity, or to pay for extraordinary repairs or replacements to the System.

- Surplus Revenue. All money thereafter remaining in the Revenue Fund at the close of each month may be deposited in any of the funds created by this Resolution, to pay for extraordinary repairs or replacements to the System, or may be used to pay or redeem the Notes or Parity Obligations, any of them, or for any lawful purpose.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis on the 10th day of each month, or on the next succeeding business day when the 10th shall not be a business day; and if in any month the money in the Revenue Fund shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full.

Section 18. Investments. Moneys on hand in the Project Fund and all of the funds provided by this Resolution may be invested only in Permitted Investments or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation, or its equivalent successor, and the deposits of which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or its equivalent successor in any one financial institution shall be continuously secured in compliance with Iowa Code chapter 12C, or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All investments shall mature before the date on which the moneys are required for the purposes for which the fund was created or otherwise as herein provided. The provisions of this Section shall not be construed to require the Issuer to maintain separate accounts for the funds created by this Section.

The Sinking Fund shall be segregated in a separate account but may be invested in the same manner as other funds of the Issuer but designated as a trust fund on the books and records of the Issuer. The Sinking Fund shall not be available for any other purposes other than those specified in this Resolution.

All income derived from such investments shall be deposited in the Revenue Fund and shall be regarded as revenues of the System. Investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund was created.

Section 19. Covenants Regarding the Operation of the System. The Issuer hereby covenants and agrees with each and every holder of the Notes and Parity Obligations:

(a) Maintenance and Efficiency. The Issuer will maintain the System in good condition and operate it in an efficient manner and at reasonable cost.

(b) Sufficiency of Rates. On or before the beginning of each Fiscal Year the Governing Body will adopt or continue in effect rates for all services rendered by the System determined to be sufficient to produce Net Revenues for the next succeeding Fiscal Year which are (i) adequate to pay the principal and interest requirements thereof and to create or maintain the reserves as provided in this Resolution, and (ii) not less than 110 percent of the principal and interest requirements of the next succeeding Fiscal Year. No free use of the System by the Issuer or any department, agency or instrumentality of the Issuer shall be permitted except upon the determination of the Governing Body that the rates and changes otherwise in effect are sufficient to provide Net Revenues at least equal to the requirements of this subsection.

(c) Insurance. The Issuer shall maintain insurance for the benefit of the Noteholders on the insurable portions of the System of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of business. The proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the System damaged or destroyed, or if not so used shall be placed in an improvement fund for the benefit of the System.

(d) Accounting and Audits. The Issuer will cause to be kept proper books and accounts adapted to the System and in accordance with generally accepted accounting practices and will diligently act to cause the books and accounts to be audited and reported upon by an Independent Auditor and will provide copies of the audit report to the Department, all as provided in the Agreement. The Original Purchaser and holders of any of the Notes and Parity Obligations shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating thereto.

(e) State Laws. The Issuer will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Iowa, including the making and collecting of reasonable and sufficient rates for services

rendered by the System as above provided, and will segregate the revenues of the System and apply said revenues to the funds specified in this Resolution.

(f) Property. The Issuer will not sell, lease, mortgage or in any manner dispose of the System, or any capital part thereof, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Notes and Parity Obligations shall have been provided for in the manner provided in this Resolution; provided, however, this covenant shall not be construed to prevent the disposal by the Issuer of property which in the judgment of its Governing Body has become inexpedient or unprofitable to use in connection with the System, or if it is to the advantage of the System that other property of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such property shall be placed in a revolving fund to be used in preference to other sources for capital improvements to the System. Any such proceeds of the disposition of property acquired with the proceeds of the Notes or Parity Obligations shall not be used to pay principal or interest on the Notes and Parity Obligations or for payments into the Sinking or Reserve Fund.

(g) Fidelity Bond. That the Issuer shall maintain fidelity bond coverage in amounts which normally would be carried by private companies engaged in a similar kind of business on each officer or employee having custody of funds of the System.

(h) Additional Charges. The Issuer will require proper connecting charges and/or other security for the payment of service charges.

(i) Budget. The Governing Body of the Issuer shall approve and conduct operations pursuant to a system budget of revenues and current expenses for each Fiscal Year. Such budget shall take into account revenues and current expenses during the current and last preceding Fiscal Years. Copies of such budget and any amendments thereto shall be mailed to the Original Purchaser and to the Noteholders upon request.

(j) Loan and Disbursement Agreements. The Issuer will comply with the terms and conditions of the Loan and Disbursement Agreements and perform as provided thereunder.

Section 20. Remedies of Noteholders. Except as herein expressly limited the holder or holders of the Notes and Parity Obligations shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of their Notes and interest thereon, and of the pledge of the revenues made hereunder, and of all covenants of the Issuer hereunder.

Section 21. Prior Lien and Parity Obligations. The Issuer will issue no other notes, bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or Net Revenues of the System having priority over the Notes or Parity Obligations.

Additional Bonds may be issued on a parity and equality of rank with the Notes with respect to the lien and claim of such additional obligations to the Net Revenues of the System and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Notes or Parity Obligations which shall have matured or which shall mature not later than three months after the date of delivery of such refunding obligation and for the payment of which there shall be insufficient money in the Sinking Fund and the Reserve Fund;

(b) For the purpose of making extensions, additions, improvements or replacements to the System, or refunding any outstanding Notes, Parity Obligations or other obligations issued for such extensions, additions and improvements, if all of the following conditions shall have been met:

(i) before any such Additional Bonds ranking on a parity are issued, there will have been procured and filed with the Secretary, a statement of an Independent Auditor or independent financial advisor, not a regular employee of the Issuer, reciting the opinion based upon necessary investigations that the Net Revenues of the System for the preceding Fiscal Year (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum amount that will be required in any Fiscal Year prior to the longest maturity of any of the then outstanding Notes or Parity Obligations for both principal of and interest on all Notes or Parity Obligations then outstanding which are payable from the net earnings of the System and the Additional Bonds then proposed to be issued.

For the purpose of determining the Net Revenues of the System for the preceding Fiscal Year as aforesaid, the amount of the gross revenues for such year may be adjusted by an independent consulting engineer, the Independent Auditor or the independent financial advisor, so as to reflect any changes in the amount of such revenues which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any such Additional Bonds been in effect during all of such preceding Fiscal Year.

(ii) the Additional Bonds must be payable as to principal and as to interest on the same month and day as the Notes herein authorized.

(iii) for the purposes of this Section, principal and interest falling due on the first day of a Fiscal Year shall be deemed a requirement of the immediately preceding Fiscal Year.

(iv) for the purposes of this Section, general obligation bonds or notes shall be refunded only upon a finding of necessity by the Governing Body and only to the extent the general obligation bonds or notes were issued or the proceeds thereof were expended for the System.

(v) for purposes of this Section, "preceding Fiscal Year" shall be the most recently completed Fiscal Year for which audited financial statements prepared by a certified public accountant are issued and available, but in no event a Fiscal Year which ended more than eighteen months prior to the date of issuance of the Additional Bonds.

(c) As set forth in the Agreements.

Section 22. Discharge and Satisfaction of Notes. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Notes and Parity Obligations, or any of them, in any one or more of the following ways:

(a) By paying the Notes or Parity Obligations when the same shall become due and payable; and

(b) By depositing in trust with the Treasurer, or with a corporate trustee designated by the Governing Body, for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Notes or Obligations shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 23. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the holder or holders of the Notes and Parity Obligations, and after the issuance of any of the Notes no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as all of the Notes and Parity Obligations, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution.

Section 24. Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to any of the holders of the Bonds and Parity Obligations, amend or supplement this Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Notes or Parity Obligations; or to comply with any applicable provision of law or regulation of federal or state agencies; provided, however, that such

action shall not materially adversely affect the interests of the holders of the Notes or Parity Obligations;

(b) to grant to or confer upon the holders of the Notes or Parity Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Notes;

(c) to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or

(d) to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Section 25. Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the Notes and Parity Obligations at any time outstanding (not including in any case any Notes which may then be held or owned by or for the account of the Issuer, but including such Refunding Obligations as may have been issued for the purpose of refunding any of such Notes if such Refunding Obligations shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

(a) Make any change in the maturity or interest rate of the Notes, or modify the terms of payment of principal of or interest on the Notes or any of them or impose any conditions with respect to such payment;

(b) Materially affect the rights of the holders of less than all of the Notes and Parity Obligations then outstanding; and

(c) Reduce the percentage of the principal amount of Notes, the consent of the holders of which is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be mailed by certified mail to each registered owner of any Note as shown by the records of the Registrar. Such notice shall 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 Secretary of the Board of Trustees.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with the Secretary of the Board of Trustees an instrument or instruments executed by the holders of at least two-thirds in aggregate principal amount of the Notes then outstanding as in this Section defined, 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 Governing Body of the Issuer may adopt such

amendatory Resolution and such Resolution shall become effective and binding upon the holders of all of the Notes and Parity Obligations.

Any consent given by the holder of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Secretary of the Board of Trustees.

The fact and date of the execution of any instrument under the provisions of this Section 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 and numbers of the Notes held by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Notes described in such certificate.

Notwithstanding anything in this Section to the contrary, the holder or holders of 100% of the Notes and Parity Obligations may consent to any amendment of this Resolution, or waive any notices required hereunder, on such terms and under such conditions as said holders shall determine to be appropriate.

Section 26. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 27. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other Ordinances, Resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

Section 28. Rule of Construction. This Resolution and the terms and conditions of the Notes authorized hereby shall be construed whenever possible so as not to conflict with the terms and conditions of the Loan and Disbursement Agreement. In the event such construction is not possible, or in the event of any conflict or inconsistency between the terms hereof and those of the Loan and Disbursement Agreement, the terms of the Loan and Disbursement Agreement shall prevail and be given effect to the extent necessary to resolve any such conflict or inconsistency.

PASSED AND APPROVED this _____ day of _____, 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

TAXABLE LOAN AND DISBURSEMENT AGREEMENT
\$20,762,866.69 WATER REVENUE NOTES

This Taxable Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at

the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$20,762,866.69 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Reserved.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System

should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant’s rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a

repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant

understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and,

in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of

source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$92,434.79), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the "Rate"). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the "Interest Rate").

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the "continuing disclosure" requirements set forth in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

**Grimes D0504T to CIWW (2025B-3)
Water Revenue Bond
FS-77-18-DWSRF-016**



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2041
Loan Period in Years	17
Total Loaned Amount	\$ 20,670,431.90
Net Proceeds to Borrower	\$ 20,670,431.90
Annual Interest Rate	1.75%
Total Interest	\$ 3,428,435.98
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 489,776.57
Total Loan Costs	\$ 3,918,212.56

Estimated Draw Schedule

Loan Balance -	Jan 3, 2025	19,134,000.00
Disbursement - DSRF	Jan 3, 2025	1,462,021.03
Disbursement - Issuance Cost	Jan 3, 2025	74,410.87
Disbursement - Initiation Fee	Jan 3, 2025	92,434.79
Total Loaned Amount		20,762,866.69

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	20,762,866.69		151,395.90	21,627.99	173,023.89		20,762,866.69
Dec 1, 2025	20,762,866.69	933,866.69	181,675.08	25,953.58	1,141,495.36	1,314,519.25	19,829,000.00
Jun 1, 2026	19,829,000.00		173,503.75	24,786.25	198,290.00		19,829,000.00
Dec 1, 2026	19,829,000.00	1,064,000.00	173,503.75	24,786.25	1,262,290.00	1,460,580.00	18,765,000.00
Jun 1, 2027	18,765,000.00		164,193.75	23,456.25	187,650.00		18,765,000.00
Dec 1, 2027	18,765,000.00	1,085,000.00	164,193.75	23,456.25	1,272,650.00	1,460,300.00	17,680,000.00
Jun 1, 2028	17,680,000.00		154,700.00	22,100.00	176,800.00		17,680,000.00
Dec 1, 2028	17,680,000.00	1,107,000.00	154,700.00	22,100.00	1,283,800.00	1,460,600.00	16,573,000.00
Jun 1, 2029	16,573,000.00		145,013.75	20,716.25	165,730.00		16,573,000.00
Dec 1, 2029	16,573,000.00	1,129,000.00	145,013.75	20,716.25	1,294,730.00	1,460,460.00	15,444,000.00
Jun 1, 2030	15,444,000.00		135,135.00	19,305.00	154,440.00		15,444,000.00
Dec 1, 2030	15,444,000.00	1,151,000.00	135,135.00	19,305.00	1,305,440.00	1,459,880.00	14,293,000.00
Jun 1, 2031	14,293,000.00		125,063.75	17,866.25	142,930.00		14,293,000.00
Dec 1, 2031	14,293,000.00	1,175,000.00	125,063.75	17,866.25	1,317,930.00	1,460,860.00	13,118,000.00
Jun 1, 2032	13,118,000.00		114,782.50	16,397.50	131,180.00		13,118,000.00
Dec 1, 2032	13,118,000.00	1,198,000.00	114,782.50	16,397.50	1,329,180.00	1,460,360.00	11,920,000.00
Jun 1, 2033	11,920,000.00		104,300.00	14,900.00	119,200.00		11,920,000.00
Dec 1, 2033	11,920,000.00	1,222,000.00	104,300.00	14,900.00	1,341,200.00	1,460,400.00	10,698,000.00
Jun 1, 2034	10,698,000.00		93,607.50	13,372.50	106,980.00		10,698,000.00
Dec 1, 2034	10,698,000.00	1,246,000.00	93,607.50	13,372.50	1,352,980.00	1,459,960.00	9,452,000.00
Jun 1, 2035	9,452,000.00		82,705.00	11,815.00	94,520.00		9,452,000.00
Dec 1, 2035	9,452,000.00	1,271,000.00	82,705.00	11,815.00	1,365,520.00	1,460,040.00	8,181,000.00
Jun 1, 2036	8,181,000.00		71,583.75	10,226.25	81,810.00		8,181,000.00
Dec 1, 2036	8,181,000.00	1,297,000.00	71,583.75	10,226.25	1,378,810.00	1,460,620.00	6,884,000.00
Jun 1, 2037	6,884,000.00		60,235.00	8,605.00	68,840.00		6,884,000.00
Dec 1, 2037	6,884,000.00	1,323,000.00	60,235.00	8,605.00	1,391,840.00	1,460,680.00	5,561,000.00
Jun 1, 2038	5,561,000.00		48,658.75	6,951.25	55,610.00		5,561,000.00
Dec 1, 2038	5,561,000.00	1,349,000.00	48,658.75	6,951.25	1,404,610.00	1,460,220.00	4,212,000.00
Jun 1, 2039	4,212,000.00		36,855.00	5,265.00	42,120.00		4,212,000.00
Dec 1, 2039	4,212,000.00	1,376,000.00	36,855.00	5,265.00	1,418,120.00	1,460,240.00	2,836,000.00
Jun 1, 2040	2,836,000.00		24,815.00	3,545.00	28,360.00		2,836,000.00
Dec 1, 2040	2,836,000.00	1,404,000.00	24,815.00	3,545.00	1,432,360.00	1,460,720.00	1,432,000.00
Jun 1, 2041	1,432,000.00		12,530.00	1,790.00	14,320.00		1,432,000.00
Dec 1, 2041	1,432,000.00	1,432,000.00	12,530.00	1,790.00	1,446,320.00	1,460,640.00	0.00

TAXABLE LOAN AND DISBURSEMENT AGREEMENT
\$399,499.84 WATER REVENUE NOTES

This Taxable Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at

the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$399,499.84 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Reserved.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System

should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant’s rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a

repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant

understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and,

in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of

source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$1,753.62), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the "Rate"). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the "Interest Rate").

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the "continuing disclosure" requirements set forth in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

Grimes D0378RT to CIWW (2025B-1)

Water Revenue Bond

FS-77-16-DWSRF-003



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2036
Loan Period in Years	12
Total Loaned Amount	\$ 397,746.22
Net Proceeds to Borrower	\$ 397,746.22
Annual Interest Rate	1.75%
Total Interest	\$ 46,291.14
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 6,613.02
Total Loan Costs	\$ 52,904.17

Estimated Draw Schedule

Loan Balance -	Jan 3, 2025	363,000.00
Disbursement - DSRF	Jan 3, 2025	27,736.68
Disbursement - Issuance Cost	Jan 3, 2025	7,009.54
Disbursement - Initiation Fee	Jan 3, 2025	1,753.62
Total Loaned Amount		399,499.84

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	399,499.84		2,913.02	416.15	3,329.17		399,499.84
Dec 1, 2025	399,499.84	31,499.84	3,495.62	499.37	35,494.84	38,824.01	368,000.00
Jun 1, 2026	368,000.00		3,220.00	460.00	3,680.00		368,000.00
Dec 1, 2026	368,000.00	30,000.00	3,220.00	460.00	33,680.00	37,360.00	338,000.00
Jun 1, 2027	338,000.00		2,957.50	422.50	3,380.00		338,000.00
Dec 1, 2027	338,000.00	31,000.00	2,957.50	422.50	34,380.00	37,760.00	307,000.00
Jun 1, 2028	307,000.00		2,686.25	383.75	3,070.00		307,000.00
Dec 1, 2028	307,000.00	32,000.00	2,686.25	383.75	35,070.00	38,140.00	275,000.00
Jun 1, 2029	275,000.00		2,406.25	343.75	2,750.00		275,000.00
Dec 1, 2029	275,000.00	32,000.00	2,406.25	343.75	34,750.00	37,500.00	243,000.00
Jun 1, 2030	243,000.00		2,126.25	303.75	2,430.00		243,000.00
Dec 1, 2030	243,000.00	33,000.00	2,126.25	303.75	35,430.00	37,860.00	210,000.00
Jun 1, 2031	210,000.00		1,837.50	262.50	2,100.00		210,000.00
Dec 1, 2031	210,000.00	33,000.00	1,837.50	262.50	35,100.00	37,200.00	177,000.00
Jun 1, 2032	177,000.00		1,548.75	221.25	1,770.00		177,000.00
Dec 1, 2032	177,000.00	34,000.00	1,548.75	221.25	35,770.00	37,540.00	143,000.00
Jun 1, 2033	143,000.00		1,251.25	178.75	1,430.00		143,000.00
Dec 1, 2033	143,000.00	35,000.00	1,251.25	178.75	36,430.00	37,860.00	108,000.00
Jun 1, 2034	108,000.00		945.00	135.00	1,080.00		108,000.00
Dec 1, 2034	108,000.00	35,000.00	945.00	135.00	36,080.00	37,160.00	73,000.00
Jun 1, 2035	73,000.00		638.75	91.25	730.00		73,000.00
Dec 1, 2035	73,000.00	36,000.00	638.75	91.25	36,730.00	37,460.00	37,000.00
Jun 1, 2036	37,000.00		323.75	46.25	370.00		37,000.00
Dec 1, 2036	37,000.00	37,000.00	323.75	46.25	37,370.00	37,740.00	0.00

TAXABLE LOAN AND DISBURSEMENT AGREEMENT
\$1,321,999.47 WATER REVENUE NOTES

This Taxable Loan and Disbursement Agreement (the “Agreement”) is made and entered into as of January 3, 2025, by and between Central Iowa Water Works, a regional water facility and joint cooperative of the State of Iowa (the “Participant”) created pursuant to the Central Iowa Water Works 28E/28F Agreement (the “28E Agreement”) and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the “Issuer”).

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the “Department”), is authorized pursuant to the Safe Drinking Water Act (defined herein) to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the “Program”) established in Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299 of the Code of Iowa, 2023 (the “Act”), including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant; and

WHEREAS, the Issuer and the Participant desire to enter into this Agreement to set forth the mutual agreements of the parties with respect to the loan and the repayment schedule attached hereto as Exhibit A (the “Loan”)

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Bonds” shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

“Fiscal Year” shall mean January 1 through December 31.

“GAAP” means generally accepted accounting principles as issued by the Governmental Accounting Standards Board (GASB) from time to time, consistently applied.

“Gross Revenues” shall mean all income and receipts derived from the operation of the Water System.

“Loan” means the loan between the Participant and the Issuer.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at

the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Net Revenues” shall mean Gross Revenues less Operating Expenses.

“Operating Expenses” shall mean salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

“Parity Obligations” means any indebtedness payable from Net Revenues and secured by a first lien on such Net Revenues of the Water Utility, whether in the form of bonds, notes, loan agreements, leases, guaranties or other obligations.

“Project” shall mean the acquisition and/or construction activities approved by the Department and undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

“Regulations” shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code and the federal requirements described in Section 4(f) of this Agreement and set forth on Exhibit C attached hereto.

“Resolution” shall mean the resolution of the Board of Trustees of the Participant providing for the authorization and issuance of the Revenue Note (defined herein), attached hereto as Exhibit B, adopted on December 6, 2024, approving and authorizing the execution of this Agreement and the issuance of the Revenue Note (as defined herein).

“Safe Drinking Water Act” shall mean the federal law set forth in Title 42, Section 300f et seq. of the United States Code, as amended, and regulations promulgated thereunder, established to protect the quality of drinking water.

“State” means the State of Iowa.

“Water System” shall mean the drinking water systems of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan, Purchase of Revenue Note. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the “Revenue Note”) in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$1,321,999.47 (the “Loan”).

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of acquisition and/or construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
- (b) current construction payment estimates;
- (c) engineering service statements;
- (d) purchase orders or invoices for items not included within other contracts;
- (e) evidence that the costs for which the disbursement is requested have been incurred;
- (f) if applicable, evidence that all construction permits, environmental clearances and the Notice of Eligibility Letter from the Department have been issued and received for the Project; and
- (g) if applicable, any other Program requirements, including a construction contract opinion.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer, in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Participant Covenants.

(a) Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

(b) Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project, the Designated Water Supply Facilities and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bond, notes or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Revenue Note and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

(c) Exclusion of Interest from Gross Income. Reserved.

(d) Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Note shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof. Insurance proceeds or condemnation awards shall be used to replace or repair the Water System unless the Issuer and the Participant agree that the Water System

should not be so repaired or replaced, and that the proceeds or awards should be used to repay the Loan.

(e) Maintenance of Documents; Access. The Participant covenants and agrees to maintain separate financial records in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board (“GASB”) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets, for construction cost accounting, operating revenue of the Water System, and Loan repayments.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project and access to the Project site for purposes of periodic reviews of the Net Revenues of the Water System and of other information as required by the Issuer, and for conducting audits, inspections and reviews in accordance with any of the Regulations.

(f) Federal Requirements. The Participant covenants and agrees to comply with all applicable federal requirements including, but not limited to, those described on Exhibit C attached hereto.

(g) Operation of the Water System. The Participant covenants and agrees to (1) own, operate and maintain the Designated Water Supply Facilities and the Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Water System in good condition and operate it in an efficient manner and at a reasonable cost; (3) not sell, transfer, lease or otherwise encumber the Water System or any portion thereof or any interest therein without the prior written consent of the Issuer, and (4) obtain and maintain the property rights necessary to operate and maintain the Water System, and in procuring any such rights, comply with federal and State law.

(h) Maintenance of Rates. Whenever from time to time requested by the Issuer, submit evidence satisfactory to the Issuer demonstrating that the Participant’s rates and charges are at a level adequate to produce and maintain sufficient net revenue after providing for the proper operation and maintenance of the Water System, on a pro forma basis consistent with Program guidelines, to provide 1.10x coverage on all obligations of the Water System (including the Revenue Note) and, in the event the Participant’s rates and charges are insufficient to demonstrate such coverage, then to the extent permitted by law annually enact an increase in its rates and charges reasonably designed to be consistent with Program guidelines regarding such coverage.

(i) Recordkeeping and Reporting. The Participant covenants and agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act, including any reports required by a federal agency or the Issuer such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and this Agreement may be a default hereunder that results in a

repayment of the Loan in advance of the maturity of the Revenue Note and/or other remedial actions.

(j) Creation of Funds. The Participant covenants and agrees to establish and maintain the various funds and accounts described in the Resolution, including but not limited to the Sinking Fund described therein.

(k) Pro Forma; Municipal Advisor Certificate. The Participant covenants and agrees to provide on the five-year anniversary of this Agreement a pro forma which shall include but not be limited to the Net Revenues, Gross Revenues and Operating Expenses of the Water System, and a certificate of the Participant's municipal advisor certifying that Net Revenues have been maintained at a level not less than 110% of the amount of principal and interest on the Revenue Note and any other obligations secured by a pledge of the Net Revenues falling due in the same Fiscal Year.

(l) Covenants Regarding Assignment. The Participant acknowledges that the Issuer may pledge, sell or assign the Revenue Note or cause the Revenue Note to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 13 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Issuer, the Participant covenants and agrees with the Issuer that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Resolution and the Revenue Note and the Water System as the Issuer reasonably requests in writing to facilitate the sale or assignment of the Revenue Note. The Participant shall not assign its interest in this Agreement without the prior written consent of the Issuer.

(m) Civil Rights Act. The Participant covenants and agrees to comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(n) No Modification of Resolution. The Participant covenants and agrees to not modify, alter, amend, add to or rescind any provision of the Resolution without the prior written consent of the Issuer.

(o) Lobbying Restrictions. The Participant covenants and agrees to (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by the Program or the Safe Drinking Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant

understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(p) Compliance with Agreement. The Participant covenants and agrees to comply with all requirements of this Agreement applicable to the Revenue Note.

(q) Debt Service Reserve Fund. As further security for the repayment of the Revenue Note, the Participant shall maintain a debt service reserve fund in a sum which shall be equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the Revenue Note and Parity Obligations; (b) 10% of the stated principal amount of the Revenue Note and Parity Obligations; or (c) 125% of the average annual principal and interest coming due on the Revenue Note and Parity Obligations (the "Reserve Fund Requirement").

(r) Restrictions as to Incurrence of Indebtedness as Parity Obligations. No bonds, notes or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Participant shall be issued having priority over any outstanding indebtedness of the Participant except:

- i. Long-Term Indebtedness may be incurred as a Parity Obligation if prior to incurrence thereof a statement of an independent auditor or independent financial consultant is obtained stating that the average Net Revenues of the Participant for the preceding two Fiscal Years for which audited financial reports are available (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum annual debt service on the then outstanding Parity Obligations and the Parity Obligations then proposed to be issued. For purposes of this subsection, the Net Revenues of the Participant may be adjusted so as to reflect any changes in the amount of such Net Revenues of the Participant which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any proposed Parity Obligations been in effect during such preceding Fiscal Year.

(s) Most Favored Nations Covenant. In the event that that the Participant shall, directly or indirectly, enter into or otherwise consent to any contract (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person or persons undertakes to make or provide credit or loans to the Participant or under which the Participant issues or incurs or could issue or incur indebtedness, which contract (or amendment, supplement or modification) provides such person or persons with additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies related thereto than are provided to the Issuer in this Agreement, the Participant shall provide the Issuer with a copy of each such agreement (or amendment, supplement or modification) within ten (10) business days of any such agreements or instruments and,

in any event, such additional or more restrictive covenants, such additional or different events of default and/or greater rights and remedies shall, unless otherwise stipulated by the Issuer, automatically be deemed to be incorporated into this Agreement, and the Issuer shall have the benefits of such additional more restrictive covenants, additional or more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as any such agreement or instrument that provides for such additional or more restrictive covenants, such additional or different events of default and/or such greater rights and remedies remain in effect. Upon the request of the Issuer, the Participant shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive covenants, additional or different events of default and/or greater rights or remedies.

Notwithstanding anything herein to the contrary, the Issuer reserves the right to consent in writing to the deletion or amendment of the covenants set forth in this Section 4.

Section 5. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Issuer that:

(a) The Participant is duly organized and validly existing as a regional water facility and joint cooperative under the laws of the State of Iowa.

(b) The Participant has full power and authority to adopt the Resolution, enter into this Agreement and issue the Revenue Note and perform its obligations hereunder and thereunder.

(c) By all required action, the Participant has duly adopted the Resolution and authorized the execution and delivery of this Agreement, the Revenue Note and all other papers delivered in connection herewith.

(d) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(e) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Resolution or the Revenue Note or the authority or ability of the Participant to execute and deliver this Agreement or the Revenue Note and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the Resolution or the Revenue Note.

(f) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(g) All information furnished by the Participant to the Issuer or any of the persons representing the Issuer in connection with the Loan or the Project is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement.

(h) If the Participant has any other outstanding loans or other financial obligations payable from the Net Revenues, the Participant has received consents to the Loan, to the extent required, from such other lenders.

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Issuer may have undertaken.

Section 6. Repayment of Loan; Issuance of Revenue Note. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Note in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Note shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Note shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Note. The parties agree that a payment of principal of or interest on the Revenue Note shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Note. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Note shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 7 hereof) payable semiannually on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding Notes on a parity with the Revenue Note requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Note.

The Revenue Note shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Note by the Participant may be made from any funds regardless of

source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, or certified or registered mail to the Issuer (or any other registered owner of the Revenue Note). The Revenue Note is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Note shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Note and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution shall be payable solely and only from the Net Revenues of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Note is a general obligation of the Participant, or its members, and under no circumstance shall the Participant, or its members, be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Note and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 7. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") of (\$5,811.59), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 6 and Section 7(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the "Rate"). As described in Section 6, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00% the "Interest Rate").

Section 8. Continuing Disclosure. As a means of enabling the Issuer to comply with the "continuing disclosure" requirements set forth in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 8 applies to such Participant for a particular Fiscal Year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each Fiscal Year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project, or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 9. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an “Event of Default” under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any Notes, notes or other obligations of the Participant (other than the Loan and the Revenue Note), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 10. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Note or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution, including increasing the Interest Rate on the Revenue Note not to exceed 5.00 % per annum (the “Default Rate”) from the date of the Event of Default until the date the Event of Default has been cured.

Section 11. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 12. Term and Termination. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Revenue Note or provision for the payment of the Revenue Note pursuant to the Resolution. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 13. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Issuer and any attempt at such an assignment without such consent shall be void. The Issuer may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Resolution, and the Revenue Note to an agency of the State of Iowa or to a separate body corporate and political subdivision of the State of Iowa or to a trustee under trust instrument to which the Issuer, the State of Iowa or any assignee is a beneficiary or party. The Issuer may at its option pledge or assign all or a portion of its rights under this Agreement, the Resolution, and the Revenue Note to any person. The Participant hereby consents to any such pledge or assignment by the Issuer. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 14. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Revenue Note and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses as described in Section 7 herein; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Issuer in connection with the enforcement of this Agreement, the Resolution and the Revenue Note in the event of the breach by the Participant of or a default under this Agreement, the Resolution or the Revenue Note.

Section 15. Rule of Construction. This Agreement is executed pursuant to the provisions of Section 384.24A of the Act and shall be read and construed as conforming to all provisions and requirements of that statute.

This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Resolution and the other papers delivered in connection herewith. In the event of any inconsistency or conflict between the terms and conditions of the Revenue Note and the Act, this Agreement or the Regulations, the parties acknowledge and agree that the terms of the Act, this Agreement and the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Note and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 16. No Waiver. Neither the failure of the Issuer nor the delay of the Issuer to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 17. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Issuer shall be addressed to:

Iowa Finance Authority
1963 Bell Ave., Suite 280
Des Moines, Iowa 50315
Attention: Chief Bond Programs Director

or at such other address(es) or number(s) and to the attention of such other person(s) as the Issuer may designate by notice to the Participant. Notices to the Participant shall be addressed to:

Central Iowa Water Works
2201 George Flagg Parkway
Des Moines, Iowa 50321
Attention: Board Chair

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Issuer. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) business days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) business day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 18. Governing Law. This Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Agreement shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 19. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Issuer and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 20. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Revenue Note to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 21. Application of Uniform Electronic Transactions Act. The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into as provided for pursuant to and in accordance with Chapter 554D of the Act.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS

By: _____
Chairperson, Board of Trustees

Attest:

Secretary, Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

EXHIBIT A

**LOAN TERMS, ESTIMATED DISBURSEMENTS AND
DEBT SERVICE REPAYMENT SCHEDULE**

EXHIBIT B

AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT

EXHIBIT C

FEDERAL REQUIREMENTS

1. The Participant shall comply with the federal Davis-Bacon and Related Acts, codified at 40 U.S.C. Sections 3140 through 3148.
2. As the Project is required to comply with the “American Iron and Steel” provisions of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as amended (the “2014 Act”), all iron and steel products used in the Project shall be produced in the United States in compliance with and within the meaning of the 2014 Act, as those provisions are further interpreted by applicable Environmental Protection Agency (“EPA”) guidance, except to the extent waivers to the American Iron and Steel requirements of the 2014 Act have been granted by the EPA.
3. As total expenditures of federal financial assistance received from all sources exceeds \$750,000 in this year, the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of federal financial assistance. The Participant agrees to provide the Authority with a copy of the SAA audit within 9 months of the audit period.

Estimated Amortization Schedule

**Grimes D0481RT to CIWW (2025B-2)
Water Revenue Bond
FS-77-18-DWSRF-016**



Loan summary

Loan Closing Date	Jan 3, 2025
Final Disbursement Date	Jan 3, 2025
Final Maturity Date	Dec 1, 2039
Loan Period in Years	15
Total Loaned Amount	\$ 1,316,187.88
Net Proceeds to Borrower	\$ 1,316,187.88
Annual Interest Rate	1.75%
Total Interest	\$ 190,677.08
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 27,239.58
Total Loan Costs	\$ 217,916.65

Estimated Draw Schedule

Loan Balance -	Jan 3, 2025	1,203,000.00
Disbursement - DSRF	Jan 3, 2025	91,920.73
Disbursement - Issuance Cost	Jan 3, 2025	21,267.15
Disbursement - Initiation Fee	Jan 3, 2025	5,811.59
Total Loaned Amount		1,321,999.47

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Jun 1, 2025	1,321,999.47		9,639.58	1,377.08	11,016.66		1,321,999.47
Dec 1, 2025	1,321,999.47	82,999.47	11,567.50	1,652.50	96,219.46	107,236.12	1,239,000.00
Jun 1, 2026	1,239,000.00		10,841.25	1,548.75	12,390.00		1,239,000.00
Dec 1, 2026	1,239,000.00	78,000.00	10,841.25	1,548.75	90,390.00	102,780.00	1,161,000.00
Jun 1, 2027	1,161,000.00		10,158.75	1,451.25	11,610.00		1,161,000.00
Dec 1, 2027	1,161,000.00	79,000.00	10,158.75	1,451.25	90,610.00	102,220.00	1,082,000.00
Jun 1, 2028	1,082,000.00		9,467.50	1,352.50	10,820.00		1,082,000.00
Dec 1, 2028	1,082,000.00	81,000.00	9,467.50	1,352.50	91,820.00	102,640.00	1,001,000.00
Jun 1, 2029	1,001,000.00		8,758.75	1,251.25	10,010.00		1,001,000.00
Dec 1, 2029	1,001,000.00	82,000.00	8,758.75	1,251.25	92,010.00	102,020.00	919,000.00
Jun 1, 2030	919,000.00		8,041.25	1,148.75	9,190.00		919,000.00
Dec 1, 2030	919,000.00	84,000.00	8,041.25	1,148.75	93,190.00	102,380.00	835,000.00
Jun 1, 2031	835,000.00		7,306.25	1,043.75	8,350.00		835,000.00
Dec 1, 2031	835,000.00	86,000.00	7,306.25	1,043.75	94,350.00	102,700.00	749,000.00
Jun 1, 2032	749,000.00		6,553.75	936.25	7,490.00		749,000.00
Dec 1, 2032	749,000.00	87,000.00	6,553.75	936.25	94,490.00	101,980.00	662,000.00
Jun 1, 2033	662,000.00		5,792.50	827.50	6,620.00		662,000.00
Dec 1, 2033	662,000.00	89,000.00	5,792.50	827.50	95,620.00	102,240.00	573,000.00
Jun 1, 2034	573,000.00		5,013.75	716.25	5,730.00		573,000.00
Dec 1, 2034	573,000.00	91,000.00	5,013.75	716.25	96,730.00	102,460.00	482,000.00
Jun 1, 2035	482,000.00		4,217.50	602.50	4,820.00		482,000.00
Dec 1, 2035	482,000.00	93,000.00	4,217.50	602.50	97,820.00	102,640.00	389,000.00
Jun 1, 2036	389,000.00		3,403.75	486.25	3,890.00		389,000.00
Dec 1, 2036	389,000.00	95,000.00	3,403.75	486.25	98,890.00	102,780.00	294,000.00
Jun 1, 2037	294,000.00		2,572.50	367.50	2,940.00		294,000.00
Dec 1, 2037	294,000.00	96,000.00	2,572.50	367.50	98,940.00	101,880.00	198,000.00
Jun 1, 2038	198,000.00		1,732.50	247.50	1,980.00		198,000.00
Dec 1, 2038	198,000.00	98,000.00	1,732.50	247.50	99,980.00	101,960.00	100,000.00
Jun 1, 2039	100,000.00		875.00	125.00	1,000.00		100,000.00
Dec 1, 2039	100,000.00	100,000.00	875.00	125.00	101,000.00	102,000.00	0.00



CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM

Meeting Date: December 6, 2024

ITEM NUMBER: 5D

SUBJECT: \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C

SUMMARY:

This loan addresses planning and design work as it relates to the Saylorville design and expansion project. The rate is 0% until July 2026. This loan will be paid-off with a construction loan.

FINANCIAL IMPACT:

This is an expansion project. This loan will be paid for based on schedule IV-10 Estimated Saylorville Expansion Project Allocation. This loan is a 0% interest loan until July 2026, or until the construction loans are taken on this project.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Approving and authorizing the form of Interim Loan and Disbursement Agreements by and between Central Iowa Water Works, Iowa, and the Iowa Finance Authority, and authorizing and providing for the issuance and securing the payment of \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C, of Central Iowa Water Works, Iowa, under the provisions of Chapter 28F of the Code of Iowa, and providing for a method of payment of said Notes.

Prepared by: Jami Madsen

December 6, 2024

The Board of Trustees of Central Iowa Water Works, State of Iowa, met in _____ session, at the MidAmerican Energy Company RecPlex, 6500 Grand Ave., West Des Moines, Iowa, at _____ o'clock _____.M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

Vacant: _____

* * * * *

Board Member _____ introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF INTERIM LOAN AND DISBURSEMENT AGREEMENTS BY AND BETWEEN CENTRAL IOWA WATER WORKS AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$10,599,673 WATER REVENUE CAPITAL LOAN NOTES ANTICIPATION PROJECT NOTES, SERIES 2025C, OF CENTRAL IOWA WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES", and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

MEMBER AGENCY	WEIGHTED VOTE ALLOCATION	AYE	NAY	ABSENT or ABSTAIN
Ankeny	11.391%			
Clive	3.421%			
DMWW	42.468%			
Johnston	4.030%			
Grimes	2.982%			
Norwalk	1.976%			
Polk City	1.004%			
UWU	8.419%			
Warren Water District	3.126%			
Waukee	3.883%			
WDMWW	13.783%			
Xenia	3.517%			
TOTAL	100.000%			

Total Weighted Vote Allocation Voting: _____ %

Weighted Vote Result: AYES _____ %

Whereupon the Chairperson declared the following Resolution duly adopted:

Resolution No. _____

A RESOLUTION APPROVING AND AUTHORIZING THE
FORM OF INTERIM LOAN AND DISBURSEMENT
AGREEMENTS BY AND BETWEEN CENTRAL IOWA
WATER WORKS AND THE IOWA FINANCE AUTHORITY,
AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE
AND SECURING THE PAYMENT OF \$10,599,673 WATER
REVENUE CAPITAL LOAN NOTES ANTICIPATION
PROJECT NOTES, SERIES 2025C, OF CENTRAL IOWA
WATER WORKS, IOWA, UNDER THE PROVISIONS OF THE
CODE OF IOWA, AND PROVIDING FOR A METHOD OF
PAYMENT OF SAID NOTES

WHEREAS, Issuer proposes to issue its Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C, to the extent of \$10,599,673, for the purpose of defraying the costs of the Project hereinafter described; and, it is deemed necessary and advisable and in the best interests of Central Iowa Water Works that the form of Interim Loan and Disbursement Agreements by and between Central Iowa Water Works and the Iowa Finance Authority be approved and authorized; and

WHEREAS, the Issuer is (1) acquiring and constructing certain assets and facilities currently in the design phase initiated by Des Moines Water Works, and (2) entering into the Agreements and issuing Notes to pay for said assets and facilities, and (3) paying Des Moines Water Works an amount, from the proceeds of the Notes, equal to the outstanding principal amount of the following obligations of Des Moines Water Works, which amount Des Moines Water Works is using to pay off said obligations:

- \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Note, Series 2023, dated July 14, 2023 (still in draw period) (Des Moines Water Works); and

WHEREAS, the notice of intention of Issuer to take action for the issuance of \$10,599,673 Water Revenue Capital Loan Notes has heretofore been duly published and no objections to such proposed action have been filed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CENTRAL IOWA WATER WORKS, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

◆ "Additional Project Notes" shall mean any project notes or other obligations issued on a parity with the Note in accordance with the provisions of Section 11 hereof;

◆ "Agreements" shall mean the two (2) Interim Loan and Disbursement Agreements dated as of the Closing between and among Central Iowa Water Works and the Original Purchaser, relating to the Interim Loans made to Central Iowa Water Works under the Program, each Agreement correlating with one of the Notes;

◆ "Closing" shall mean the date of delivery of the Notes to the Original Purchaser and the funding of the Interim Loans;

◆ "Fiscal Year" shall mean the twelve months' period beginning on January 1 of each year and ending on the last day of December of the same year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the System; provided, that the requirements of a fiscal year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year;

◆ "Governing Body" shall mean the Board of Trustees of Central Iowa Water Works, or its successor in function with respect to the operation and control of the System;

◆ "Interim Loan" shall mean the principal amount allocated by the Original Purchaser and loaned to Central Iowa Water Works under the Program, equal in amount to the principal amount of the Notes;

◆ "Issuer" shall mean Central Iowa Water Works, Iowa;

◆ "Note" or "Notes" shall mean \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Notes, Series 2025C, authorized to be issued by this Resolution;

◆ "Original Purchaser" shall mean the Iowa Finance Authority, as the purchaser of the Notes from Issuer at the time of its original issuance;

◆ "Paying Agent" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Notes as the same shall become due;

◆ "Permitted Investments" shall mean any investments permitted in Iowa Code chapter 12B or section 12C.9. All interim investments must mature before the date on which the moneys are required for payment of principal and interest on the Notes or project costs;

◆ "Program" shall mean the Iowa Drinking Water State Revolving Fund Program undertaken by the Original Purchaser;

◆ "Project" shall mean the costs of acquisition, construction, reconstruction, repair, extension and improvement of all or part of the CIWW regional water production and supply system;

◆ "Project Costs" shall mean all engineering fees, archeological surveys, environmental studies, and fees related to a project plan preparation and submission, and other expenses incidental thereto, and also including the costs of issuance of the Notes.

◆ "Project Fund" shall mean the Project Fund established by Section 6 of this Resolution.

◆ "Registrar" shall be the Secretary of the Board of Trustees, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes;

◆ "Secretary" shall mean the Secretary of the Board of Trustees or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities;

◆ "System" shall mean the regional water production and supply system of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all water treatment facilities, storage facilities, pumping stations and all related property and improvements and extensions made by Issuer while the Note remains outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles;

◆ "Treasurer" shall mean the Central Iowa Water Works' Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Notes issued hereunder.

Section 2. Authority; Interim Loan and Disbursement Agreements. The Agreements and the Notes authorized by this Resolution shall be issued pursuant to Section 28F.9 of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Agreements shall be substantially in the form attached to this Resolution and are authorized to be executed and issued on behalf of the Issuer by the Chairperson and attested by the Secretary of the Board of Trustees.

Section 3. Note Details, Execution, Redemption and Registration.

- a. Note Details. The Notes shall be designated a Water Revenue Capital Loan Notes Anticipation Project Notes, be dated the date of delivery, in the denomination of \$100,000 or larger, and shall at the request of the Original Purchaser be initially issued as a single Note in the denomination of \$10,599,673 and numbered R-1. The Notes shall not bear interest (0%), and shall mature three years from issuance. The Board of Trustees hereby finds and determines that it is necessary and advisable to issue said Notes pursuant to Section 28F.9 of the Code of Iowa, as authorized by the Agreements and this Resolution.
- b. Execution. The Notes shall be executed by the manual or facsimile signature of the Chairperson and attested by the manual or facsimile signature of the Secretary, and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated clearing house system transfer to the registered owner of the Notes.
- c. Redemption. The Notes may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in order of maturity and within an annual maturity by lot.

Notice of redemption shall be given by U.S. mail to the Original Purchaser (or any other registered owner of the Note). The terms of redemption shall be par, plus accrued interest to date of call. Failure to give such notice by mail to any registered owner or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. The Notes are also subject to mandatory redemption to the extent not fully drawn upon.

- d. Registration. The Notes may be registered as to principal and interest on the books of the Note Registrar in the name of the holder and such registration noted on the Notes after which no transfer shall be valid until the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. The Secretary of the Board of Trustees is hereby appointed as Note Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. The Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

The ownership of any Notes may be transferred only upon the Registration Books kept for the registration and transfer of the Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory

to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

In all cases of the transfer of a Note, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Note, in accordance with the provisions of this Resolution.

As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Note and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

A Note which has been redeemed shall not be reissued but shall be cancelled by the Registrar. A Note which is cancelled by the Registrar shall be destroyed and a Certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Note to the Issuer.

In the event any payment check, wire, or electronic transfer of funds representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any Note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on the Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or

otherwise, at which time the Paying Agent shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

Section 4. Form of Notes. The form of the Notes shall be substantially as follows:

REGISTERED
No. R-1

REGISTERED
\$10,599,673

UNITED STATES OF AMERICA
STATE OF IOWA
COUNTIES OF POLK, DALLAS, MADISON, AND WARREN
CENTRAL IOWA WATER WORKS, IOWA
WATER REVENUE CAPITAL LOAN NOTES
ANTICIPATION PROJECT NOTES
SERIES 2025C

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
0.00%	July 14, 2026	January 3, 2025

Central Iowa Water Works, Iowa, a political subdivision and an instrumentality of political subdivisions, organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of TEN MILLION FIVE HUNDRED AND NINETY-NINE THOUSAND SIX HUNDRED AND SEVENTY-THREE DOLLARS in lawful money of the United States of America, at maturity on July 14, 2026, without interest (0%). Payment of this Note shall at all times conform to the rules of the Iowa Drinking Water State Revolving Fund Program. Issuer pledges the Project Fund to which there has been appropriated the anticipated receipts of certain funds held or to be received by the Issuer as well as the proceeds of certain Capital Loan Notes to be issued.

This Note is payable solely from said Project Fund.

This Note is issued pursuant to an Interim Loan and Disbursement Agreement and the Resolution, duly adopted and under and in substantial compliance with the Constitution and statutes of the state of Iowa, including specifically Section 28F.9 of the Code of Iowa, as amended, for the purpose of defraying part of the cost of acquiring the Project. For a complete statement of the revenues and funds from which, and the conditions, under which this Note is payable, a statement of conditions under which additional notes of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above described Resolution and Interim Loan and Disbursement Agreement. This Note is not payable in any manner by taxation and under no circumstances shall the Issuer or any members of the Issuer be in any manner liable by reason of the failure of said Project Fund to be sufficient for the payment hereof. Neither the payment of the principal nor any part thereof constitutes a debt, liability or obligation of any of the members of the Issuer or of the Issuer itself within the meaning of any constitutional, statutory or charter provision or otherwise.

The Note may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in order of maturity and within an annual maturity by lot.

Notice of redemption shall be given by ordinary mail to the Original Purchaser (or any other registered owner of the Note). The terms of redemption shall be par, plus accrued interest to date of call. Failure to give such notice by mail to any registered owner or any defect therein shall not affect the validity of any proceedings for the redemption of the Note. The Note is also subject to mandatory redemption to the extent not fully drawn upon.

If selection by lot within a maturity is required, the Registrar shall designate the Notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Notes to be called has been reached.

The Note may be registered as to principal and interest on the books of the Secretary in the name of the holder after which no transfer shall be valid until the making of an entry upon the books kept for the registration and transfer of ownership of the Note, and in no other way. Registrar shall maintain the books of the Issuer for the registration of ownership of the Note for the payment of principal of and interest on the Note as provided in the Resolution.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by the Secretary of the Board of Trustees, Central Iowa Water Works, Iowa, the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered Noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Resolution.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, Central Iowa Water Works by its Board of Trustees has caused this Note to be signed by the manual or facsimile signature of its Chairperson and attested by the manual or facsimile signature of its Secretary of the Board of Trustees, and authenticated by the manual or facsimile signature of an authorized representative of the Registrar, the Secretary of the Board of Trustees of Central Iowa Water Works, Iowa.

Date of authentication: _____, 2025 CENTRAL IOWA WATER WORKS, STATE OF IOWA

This is one of the Notes described in the within mentioned Resolution, as registered by the Secretary of the Board of Trustees

By: _____
Chairperson of the Board of Trustees

SECRETARY OF THE BOARD OF TRUSTEES

ATTEST:

By: _____
Registrar

By: _____
Secretary of the Board of Trustees

Registrar and Transfer Agent: Secretary of the Board of Trustees

Paying Agent: Secretary of the Board of Trustees

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) the within Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
 Address of Transferee(s) _____
 Social Security or Tax Identification _____
 Number of Transferee(s) _____
 Transferee is a(n):
 Individual* _____ Corporation _____
 Partnership _____ Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with rights of survivorship and not as tenants in common
- IA UNIF TRANS MIN ACT - Custodian
 (Cust) (Minor)
 Under Iowa Uniform Transfers to Minors Act.....
 (State)

(End of Note)

Section 5. Security for Notes. The Notes shall be payable solely from the Project Fund. To pay the principal on the Notes when it becomes due, there is hereby created a pledge of the receipts anticipated in said Project Fund to continue until the payment in full of the principal on the Notes.

Section 6. Establishment of Project Fund. The Issuer hereby creates and establishes a Project Fund, into which Project Fund are hereby appropriated the following:

Proceeds of not to exceed \$10,599,673 Water Revenue Capital Loan Notes, additional action on the issuance of which previously has been taken and approved by the Board of Trustees

The funds so appropriated shall include in addition thereto all funds of the Issuer, including proceeds realized on the reinvestment of proceeds of the Notes, from which the Issuer is or may become obligated to pay under contracts for the construction of the Project to the extent that proceeds of the Notes are applied to the payment thereof.

Section 7. Application of Project Fund. The proceeds of the sale of the Notes shall be deposited in the Project Fund for application to payment of Project Costs and the costs of issuance of the Notes or to pay the principal of the Notes when due and for no other purpose.

Disbursements for the payment of Project Costs shall be made by the Secretary of the Board of Trustees upon receipt of vouchers approved by the Governing Body.

After completion of the Project, any moneys remaining in the Project Fund shall be held for the retirement of Notes. When the Notes are paid or payment is provided for, remaining moneys in the Project Fund may be withdrawn and used for any lawful purpose.

Section 8. Investments. Moneys in the Project Fund shall at all times be invested, to the extent practicable in Permitted Investments maturing at such times and in such amounts as will make cash available for the purposes of such Project Fund as needed.

Section 9. Covenants with Noteholders. Issuer covenants and agrees, so long as any Notes herein authorized remain unpaid, that it:

- a. Will proceed to complete with all practicable dispatch the construction and acquisition of the Project;
- b. Will not make or cause or permit to be made any application of the proceeds of the Notes or of any moneys held in the Project Fund, except in accordance with the provisions of this Resolution;
- c. Will from time to time increase the amount of the appropriations to the Project Fund, to the extent necessary to assure that the expected receipts thereafter forthcoming, together with the funds appropriated and held in trust for the purpose, will be sufficient to pay when due the Notes as to both principal and interest.
- d. Will obtain the collection of funds and the proceeds of the sale of water revenue capital loan notes anticipated to be received in the Project Fund and, if not paid from other sources, apply the same to the payment of the Notes and interest thereon; and
- e. For the prompt and full performance of the terms and provisions of this Resolution and contract with the noteholders, the Issuer pledges its full faith and diligence and the exercise of its lawful powers.

Section 10. Contract Between Issuer and Purchaser. This Resolution constitutes a contract between the Issuer and the purchaser of the Note.

Section 11. Additional Notes. The Issuer may issue Additional Project Notes of equal standing and parity of lien with the Note for the purpose of paying Project Costs to the extent that funds appropriated to the Project Fund are adequate to pay all notes so issued and interest thereon.

The holder or holders of the Notes shall have all other rights and remedies given by law for the payment and enforcement of the Notes and the security therefor.

Section 12. Severability Clause. If any section, paragraph, clause or provision of this Resolution be held invalid, such invalidity shall not affect any of the remaining provisions hereof, and this Resolution shall become effective immediately upon its passage and approval.

Section 13. Repeal of Conflicting Resolutions or Ordinances. All ordinances and resolutions and parts of ordinances and resolutions in conflict herewith are hereby repealed.

Section 14. Paragraph Headings. The paragraph headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

Section 15. Rule of Construction. This Resolution and the terms and conditions of the Notes authorized hereby shall be construed whenever possible so as not to conflict with the terms and conditions of the Interim Loan and Disbursement Agreements. In the event such construction is not possible, or in the event of any conflict or inconsistency between the terms hereof and those of the Interim Loan and Disbursement Agreements, the terms of the Interim Loan and Disbursement Agreements shall prevail and be given effect to the extent necessary to resolve any such conflict or inconsistency.

PASSED AND APPROVED this _____ day of _____, 2024.

Chairperson

ATTEST:

Secretary of the Board of Trustees

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF POLK)

I, the undersigned Secretary of the Board of Trustees of Central Iowa Water Works, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of Central Iowa Water Works showing proceedings of the Board of Trustees, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of Central Iowa Water Works or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand this _____ day of _____, 2024.

Secretary of the Board of Trustees of Central
Iowa Water Works, State of Iowa

INTERIM LOAN AND DISBURSEMENT AGREEMENT

This Interim Loan and Disbursement Agreement (the "Agreement") is entered into as of January 3, 2025, by and between Central Iowa Water Works, Iowa (the "Borrower"), and the Iowa Finance Authority, as lender (the "Lender"). The parties agree as follows:

1. The Lender shall loan to Central Iowa Water Works an interim amount not to exceed \$10,599,673, without interest.

2. Central Iowa Water Works has adopted a resolution (the "Resolution") authorizing and approving this Agreement pursuant to the provisions of Section 28F.9 of the Code of Iowa, 2025, as amended, and providing for the issuance and securing the payment of this Agreement, and the Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. This Agreement and the interest thereon, if any, together with any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution, shall be payable from (i) proceeds of an authorized loan agreement corresponding to the anticipated issuance of capital loan notes previously authorized by action of the Board of Trustees or (ii) such other funds as may be lawfully available for such purpose and appropriated by Central Iowa Water Works.

3. The loan proceeds (the "Loan Proceeds") shall be used for the purposes set forth in the Resolution and shall be made available to Central Iowa Water Works in the form of one or more periodic disbursements as provided for in this section. Prior to disbursement Central Iowa Water Works shall provide to the Lender a payment request on a form provided by the Lender and evidence that the costs for which the disbursement is requested have been incurred. Disbursements to Central Iowa Water Works will be made on or about the second and fourth Tuesday of each month. Submission of the completed information required by this section shall be made by Central Iowa Water Works not less than eight (8) days prior to the disbursement date. Funds shall be disbursed to Central Iowa Water Works at the address specified in the disbursement request in the form of a check, wire transfer or automated clearinghouse system transfer, as requested by Central Iowa Water Works.

4. This Agreement shall be executed and delivered to the Lender in evidence of the Central Iowa Water Works' obligation to repay the amounts payable hereunder. Amounts disbursed hereunder shall not bear interest (0%), and shall be payable as to principal in full on the date and in the total aggregate amount drawn by Central Iowa Water Works as set forth in the Resolution. This Agreement shall be subject to prepayment prior to maturity and shall contain such other terms and provisions as provided in the Resolution.

5. Central Iowa Water Works understands and agrees this Agreement may be terminated at the option of the Lender if Central Iowa Water Works has not entered into a Loan and Disbursement Agreement with the Lender pursuant to the Iowa Drinking Water State Revolving Fund Program within three years of the date of this Agreement. If Central Iowa Water Works enters into a Loan and Disbursement Agreement with the Lender pursuant to the Iowa Drinking Water State Revolving Fund Program within three years of the date of this Agreement, the Lender shall permit Central Iowa Water Works to repay this Agreement in full pursuant to the

terms of the Loan and Disbursement Agreement executed between Central Iowa Water Works and the Lender under the Iowa Drinking Water State Revolving Fund Program.

6. This Agreement is executed pursuant to the provisions of Section 28F.9 of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

7. This Agreement may be amended, supplemented or modified as agreed to in writing by both Central Iowa Water Works and the Lender.

In the event of any inconsistency or conflict between the terms and conditions of the Resolution and this Agreement, the parties acknowledge and agree that the terms of this Agreement shall take precedence over any such terms of the Resolution.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS, IOWA

Chairperson

ATTEST:

Secretary of the Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

4879-9045-1447 v.1

INTERIM LOAN AND DISBURSEMENT AGREEMENT

This Interim Loan and Disbursement Agreement (the "Agreement") is entered into as of January 3, 2025, by and between Central Iowa Water Works, Iowa (the "Borrower"), and the Iowa Finance Authority, as lender (the "Lender"). The parties agree as follows:

1. The Lender shall loan to Central Iowa Water Works an interim amount not to exceed \$10,599,673, without interest.

2. Central Iowa Water Works has adopted a resolution (the "Resolution") authorizing and approving this Agreement pursuant to the provisions of Section 28F.9 of the Code of Iowa, 2025, as amended, and providing for the issuance and securing the payment of this Agreement, and the Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. This Agreement and the interest thereon, if any, together with any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the Resolution, shall be payable from (i) proceeds of an authorized loan agreement corresponding to the anticipated issuance of capital loan notes previously authorized by action of the Board of Trustees or (ii) such other funds as may be lawfully available for such purpose and appropriated by Central Iowa Water Works.

3. The loan proceeds (the "Loan Proceeds") shall be used for the purposes set forth in the Resolution and shall be made available to Central Iowa Water Works in the form of one or more periodic disbursements as provided for in this section. Prior to disbursement Central Iowa Water Works shall provide to the Lender a payment request on a form provided by the Lender and evidence that the costs for which the disbursement is requested have been incurred. Disbursements to Central Iowa Water Works will be made on or about the second and fourth Tuesday of each month. Submission of the completed information required by this section shall be made by Central Iowa Water Works not less than eight (8) days prior to the disbursement date. Funds shall be disbursed to Central Iowa Water Works at the address specified in the disbursement request in the form of a check, wire transfer or automated clearinghouse system transfer, as requested by Central Iowa Water Works.

4. This Agreement shall be executed and delivered to the Lender in evidence of the Central Iowa Water Works' obligation to repay the amounts payable hereunder. Amounts disbursed hereunder shall not bear interest (0%), and shall be payable as to principal in full on the date and in the total aggregate amount drawn by Central Iowa Water Works as set forth in the Resolution. This Agreement shall be subject to prepayment prior to maturity and shall contain such other terms and provisions as provided in the Resolution.

5. Central Iowa Water Works understands and agrees this Agreement may be terminated at the option of the Lender if Central Iowa Water Works has not entered into a Loan and Disbursement Agreement with the Lender pursuant to the Iowa Drinking Water State Revolving Fund Program within three years of the date of this Agreement. If Central Iowa Water Works enters into a Loan and Disbursement Agreement with the Lender pursuant to the Iowa Drinking Water State Revolving Fund Program within three years of the date of this Agreement, the Lender shall permit Central Iowa Water Works to repay this Agreement in full pursuant to the

terms of the Loan and Disbursement Agreement executed between Central Iowa Water Works and the Lender under the Iowa Drinking Water State Revolving Fund Program.

6. This Agreement is executed pursuant to the provisions of Section 28F.9 of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

7. This Agreement may be amended, supplemented or modified as agreed to in writing by both Central Iowa Water Works and the Lender.

In the event of any inconsistency or conflict between the terms and conditions of the Resolution and this Agreement, the parties acknowledge and agree that the terms of this Agreement shall take precedence over any such terms of the Resolution.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CENTRAL IOWA WATER WORKS, IOWA

Chairperson

ATTEST:

Secretary of the Board of Trustees

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: _____

Its: _____

4879-9045-1447 v.1



**CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM**

Meeting Date: December 6, 2024

ITEM NUMBER: 5E

SUBJECT: Resolution – Approving Post-Issuance Compliance Policy

SUMMARY:

This resolution is approving a post-issuance compliance policy that outlines the practices and procedures designated to assist an issuer of debts in complying with the tax requirements that apply from the date of issuance until the date the debt is no longer outstanding.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Approve Resolution Approving Post-Issuance Compliance Policy.

Prepared by: *Anni Madsen*

December 6, 2024

The Board of Trustees of Central Iowa Water Works, State of Iowa, met in _____ session, at the MidAmerican Energy Company RecPlex, 6500 Grand Ave., West Des Moines, Iowa, at _____ .M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

* * * * *

Board Member _____ introduced the following Resolution entitled "RESOLUTION APPROVING POST-ISSUANCE COMPLIANCE POLICY" and moved that it be adopted. Board Member _____ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: _____

NAYS: _____

Whereupon, the Chairperson declared the Resolution duly adopted as follows:

RESOLUTION APPROVING POST-ISSUANCE COMPLIANCE POLICY

WHEREAS, Central Iowa Water Works, State of Iowa, sometimes hereinafter referred to as the "System", is a public agency and political subdivision duly organized and existing under and by virtue of the constitution and laws of the State of Iowa; and

WHEREAS, various requirements apply under the Internal Revenue Code and Income Tax Regulations (hereinafter "IRS Requirements") including information filing and other requirements related to issuance, the proper and timely use of bond-financed property, and arbitrage yield restriction and rebate requirements; and

WHEREAS, to comply with the IRS Requirements, governmental bond issuers must ensure that the rules are met at the time the bonds, capital loan notes or lease-purchase obligations (hereinafter "bonds") are issued and throughout the term of the bonds; and

WHEREAS, this includes the continued review of post-issuance obligations and maintenance of records:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CENTRAL IOWA WATER WORKS, STATE OF IOWA:

Section 1. The "Post-Issuance Compliance Policy" (hereinafter "Policy") attached hereto as Exhibit A is hereby adopted and approved.

Section 2. The official designated in said policy shall take any and all action necessary to properly implement the policy.

PASSED AND APPROVED this _____ day of _____, 2024.

Chairperson of the Board of Trustees

ATTEST:

Secretary of the Board of Trustees

1
EXHIBIT "A"

CENTRAL IOWA WATER WORKS, STATE OF IOWA

**POST-ISSUANCE COMPLIANCE POLICY FOR
TAX-EXEMPT OBLIGATIONS**

1. Definitions.

"Bonds" means all tax-exempt obligations issued by the Issuer, including but not limited to bonds, notes and lease-purchase contracts.

"Code" means Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended.

"Rules" means Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

"Advisors" means the Issuer's bond counsel, municipal advisor, paying agent, and rebate analyst.

"Governing Body" means the Board of Trustees of Central Iowa Water Works, Iowa.

"Issuer" means Central Iowa Water Works, State of Iowa.

"Output Facility" means water collection, storage, and distribution facilities.

2. Purpose. Issuers of tax-exempt governmental Bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. As an issuer of such Bonds, the Governing Body of the Issuer is required by the terms of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder, to take certain actions subsequent to the issuance of the Bonds to ensure the continuing tax-exempt status of such Bonds. Further, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the Issuer with respect to its tax-exempt governmental Bonds. This policy is designed to ensure that the Issuer complies with its tax compliance obligations under applicable provisions of the Rules.

3. Effective Date and Term. The effective date of this policy shall be the date of approval by the Governing Body, and shall remain in effect until superseded or terminated by action of the

Governing Body. The Issuer shall comply with this policy upon issuance of Bonds and as long as the Bonds remain outstanding. This policy may be revised to comply with amendments to the Rules during the period the Bonds are outstanding.

4. Compliance Coordinator:

- a) The **Executive Director ("Coordinator")** shall be responsible for monitoring post-issuance compliance to ensure that the Issuer successfully carries out its tax compliance requirements under applicable provisions of the Rules with regard to all obligations of the Issuer.
- b) The Coordinator shall be assisted by other staff and officials when appropriate and at the Coordinator's discretion. The Coordinator shall be responsible for assigning post-issuance tax compliance responsibilities to other staff and to the Advisors.
- c) The Coordinator will maintain a copy of the transcript of proceedings in connection with the issuance of any tax-exempt obligations. Coordinator will obtain such records as are necessary to meet the requirements of this policy.
- d) The Coordinator shall be authorized to retain and consult with the Advisors during the time the Bonds are outstanding for assistance in carrying out post-issuance tax compliance requirements. The Coordinator shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance tax compliance requirements of the Issuer. The Coordinator shall consult with the Advisors, IRS publications and such other resources as are necessary to understand and meet the requirements of this policy.
- e) Training and education of Coordinator will be sought and implemented upon the occurrence of new developments and upon the hiring of new personnel to implement this policy. The Coordinator shall also provide training and educational resources to staff responsible for ensuring compliance with any portion of the tax compliance requirements of this policy.

5. Financing Transcripts. The Coordinator shall confirm the proper filing of an 8038 Series return, and maintain a transcript of proceedings for all tax-exempt obligations issued by the Issuer, including but not limited to all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained until eleven (11) years after the tax-exempt obligation it documents has been retired. Said transcript shall include, at a minimum:

- a) Form 8038s;
- b) minutes, resolutions, and certificates;
- c) certifications of issue price from the underwriter;
- d) formal elections required by the IRS;

- e) trustee statements;
- f) records of refunded Bonds, if applicable;
- g) correspondence relating to bond financings; and
- h) reports of any IRS examinations for bond financings.

6. Proper Use of Proceeds. The Coordinator shall review the resolution authorizing issuance for each tax-exempt obligation issued by the Issuer, and shall:

- a) obtain a computation of the yield on such issue from the Issuer's financial advisor;
- b) create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) determine whether payment from the Project Fund is appropriate, and if so, make payment from the Project Fund (and appropriate sub-fund if applicable);
- e) maintain records of the payment requests and corresponding records showing payment;
- f) consult with the Advisors to ensure that such expenditures are within the sixty (60) day period prior to the date in which the Issuer made a "declaration of intent" to reimburse such costs or are preliminary expenditures under the Code, in the event the Issuer seeks to utilize bond proceeds for costs that were incurred prior to the issuance of the Bonds;
- g) maintain records showing the earnings on, and investment of, the Project Fund;
- h) ensure that all investments acquired with proceeds are purchased at fair market value;
- i) identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted;
- j) maintain records related to any investment contracts, credit enhancement transactions, and the bidding of financial products related to the proceeds;

7. Timely Expenditure and Arbitrage/Rebate Compliance. The Coordinator shall review the Tax-Exemption Certificate (or equivalent) for each tax-exempt obligation issued by the Issuer and the expenditure records provided in Section 6 of this policy, above, and shall:

- a) ensure that the expenditure of bond proceeds will be monitored against the expenditure expectations represented in such certificate for such bond issue to ensure that:
- Five percent (5%) of the net sale proceeds were spent or committed within six (6) months of the issue date;
 - Eighty-five percent (85%) of the net sale proceeds were spent within three (3) years of the issue date; and
 - the Issuer proceeded with due diligence to complete the project and fully spend the net sale proceeds.

Failure to meet the expected expenditure expectations represented in the tax compliance certificate for such bond issue shall be documented and retained by the Coordinator in the records for the bond issue.

- b) monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- c) if the Issuer does not meet the “small issuer” exception for said obligation, monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate;
- d) not less than 60 days prior to a required expenditure date confer with bond counsel and a rebate consultant if it appears expenditures will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate; and
- e) in the event of failure to meet a temporary period or rebate exception:
- i. procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
 - ii. arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

- f) ensure that the investment of bond proceeds is made only in permitted investments of the Issuer as outlined in Iowa Code chapters 12B and 12C, and any official policy;
- g) consult with the Advisors to ensure that the investment of bond proceeds is performed in compliance with the arbitrage rules and rebate requirements;
- h) consult with the Advisors to identify bond proceeds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted;
- i) contact the Rebate Analyst (and, if appropriate, bond counsel) prior to 1) the fifth anniversary of the date of issuance of each issue of Bonds of the Issuer, 2) each fifth anniversary thereafter, 3) final maturity of the Bonds, and 4) redemption of the Bonds, to arrange for calculations and reports of the rebate requirements with respect to such Bonds; and
- j) if a rebate payment is required to be paid by the Issuer, the Coordinator shall prepare or cause to be prepared the appropriate form to be filed with the IRS (Form 8038-T).

8. Filings with Internal Revenue Service. The Coordinator, with assistance from bond counsel, shall ensure that each issuance of Bonds is properly reported with the Internal Revenue Service (IRS) as required by Section 149(e) of the Code. On the issue date of each series of Bonds, the Coordinator shall consult with the Advisors to identify the deadline to file the requisite IRS form for such issue.

9. Reporting the Issuance of Tax-Exempt Bonds. The original issuance of a tax-exempt bond issue with an issue price of one hundred thousand dollars (\$100,000) or greater shall be reported on Form 8038-G. The original issuance of a tax-exempt bond issue with an issue price less than one hundred thousand dollars (\$100,000) shall be reported on Form 8038-GC.

- Forms 8038-G and 8038-GC shall be filed by the Coordinator or bond counsel no later than the 15th day of the 2nd calendar month following the quarter in which the Bonds were issued.
- The Coordinator shall consult with the Advisors to ensure the Form 8038-G is accurately filled out.

10. Rebate Reporting Requirements. The Coordinator shall contact the rebate analyst prior to 1) the 5th anniversary of the issue date on each series of Bonds, 2) each 5th anniversary thereafter, 3) final maturity of the Bonds, and 4) redemption of the Bonds, to arrange for calculations of the rebate requirements with respect to such Bonds. If a rebate payment is

required to be paid, the Coordinator shall prepare or cause to be prepared a Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the Issuer is authorized to recover a rebate payment previously paid, the Coordinator shall consult with Advisors and may prepare or cause to be prepared a Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

11. Proper Use of Bond Financed Assets. The Coordinator shall monitor the use of all bond-financed facilities in order to determine whether private business uses of bond-financed facilities have exceeded the limits set forth in Section 141(b) of the Code (generally 10% of bond proceeds; sometimes 5% of bond proceeds) as a result of output contracts, leases and subleases, licenses, management contracts, research contracts, naming rights agreements or other arrangements that provide special legal entitlements to nongovernmental persons. To this end, the Coordinator shall:

- a) maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;
- b) with respect to each bond financed asset, the Coordinator will monitor and confer with bond counsel with respect to all proposed:
 - i. management contracts,
 - ii. service agreements,
 - iii. research contracts,
 - iv. naming rights contracts,
 - v. leases or sub-leases,
 - vi. joint venture, limited liability or partnership arrangements,
 - vii. sale of property;
 - viii. any other change in use of such asset;
 - ix. reservation of capacity or other special treatment or entitlements; or
 - x. output contracts (including retail and wholesale requirements contracts);
- c) maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three (3) years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets, or obligations issued to refund those obligations; and
- d) provide training and educational resources to any staff member that has the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use and on the private security or payments with respect to bond-financed facilities;
- e) ensure that no item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Treasury Regulations and the Coordinator shall consult with bond counsel prior to the sale or transfer of any bond-financed property; and

- f) In the event of an action with respect to a bond financed asset, which may cause the private business tests or private loan financing test to be met, the Coordinator shall contact bond counsel and ensure timely remedial action under IRS Regulation Sections 1.141-12.

12. Special Rules for Output Facilities.

Financing an Output Facility:

The Coordinator shall make the following determination with respect to Output Facilities:

- a) whether the Issuer will use all or a portion of the proceeds of the bond issue to finance an Output Facility;

Output Contracts – Purchase of Available Output by Nongovernmental Persons:

The purchase pursuant to a contract by a nongovernmental person of available output of an Output Facility financed with proceeds of an issue is taken into account under the private business tests if the purchase has the effect of transferring the benefits of owning the facility and the burdens of paying the debt services on Bonds used (directly or indirectly) to finance the facility. To this end, the Coordinator shall monitor arrangements for the sale of output and confer with bond counsel in order to determine whether such output contracts cause an issue to meet the private business tests, or meet exceptions provided in Section 1.141-7 of the Rules.

The Coordinator shall examine and monitor all proposed sales of available output, including sales at wholesale or retail for compliance with Section 1.141-7 of the Rules and confer with bond counsel, as necessary.

13. Record Retention – General Project Records. For each project financed with tax-exempt obligations, the Coordinator shall maintain, until three (3) years after retirement of the tax-exempt obligations or obligations issued to refund those obligations, the following:

- a) appraisals, demand surveys or feasibility studies,
 b) applications, approvals and other documentation of grants,
 c) depreciation schedules,
 d) contracts respecting the project.

14. Record Retention – Bond issues. Management and retention of records related to bond issues shall be supervised by the Coordinator. Records and documents pertaining to cancellation, transfer, redemption or replacement of Issuer Bonds shall be preserved by the Issuer or its agent for a period of not less than eleven (11) years, as set forth in Iowa Code Section 76.10. Other records shall be retained during the period in which the Bonds remain

outstanding (plus any refunding Bonds) plus three (3) years. Records may be in the form of documents and electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

The Coordinator shall collect and retain the following records with respect to each issue of Bonds of the Issuer and with respect to the facilities financed with the proceeds of such Bonds:

- audited financial statements of the Issuer;
- appraisals, demand surveys, or feasibility studies, if any, with respect to the facilities to be financed with the proceeds of such Bonds;
- publications, brochures, and newspaper articles, if any, related to the bond financing;
- trustee or paying agent statements;
- records of all investments and the gains (or losses) from such investments;
- paying agent or trustee statements regarding investments and investment earnings;
- reimbursement resolutions, if any, and expenditures reimbursed with the proceeds of such Bonds;
- allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including any requisitions, expenditure/draw schedules, expenditure/draw requests, invoices, bills, and cancelled checks with respect to such expenditures;
- contracts entered into for the construction, renovation, or purchase of bond-financed facilities;
- an asset list or schedule of all bond financed depreciable property and any depreciation schedules with respect to such assets or property;
- records of the purchases and sales of bond-financed assets;
- private business uses of bond-financed facilities that arise subsequent to the date of issue through output contracts, leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; arbitrage rebate reports and records of rebate and yield reduction payments, if any; resolutions or other actions, if any, taken by the Governing Body subsequent to the date of issue with respect to such Bonds;
- formal elections authorized by the Code or Treasury Regulations that are taken with respect to such Bonds;
- relevant correspondence relating to such Bonds;
- documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue;
- copies of any and all forms filed with the IRS for each series of Bonds including, as applicable, Form 8038-G or Form 8038-GC; and
- the official transcript prepared by bond counsel with respect to each series of Bonds of the Issuer.

15. Identification of Violations and Corrections. If, during the period the Bonds remain outstanding, it is determined that a violation of federal tax requirements may have occurred, the Coordinator shall immediately consult with the Advisors to ensure that corrective or remedial action is taken. In consultation with bond counsel, the Coordinator shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the limits under Section 141(b)(1) of the Code. In consultation with bond counsel, the Coordinator shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program, described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Rules with respect to its outstanding Bonds.

16. Advance Refundings. **[At the time of adoption of this policy, advance refunding bonds are no longer allowed. This section shall not apply unless advance refunding bonds are once again allowed by applicable law.]** The Coordinator, shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding Bonds:

- a) Identify and select Bonds to be advance refunded with advice from internal financial personnel, and a financial advisor;
- b) The Coordinator shall identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) The Coordinator shall review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure (i) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue; (ii) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded Bonds; (iii) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding Bonds to become “arbitrage Bonds”; and (iv) that the proposed issuance will not result in the issuer’s exploitation of the difference between tax exempt and taxable interest rates to obtain an financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes.
- d) The Coordinator shall collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding Bonds. To ensure such compliance, the Coordinator shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied.

- e) The Coordinator shall, whenever possible, purchase SLGS to size each advance refunding escrow. The financial advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Coordinator shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations.
- f) To the extent as issuer elects to the purchase a guaranteed investment contract, the Coordinator shall ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations.
- g) In determining the issue price for any advance refunding issuance, the Coordinator shall obtain and retain issue price certification by the purchasing underwriter at closing.
- h) After the issuance of an advance refunding issue, the Coordinator shall ensure timely identification of violations of any federal tax requirements and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

17. Continuing Disclosure. The Coordinator shall assure compliance with each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The Coordinator will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than ten (10) Business Days after the day of the occurrence of the event. Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- d) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
- e) Substitution of credit or liquidity providers, or their failure to perform;
- f) 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-exempt status of the Bonds, or material events affecting the tax-exempt status of the Bonds;
- g) Modifications to rights of Holders of the Bonds, if material;

- h) Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
- i) Defeasances of the Bonds;
- j) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- k) Rating changes on the Bonds;
- l) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- m) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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; and
- n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- o) Incurrence of a Financial Obligation of the obligated person, *if material**, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, *if material**; and
- p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

*Materiality is determined upon the incurrence of each distinct Financial Obligation, taking into account all relevant facts and circumstances. A Financial Obligation is considered to be incurred when it is enforceable against the Issuer. Event notices for Financial Obligations (e.g. under 15 and 16 above) should generally include a description of the material terms of the Financial Obligation, including: (i) date of the incurrence, (ii) principal amount, (iii) maturity and amortization; (iv) interest rate(s), if fixed, or method of computation, if variable, (v) other appropriate terms, based on the circumstances. In addition to a summary of material terms, the Issuer may alternatively, or in addition, submit related materials, such as transaction documents (which may require some redaction), terms sheets prepared in connection with the Financial Obligation, or continuing covenant agreements or financial covenant reports.

18. Other Post-Issuance Actions. If, in consultation with the Advisors, the Coordinator determines that any additional action not identified in this policy must be taken by the Coordinator to ensure the continuing tax-exempt status or "qualified" status of any issue of the Issuer's Bonds, the Coordinator shall take such action if the Coordinator has the authority to do so. If, after consultation with the Advisors, the Coordinator determines that this policy shall be amended or supplemented to ensure the continuing tax-exempt status or "qualified" status of any issue of the Issuer's Bonds, the Coordinator shall follow the appropriate Issuer policy or procedure that this document be so amended or supplemented.



CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM

Meeting Date: December 6, 2024

ITEM NUMBER: 6A

SUBJECT: Resolution – Approving Operating Contracts including Insurance Exhibit, and Approving Des Moines Water Works Operating Contract and Meter to Cash Supplement, and operating Contracts for West Des Moines Water Works, Polk City, and Grimes.

SUMMARY:

CIWW staff and legal counsel have reviewed the attached Operating Contract and prepared resolutions approving and authorizing execution of the Operating Contracts for Des Moines Water Works, West Des Moines Water Works, Polk City, and Grimes, as well as the Des Moines Water Works Meter-to-Cash supplement.

FINANCIAL IMPACT:

CIWW will reimburse the listed agencies for operating costs plus two percent and reimburse for costs as outlined in the agreements.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Resolution Approving and Authorizing the Operating Contracts between Des Moines Water Works, West Des Moines Water Works, Polk City, and Grimes, and the Meter-to-Cash Supplement between Des Moines Water Works and Central Iowa Water Works

Prepared by: 

WATER SUPPLY FACILITY OPERATING CONTRACT

Between

CENTRAL IOWA WATER WORKS (“CIWW”)

And

BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA (“DMWW”)

For Operation, Maintenance and Management of
Drinking Water Source, Treatment and Transmission System Facilities

EFFECTIVE AS OF THE CIWW OPERATIONAL COMMENCEMENT DATE

TABLE OF CONTENTS

ARTICLE I. SCOPE AND TERM OF CONTRACT	5
Section 1. Scope	5
Section 2. Effective Date	5
Section 3. Term	6
Section 4. Supplement to CIWW 28E-28F Agreement.....	6
ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND DMWW	6
Section 1. Nature of Relationship	6
Section 2. Operation Obligations	6
Section 3. Independent Contractor.....	6
Section 4. Individual Ownership and Responsibility	7
ARTICLE III. OPERATIONAL PROVISIONS	7
Section 1. DMWW General Authority	7
Section 2. Permits and Regulatory Compliance	7
Section 3. Sampling and Laboratory Testing.....	7
Section 4. Periodic Reporting.....	7
Section 5. Other Information	7
Section 6. Operation in Accordance with Budgets	7
Section 7. DMWW’s Authority to Act in an Emergency.....	7
Section 8. Ownership of Distribution Facilities	8
Section 9. Connection Points	8
Section 10. Connection Facilities	8
Section 11. Dual Use Facilities	9
Section 12. Supply Coordination.....	9
Section 13. Ancillary Agreements and Administrative Support.....	9
ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS	9
Section 1. Warranty and Exclusion of Implied Warranties	9
Section 2. Disclaimers	9
Section 3. Quality and Quantity	10
Section 4. Shortages of Water	10
Section 5. Variation in Quantity and Quality	10
ARTICLE V. CAPITAL PROJECTS	10
Section 1. Saylorville Water Treatment Plant Expansion.....	10

Section 2. Other Expansion of Capacity	10
Section 3. Capital Improvements Program	11
Section 4. Joint Capital Projects	11
Section 5. Continuous Performance Monitoring and Needs Assessment	11
ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO DMWW	12
Section 1. Compensation	12
Section 2. CIWW Payment to DMWW	12
Section 3. Operation, Maintenance, and Management (“OM&M”) Budget	12
Section 4. Information and Input to be Provided by DMWW	13
Section 5. Other Reimbursements	13
Article VII. OBLIGATIONS OF CIWW	13
Section 1. Financial Obligations	13
Section 2. CIWW Rates and Charges	13
Section 3. Taxes	13
Section 4. Cooperation and Support	13
ARTICLE VIII. TERMINATION PROVISIONS	13
Section 1. Automatic Termination	13
Section 2. Termination for Default	14
ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS	14
Section 1. No Liability	14
Section 2. Non-Liability for Main Breaks	14
Section 3. Limitations of Liability	14
Section 4. Indemnification	14
Section 5. Insurance	15
Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles	15
Section 7. Audit	15
Section 8. Assignment of Contract	16
Article X. GENERAL TERMS	16
Section 1. Provisions to be Severable	16
Section 2. Notices	16
Section 3. Arbitration	16
Section 4. Specific Performance	17
Section 5. Actions in Court	17

Section 6. Duty to Mitigate	18
Section 7. No Third Party Benefit and Limitation	18
Section 8. Entire Contract	18
Section 9. Governing Law.....	18
Section 10. Partnership Disclaimer	18
Section 11. Counterparts	18
Section 12. Force Majeure	18
Article XI. EXECUTION OF CONTRACT.....	18
Section 1. Passage of Resolution.....	18
Section 2. Signature Pages.....	18

THIS CONTRACT is made and entered into as of the _____ day of December, 2024 by and between Central Iowa Water Works ("CIWW"), a joint and cooperative legal entity organized and existing under Iowa Code Chapters 28E and 28F, and the Board of Water Works Trustees of the City of Des Moines, Iowa ("DMWW"), a municipal utility organized and existing under Iowa Code Chapter 388 (hereinafter sometimes jointly referred to as "the Parties" or either referred to individually as a "Party").

WHEREAS CIWW is a regional water wholesale production and supply entity created and governed by the Central Iowa Water Works 28E/28F Agreement executed by and among its Founding Agencies and filed with the Iowa Secretary of State as Agreement No M516883 ("the CIWW 28E-28F Agreement");

WHEREAS CIWW has the right and duty to create and supply treated water to its Member Agencies, and for this purpose CIWW will acquire the water supply facilities of DMWW and other Water Producing Member Agencies of CIWW as of the Operational Commencement Date of CIWW;

WHEREAS DMWW is a Water Producing Member of CIWW and the current owner and operator of certain Designated Water Supply Facilities as defined in the CIWW 28E-28F Agreement (the "DMWW Designated Water Supply Facilities");

WHEREAS CIWW and DMWW desire to implement the water facility operation provisions contemplated by the CIWW 28E-28F Agreement during the Term of this Contract by providing that DMWW shall be engaged as the contract operator of the DMWW Designated Water Supply Facilities acquired by CIWW for twenty years from the Operational Commencement Date of CIWW on the terms provided in this Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other as provided in this Contract, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CIWW and DMWW hereby agree as follows:

ARTICLE I. SCOPE AND TERM OF CONTRACT

Section 1. Scope. This Contract shall govern the relationship between CIWW and DMWW under the CIWW 28E-28F Agreement with respect to the operation and maintenance of the DMWW Designated Water Supply Facilities by DMWW as contract operator from the Effective Date and during the Term of this Contract. As used in this Contract, except as the context may otherwise require, the DMWW Designated Water Supply Facilities shall include: (i) the Xenia Booster Station at LP Moon and the Urbandale Raw Water Quarries; and (ii) all modifications, improvements, updates and expansion thereto during the Term of this Contract.

This Contract shall not govern the purchase of water from CIWW by DMWW and, except as otherwise provided herein or in any Supplement hereto, shall not govern any provision for administrative support by DMWW to CIWW or other services provided by and between the Parties. The Parties may enter into Supplements to this Contract or other separate agreements respecting such matters.

Section 2. Effective Date. The "Effective Date" of this Contract shall be the Operational Commencement Date as defined in the CIWW 28E-28F Agreement.

Section 3. Term. The term of this Contract, subject to the termination provisions herein, shall be twenty years from its Effective Date (the "Term"). Provided, however, such term shall automatically be extended for successive five-year periods thereafter unless either Party shall, not less than three years prior to the expiration of the first twenty-year period hereunder or any subsequent renewal period, give notice in writing to the other Party of its intention to terminate such Term. Nothing shall prevent DMWW and CIWW from agreeing to an earlier termination or to an extension of the Term for any reason by further agreement in writing.

Section 4. Supplement to CIWW 28E-28F Agreement. This Contract shall be a supplement to the CIWW 28E-28F Agreement and shall be filed as such with the Iowa Secretary of State after its execution by the Parties. This Contract shall govern certain matters between the Parties hereto under the CIWW 28E-28F Agreement. Except as otherwise defined in this Contract, the capitalized terms used herein that are defined in the CIWW 28E-28F Agreement shall have the meanings as defined in the CIWW 28E-28F Agreement. As used herein, the term CIWW 28E-28F Agreement shall not be construed to mean or include any subsequently adopted amendment to such Contract, except to the extent DMWW shall expressly agree in writing to accept any such amendment as applying to this Contract. In the event of a conflict between this Contract and the CIWW 28E-28F Agreement, the terms of this Contract shall control.

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND DMWW

Section 1. Nature of Relationship. DMWW shall be, and hereby is, engaged by CIWW as the sole operator of the DMWW Designated Water Supply Facilities acquired by CIWW. In such capacity, DMWW shall provide all labor, services, materials, and supplies necessary to CIWW's production and delivery of finished drinking water under this Contract, including all operations, maintenance, repairs, planning, engineering (whether staffed or contracted), capital improvements, residuals removal, and procurements required to effectively operate, maintain, and manage the DMWW Designated Water Supply Facilities to their full capacity under prevailing conditions as they exist from time to time, including capital and technical upgrades as needed. DMWW shall supply labor and services through its own staff or under contract with others, in its discretion.

Section 2. Operation Obligations. DMWW's obligations under this Contract shall be to operate and maintain the DMWW Designated Water Supply Facilities on behalf of CIWW with a level of care, effort, and diligence as may be reasonably expected to enable CIWW to meet the service obligations of CIWW to its Member Agencies as set forth in Schedule IV-6 of the CIWW 28E-28F Agreement, to the extent possible in view of the actual capacities and limitations of the DMWW Designated Water Supply Facilities under prevailing source water and other conditions. DMWW operations shall be deemed reasonable to the extent consistent with its existing practices and procedures as of the Effective Date with any changes required by changes in prevailing conditions, law or regulation.

Section 3. Independent Contractor. The relationship of DMWW to CIWW under this Contract shall at all times be that of independent contractor. Services under this Contract shall be performed in accordance with good and accepted industry practices for operators similarly situated. However, any such services shall not be considered engineering services, and nothing herein is intended to imply that DMWW is to supply professional engineering services to CIWW, unless specifically stated in this Contract or specifically hereafter agreed by the Parties to the contrary. This provision shall not, however, preclude DMWW from providing any services under this Contract by means of professional engineers employed by DMWW on its staff or engaged by DMWW by contract.

Section 4. Individual Ownership and Responsibility. Except as otherwise explicitly provided in this Contract, each Party shall at all times hold and own its respective properties. Each Party shall be solely authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents. Nothing in this Contract shall be deemed to supersede, replace, impair or limit any collective bargaining agreement between DMWW and any bargaining unit now existing or hereafter arising.

ARTICLE III. OPERATIONAL PROVISIONS

Section 1. DMWW General Authority. DMWW shall at all times during the Term of this Contract have the power and authority to operate and maintain the DMWW Designated Water Supply Facilities to meet applicable provisions of law.

Section 2. Permits and Regulatory Compliance. DMWW and CIWW shall each have and maintain all licenses and permits, either individually or jointly, including but not limited to Water Use and Water Supply Operations permits, which are required to be obtained by either of them, or by both from State or Federal regulatory agencies for ongoing operation of the DMWW Designated Water Supply Facilities. DMWW will lead the management of regulatory compliance as outlined in these permits.

Section 3. Sampling and Laboratory Testing. DMWW will provide, through staff or contract, sampling and laboratory testing necessary to monitor water treatment plant performance in addition to sampling and laboratory testing required to meet regulatory requirements set forth in water supply operations permits, NPDES permits, and/or any federal, state or local laws, rules and regulations, local ordinances, permit or license requirements. DMWW shall utilize the laboratory facilities included within the DMWW Designated Water Supply Facilities (the "DMWW Laboratory") for this purpose to the extent appropriate within its discretion or may acquire outside services, when and as necessary in its discretion. DMWW will utilize the DMWW Laboratory with respect to DMWW's Distribution Activity and the Distribution Activity of other Member Agencies upon request on a fee for services basis at cost. DMWW is authorized to bill and collect for such services for the benefit of CIWW, with such revenues to be treated as offsetting revenues under Section 1 of Article VI of this Contract.

Section 4. Periodic Reporting. DMWW shall prepare and make such periodic reports for the DMWW Designated Water Supply Facilities as are required by applicable laws, rules, regulations or orders, and shall submit them directly to the appropriate regulatory agencies with copies to the CIWW Executive Director as submitted. DMWW shall assist CIWW in meeting any regulatory reporting requirements that it has as to CIWW facilities operated by DMWW.

Section 5. Other Information. DMWW shall make available to CIWW all such reasonably accessible information, schedules, and analysis concerning the DMWW Designated Water Supply Facilities and their operation as CIWW may request.

Section 6. Operation in Accordance with Budgets. DMWW shall operate, maintain, and manage the DMWW Designated Water Supply Facilities in accordance with the budget established as provided in Section 3 of Article VI of this Contract to the extent possible, subject to such unforeseen changes and contingencies as may arise in the ordinary course of business, and subject to emergencies or other circumstances that require deviation from the budgets.

Section 7. DMWW's Authority to Act in an Emergency. In any emergency affecting the safety of persons, property or water quality, or the ability to meet peak demands, DMWW shall act, at its

discretion, and without prior CIWW authorization, but with reasonable notification under the circumstances to the CIWW Executive Director, to prevent threatened damage, injury, loss, or operational impairments, notwithstanding any provision in this Contract or any previously approved budget and CIWW shall have financial responsibility to reimburse DMWW for the full costs thereof.

Section 8. Ownership of Distribution Facilities. Each CIWW Member Agency, including DMWW, shall exclusively own, operate, maintain, and be responsible, for its own Water Distribution Facilities, including its own Connection Facilities as defined in Section 10 of this Article III.

Section 9. Connection Points. The "Connection Points" at which water is delivered by CIWW to CIWW Member Agencies, including DMWW and other Water Producing Member Agencies, shall be as follows:

- (a) Metered Core Network Connection – In the case of water sold by CIWW to a specific CIWW Member Agency with a metered point of connection, the Connection Point shall be the tee or tap on the CIWW Core Network transmission main which serves the meter. In the case of an in-line point of connection, the Connection Point shall be a valve or other designated point on the transmission main, prior to the meter, where ownership of the pipeline transitions from CIWW to the CIWW Member Agency that is being served.
- (b) Unmetered Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, for which there is no metered point of connection, the Connection Points shall be the points at which the Water Producing Member Agency's Water Distribution Facilities connect to the CIWW Core Network transmission main.
- (c) Non-Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, but is not delivered through a connection to the CIWW Core Network, the Connection Point shall be a valve or other designated point of transition between the Designated Water Supply Facilities which are owned by CIWW and the Water Producing Member Agency's Water Distribution Facilities which are owned by the Water Producing Member Agency that is being served.

Section 10. Connection Facilities. As used herein "Connection Facilities" shall mean any taps, pipes, corporations, pumps, or other facilities required by any CIWW Member Agency to connect to or to receive water from the CIWW Core Network or to meter the water delivered to such Member Agency. CIWW will provide and shall own all wholesale meters installed at Member Agency Connection Points, but CIWW shall have no obligation to supply or maintain the Connection Facilities, including any facilities such as vaults or pits to contain or support wholesale meters of any CIWW Member Agency, except to the extent CIWW may otherwise agree in writing with the CIWW Member Agency. All new wholesale metering facilities that are part of any Connection Facilities shall be constructed and installed in accordance with drawing plans and specifications approved by CIWW and the affected Member Agency. Any new Connection Facilities established after the Effective Date shall include such device or devices as may be reasonably required to prevent reverse flow.

Section 11. Dual Use Facilities. The Parties recognize that some facilities and equipment, including certain valves and control systems that may be owned by either CIWW or DMWW after Asset Transfer under the CIWW 28E-28F Agreement, will be used or usable for both Water Supply Activity on behalf of CIWW and for the Water Distribution Activity of DMWW (“Dual Use Facilities”). DMWW is authorized to utilize all Dual Use Facilities for both purposes. The costs of purchase, operation, maintenance, repair and replacement of Dual Use Facilities shall be reasonably allocated between CIWW and DMWW based on benefit to each of such use by application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of the CIWW 28E-28F Agreement.

Section 12. Supply Coordination. CIWW shall assist DMWW and other Water Producing Member Agencies in planning to meet the requirements of all CIWW Member Agencies and shall cause each CIWW Member Agency taking water from the DMWW Designated Water Supply Facilities to keep DMWW advised of its requirements and changing requirements. CIWW shall establish a staff-level working group consisting of a single authorized representative from each of the Member Agencies, each to individually serve as an ongoing contact point and coordinator with DMWW to facilitate and optimize water supply operations by DMWW. Such working group shall meet collectively when needed on call from DMWW to coordinate and plan for DMWW operations.

Section 13. Ancillary Agreements and Administrative Support. DMWW shall support CIWW’s ownership of the DMWW Designated Water Supply Facilities by providing administrative and management support of such assets, and support for any agreements other than water supply agreements related thereto, to include, without limitation, management of shared use facility or property agreements, property use licenses and lease agreements with telecommunications companies, farming licenses and leases, and any other agreements related to, or affecting the DMWW Designated Water Supply Facilities. For this purpose DMWW is authorized to (i) administer all existing agreements affecting the DMWW Designated Water Supply Facilities, together with any new or amended agreement authorized by CIWW; (ii) to enforce such agreements in its own name or the name of CIWW, or both; and (iii) to bill and collect revenues from such agreement for the benefit of CIWW, with such revenues to be treated as offsetting revenues under Section 1 of Article VI of this Contract.

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS

Section 1. Warranty and Exclusion of Implied Warranties. DMWW warrants that its operation of the DMWW Designated Water Supply Facilities shall be reasonable under prevailing source water and other conditions. **DMWW MAKES NO OTHER WARRANTY OF ANY PARTICULAR RESULTS OR OUTCOME FROM ITS OPERATION OF THE DMWW DESIGNATED WATER SUPPLY FACILITIES.**

Section 2. Disclaimers. CIWW agrees that the DMWW Designated Water Supply Facilities of DMWW are special purpose facilities and the performance of such facilities are affected by external conditions over which DMWW has no control. DMWW neither warrants nor guarantees that its facilities existing as of the date of this Contract, or its operation of such facilities, will function efficiently or accomplish any specific results under this Contract. CIWW acknowledges that no representations or warranties have been provided to CIWW regarding the DMWW Designated Water Supply Facilities or the ability of DMWW to deliver any particular results in the operation of such facilities. DMWW agrees to cooperate in good faith with CIWW and its Member Agencies to exercise diligence in performing its obligations hereunder, and to use its best efforts to carry out the provisions of this Contract, but makes no guarantee of any particular results.

Section 3. Quality and Quantity. DMWW shall use reasonable diligence and efforts to produce finished drinking water and to operate, maintain and manage the DMWW Designated Water Supply Facilities to produce finished drinking water which is (i) in compliance with applicable State and Federal drinking water quality regulations; (ii) in compliance with all applicable water supply operation permits; and (iii) delivered in adequate quantity and at adequate pressure to meet the needs of CIWW to supply the customers of CIWW. **DMWW MAKES NO REPRESENTATION OR WARRANTY THAT SUCH OBJECTIVES WILL ALWAYS BE MET UNDER THIS CONTRACT.**

Section 4. Shortages of Water. It is understood that this Contract does not constitute any warranty or assurance by DMWW that water in the quantity required by CIWW and CIWW Member Agencies will always be available or that water quality requirements will always be able to be met.

Section 5. Variation in Quantity and Quality. All Parties acknowledge and agree that there may be fluctuations in the quantity and quality of finished drinking water produced or delivered under this Contract as a result of prevailing source water, operating conditions, and other conditions and that such variations are acceptable under this Contract.

ARTICLE V. CAPITAL PROJECTS

Section 1. Saylorville Water Treatment Plant Expansion. DMWW shall complete the pending Saylorville Water Treatment Plant Expansion project as contemplated under Section 10 of Article IV of the CIWW 28E-28F Agreement for the benefit of CIWW after the Operational Commencement Date. Construction contracts undertaken for the Saylorville Water Treatment Plant Expansion Project existing in the name of DMWW on the Operational Commencement Date shall be completed by DMWW. New contracts after the Operational Commencement Date shall be let in the name of CIWW as owner, with DMWW acting in its capacity as Operating Contractor to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints DMWW, its staff, and contractors to act on behalf of CIWW for this purpose. CIWW shall reimburse DMWW for all of its project costs, including any previously paid debt service, that are not covered by loan proceeds obtained by DMWW under loans that have been assumed by CIWW or not otherwise paid directly by CIWW whether incurred before or after the Operational Commencement Date. Without limiting the generality of the foregoing, Construction Loan No D0741R, assumed by CIWW on the Operational Commencement Date, shall be drawn upon by CIWW after the Operational Commencement Date to reimburse costs incurred by DMWW both before and after the Operational Commencement Date to the fullest extent possible with DMWW to provide documentation required for such draws.

Section 2. Other Expansion of Capacity. Under the CIWW 28E-28F Agreement CIWW is responsible for planning, engineering, financing, and construction of all new drinking water source, treatment and transmission system facilities needed to expand the capacity of CIWW to meet the requirements of its customers. Such new facilities are referred to herein as "Expansion Facilities," and may include, in CIWW's discretion, facilities constructed or installed to increase the capacity of the DMWW Designated Water Supply Facilities. DMWW shall cooperate and assist CIWW in planning for and constructing any Expansion Facilities that affect the DMWW Designated Water Supply Facilities, and the construction of the Expansion Facilities shall be coordinated so as not to cause undo interference with the operation of the DMWW Designated Water Supply Facilities. Contracts for Expansion Facilities shall be let in the name of CIWW as owner, with DMWW acting in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors.

CIWW appoints DMWW, its staff, and contractors to act on behalf of CIWW for this purpose and CIWW shall reimburse DMWW for all of its project costs for Expansion Facilities.

Section 3. Capital Improvements Program. DMWW shall, in coordination with the CIWW Technical Committee, provide data and recommendations to the engineering consultant selected by CIWW, to aid the engineering consultant in developing a multi-year Capital Improvements Program (“CIP”) for the DMWW Designated Water Supply Facilities, based on performance and needs assessments as provided in Section 4 of this Article V. CIWW shall provide the capital required for such projects, and DMWW shall cooperate with CIWW in the execution of projects under the CIP for the DMWW Designated Water Supply Facilities with DMWW reimbursed by CIWW for the costs incurred for its efforts.

Section 4. Joint Capital Projects. During the Term of this Contract, DMWW shall plan and execute such Joint Capital Projects, as defined in the CIWW 28E-28F Agreement, as CIWW and DMWW shall jointly deem necessary and proper to enable DMWW to meet its obligations under this Contract in light of the process defined by Section 5 of this Article V, but DMWW may proceed with any individual Joint Capital Project within limits of approved capital budgets with an estimated cost not to exceed one hundred thousand dollars (\$100,000.00), or other higher limit approved by the CIWW Board from time to time (“Small DMWW Projects”), without consultation with, or approval by, CIWW or the CIWW Technical Committee. Planning for such projects, other than Small DMWW Projects, shall be coordinated with the CIWW Technical Committee. Joint Capital Projects may be designed by staff of DMWW or by consultants selected and engaged by DMWW, or both. Contracts for Joint Capital Projects shall be let in the name of DMWW, unless otherwise required by law or by reason of CIWW’s requirements for debt issuance, and for this purpose CIWW grants authority to DMWW to make improvements and repairs to the DMWW Designated Water Supply Facilities and to act as its agent for such purposes. Execution of such projects shall be under the sole supervision of DMWW, but shall be subject to the review and approval of the CIWW Board as part of the CIWW Budget process, except for Small DMWW Projects or projects executed under DMWW’s emergency authority provided by Section 7 of Article III. To the extent contracts for Joint Capital Projects are let in the name of CIWW as owner, DMWW shall act in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints DMWW, its staff, and contractors to act on behalf of CIWW for this purpose. CIWW shall be responsible to pay for the costs of Joint Capital Projects as provided under the CIWW 28E-28F Agreement.

Section 5. Continuous Performance Monitoring and Needs Assessment. DMWW shall, in consultation with the CIWW Technical Committee, the engineering consultant selected by CIWW, and CIWW staff:

- (a) Regularly monitor and assess the DMWW Designated Water Supply Facilities to determine if they are performing optimally;
- (b) Identify and implement operational strategies to optimize the performance of the DMWW Designated Water Supply Facilities;
- (c) Identify facility improvements needed to optimize performance of the DMWW Designated Water Supply Facilities and to keep them in compliance with evolving regulatory requirements, source water quality threats, and evolving technical and operational best practices for facilities of such kind; and
- (d) Regularly monitor and assess the use of the DMWW Designated Water Supply Facilities by CIWW Member Agencies to determine if their needs are being optimally met.

ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO DMWW

Section 1. Compensation. DMWW shall be compensated in amounts equal to the actual full cost incurred by DMWW of providing materials and services under this Contract, plus 2%, with such amounts to be computed and paid as provided in the CIWW 28E-28F Agreement and Section 2 of this Article VI, less any offsetting revenue collected directly from other CIWW Member Agencies or third parties related to DMWW Designated Water Supply Facilities including without limitation offsetting revenue collected under Section 3 or Section 13 of Article III.

Section 2. CIWW Payment to DMWW. CIWW shall pay DMWW for operation, materials, supplies, and services supplied under this Contract on a cost plus basis, based on the cost and payment principles set forth in Schedule V-2 to the CIWW 28E-28F Agreement. Such amounts shall be paid in seasonally adjusted monthly installments with an annual true-up as set forth in such Schedule. For the avoidance of doubt, it is the intent of this Contract that DMWW be paid its full actual costs, plus a fixed percentage of 2%, after such costs are fully incurred and determined.

Section 3. Operation, Maintenance, and Management ("OM&M") Budget. For each calendar year, beginning on or after the Operational Commencement Date, DMWW shall prepare and submit to CIWW a proposed OM&M budget for the next calendar year on such time schedule as may be required to permit the annual budget process of CIWW to proceed pursuant to the terms of the CIWW 28E-28F Agreement.

The proposed OM&M budget shall govern DMWW's expenditures for the budget year and shall include:

- (a) A projection of the anticipated reimbursable expenditures that will be incurred by DMWW for production of water in the budget year, and a projection of any anticipated offsetting revenue to be directly collected by DMWW from other Member Agencies or from third parties during the budget year;
- (b) A comparison of budgeted expenditures for the budget year to the actual expenditures for the prior budget year;
- (c) The insurance and risk management coverages to be in place for the budget year and the expected costs thereof that are chargeable to CIWW; and
- (d) Any additional information requested by CIWW in advance of DMWW's budget process commencement.

The Board of CIWW shall conduct a budget hearing on the proposed OM&M budget at its next meeting following receipt of the proposed budget after giving required notice under applicable law and the CIWW 28E-28F Agreement. If the proposed budget is not approved by the CIWW Board, CIWW shall provide a detailed statement to DMWW of its objections. Any CIWW objections will be resolved by negotiation between the Parties if possible, but if no agreement is reached on all objections before the commencement of the budget year, the portions of the budget to which objection is not made shall be deemed approved. All pending objections shall be resolved by arbitration as provided in this Contract to be commenced immediately after the Parties reach impasse in discussions, and no later than the commencement of the budget year, with the arbitration to be completed by an award issued not later than 120 days after commencement of the arbitration proceedings by either party.

Pending resolution of objections: (i) DMWW shall proceed in accordance with the portions of the proposed budget to which no objection is made; (ii) DMWW shall defer expenditures to which objection is made to the extent practical without impairing operations under this Operating Contract; (iii) DMWW shall limit its expenditures of a required and recurring nature to levels consistent with the most recent prior approved budget to the extent practical without impairing operations under this Operating Contract; and (iv) DMWW shall otherwise be authorized to make expenditures in accordance with its proposed budget only to the extent a failure to make the expenditures would directly cause a material impairment of its ability to meet its obligations under this Operating Contract.

Section 4. Information and Input to be Provided by DMWW. Upon the request of CIWW or any CIWW Member Agency, DMWW shall make available such reasonably accessible information, schedules, comparisons and analysis as may be deemed reasonably necessary in order to fully analyze the proposed OM&M budget. DMWW shall cause such members of its staff to be present at the budget hearing established by CIWW as are necessary to explain the proposed budget and respond to inquiries made concerning same.

Section 5. Other Reimbursements. In addition to the foregoing, CIWW shall also reimburse DMWW for emergency costs incurred under Section 7 of Article III, capital projects under Article V, uninsured claims and losses under Section 6 of Article X, and any other costs beyond OM&M expenses, that are reimbursable under the terms of this Contract or the CIWW 28E-28F Agreement. Such reimbursements shall not be subject to the 2% increment specified in Section 1 of this Article.

Article VII. OBLIGATIONS OF CIWW

Section 1. Financial Obligations. CIWW shall promptly satisfy all of its financial obligations to DMWW hereunder, including without limitation, funding under Article V for capital projects. Any loss, damage, or injury resulting from the failure of CIWW to provide funding for capital projects when reasonably requested by DMWW shall be the sole responsibility of CIWW.

Section 2. CIWW Rates and Charges. CIWW shall at all times set, impose, and collect rates and charges to its Member Agencies that produce revenues at least sufficient to pay the expenses of operation of CIWW, including obligations to DMWW, and all other obligations including principal and interest of bonds and other debt obligations as they become due.

Section 3. Taxes. CIWW shall pay all sales, excise, ad valorem, property, or other taxes, if any, associated with sales or operations under this Contract or assessed against CIWW property.

Section 4. Cooperation and Support. CIWW shall reasonably cooperate in good faith with DMWW in the performance of its obligations under this Contract, and shall at all times govern and manage its affairs consistent with the terms of the CIWW 28E-28F Agreement so as to enable and support DMWW's ability to fully perform its obligations under this Contract.

ARTICLE VIII. TERMINATION PROVISIONS

Section 1. Automatic Termination. This Contract shall automatically terminate upon the termination of existence of CIWW for any reason. Such termination shall be effective upon reversion of assets, including any dual purpose assets, to DMWW as provided in the CIWW 28E-28F Agreement, with the intent that there shall be no interruption of water production upon termination of the existence of CIWW.

Section 2. Termination for Default. In the event that either Party determines that the other Party has defaulted in the performance of its obligations hereunder, the aggrieved Party may declare that default has occurred and give notice thereof to the defaulting Party. Notice of default shall be given in writing, shall specify the nature of the default and the provisions of the Contract involved, and shall specify what action is required of the defaulting Party to correct the default.

The defaulting Party shall have 180 days from the date of its receipt of the notice of default to correct the default. If at the end of said 180-day period the default has not, in the opinion of the aggrieved Party, been corrected, and if such default shall constitute a material breach of this Contract, the aggrieved Party may thereupon terminate the Contract for material breach by giving 60 days' written notice of termination. Termination of this Contract shall be effective at the end of said 60-day period unless judicial proceedings are initiated by either Party in a court of competent jurisdiction to determine if a material breach has occurred.

Upon termination of this Contract by the either Party, or upon entry of a court order terminating this Contract, DMWW shall assist CIWW in assuming operation of the DMWW Designated Water Supply Facilities. CIWW shall pay DMWW the costs of such assistance within thirty (30) days of its receipt of an invoice for such costs.

Any disputes arising under this Section shall not be subject to mandatory arbitration.

ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS

Section 1. No Liability. DMWW shall not be liable to CIWW, to any Member Agency or to any of their customers by reason of any interruption or failure to provide any water supplied or for services contemplated by this Contract, or for any error of judgment by DMWW or its staff or contractors or their employees, except for any bad faith, willful misconduct, or willful disregard for the terms of this Contract by DMWW. Unauthorized and unanticipated willful misconduct by a DMWW employee shall not be attributed to DMWW for this purpose.

Section 2. Non-Liability for Main Breaks. DMWW shall have no liability to any person for direct or indirect damage caused by water main breaks of CIWW or any other person or entity. CIWW shall indemnify DMWW from any such claimed liabilities, and hold DMWW harmless from all such claims, including all attorney fees and other costs of defense.

Section 3. Limitations of Liability. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS CONTRACT FOR ANY CLAIM FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR REVENUE OR THE LOSS OF USE OF EITHER, OR COSTS OF REPLACEMENT CAPITAL, EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT.

Section 4. Indemnification. DMWW and CIWW, to the fullest extent permitted by law, each hereby agrees to indemnify, defend, pay on behalf of, and hold harmless the other and their respective elected officials, appointed officials, agents, employees and volunteers, and others working on behalf of such Party ("Indemnities"), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnities by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic

damages that arise out of or are in any way connected to this Contract. No Party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Neither the indemnity provisions in this Section, nor any other rights of indemnity held or claimed by CIWW by law or agreement, shall limit, impair, or reduce the rights of DMWW to full compensation or reimbursement under Article VI of this Contract for OM&M costs, capital project costs, or losses that are incurred by DMWW with respect to Water Supply Activity operations within the scope of this Contract. CIWW shall not be entitled to indemnity under this Contract, and waives any and all claims of indemnity otherwise existing or arising by law, to the fullest extent necessary so that DMWW's right of full compensation and reimbursement under Article VI of this Contract is preserved.

Each Party's Contracts and obligations as set forth in this Section are applicable for the duration of and following expiration or termination of this Contract, regardless of the manner of termination, and notwithstanding other provisions of this Contract.

Section 5. Insurance. DMWW shall insure the DMWW Designated Water Supply Facilities and shall provide liability and other insurance with respect to DMWW's work under this Contract in the respects and particulars as set forth in Exhibit A hereto. To the fullest extent permitted by law, neither this provision, nor the existence of any insurance policy procured by either DMWW or CIWW shall be deemed to limit or be a waiver of, any immunity or other defense to liability otherwise held by either Party.

Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles. To the extent DMWW incurs a loss, expense or claim payment that is not reimbursed by insurance by reason of lack of coverage, self-insured retention, policy deductible or for any other reason, with respect to Water Supply Activity operations within the scope of this Contract or otherwise in the operation and maintenance of the DMWW Designated Water Supply Facilities, including without limitation any losses arising from unauthorized and unanticipated willful misconduct by a DMWW employee, CIWW will reimburse DMWW for such amounts as incurred. Such reimbursement shall include but not be limited to costs of claims, demands, suits, deductibles and loss retentions under insurance, and all other damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs.

DMWW shall not be reimbursed for any loss, expense or claim payment that arises solely by reason of its Water Distribution Activity.

To the extent a loss, claim or expense is attributable to both Water Supply Activity on behalf of CIWW and Water Distribution Activity of DMWW, such amount shall be reasonably allocated between CIWW and DMWW based on application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of this Contract.

Section 7. Audit. CIWW may by notice in writing request access to DMWW's records for purposes of conducting an independent audit of DMWW's financial records in relation to compensation or other amounts paid or payable by CIWW to DMWW. Such notice shall identify the records sought for audit, and DMWW shall provide access to the records sought for audit within 30 days after receipt of the notice requesting audit. Such audit shall be conducted by a certified public accounting firm retained by CIWW and at CIWW's sole cost. The audit findings shall be promptly provided to DMWW. In the event that such audit reveals any overpayment or underpayment to DMWW, the Parties shall make such

adjustments to balances paid or payable between them as the audit determines are proper, with such adjustments to be made within 30 days of the issuance of the audit report. In the event that either Party disputes the findings of the audit, it may notify the other Party of its objection thereto and request binding arbitration to resolve the matter.

Section 8. Assignment of Contract. Neither Party may assign this Contract to a third party without the written consent of the other Party.

Article X. GENERAL TERMS

Section 1. Provisions to be Severable. If any provision of this Contract is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Contract that can be given effect without the provision determined to be invalid, and to that end, the provisions of this Contract are severable.

Section 2. Notices. Notices which DMWW or CIWW are authorized or required to give one another pursuant to this Contract shall be in writing and may be personally delivered, may be sent by ordinary mail or delivery service to the addresses for such Party reflected in the records of CIWW or DMWW, or may be sent by electronic means, including email. Notice by personal delivery, by delivery service, or by electronic means shall be effective upon actual receipt. Mailed notices shall be effective and deemed to be received by the Party to whom directed when they are postmarked.

Section 3. Arbitration.

- (a) CIWW and DMWW agree that any disputes and any claims relating to the adoption of any OM&M budget under this Contract, the allocation or reimbursement of costs, losses, or expenses under this Contract, or otherwise for money damages arising between or among them with regard to matters within the scope of this Contract shall be submitted to mandatory, binding arbitration at the request of any Party. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the Parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.
- (b) If the Parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the Party requesting arbitration, one named in writing by the adverse Party, and the third chosen by the first two arbitrators so chosen.
- (c) The Party requesting arbitration shall choose an arbitrator within ten (10) days following the Parties' decision that they will not agree to use one arbitrator. Failure to do so shall be deemed a waiver of its request for arbitration. If the adverse Party desires to appoint a different arbitrator, they shall name their arbitrator within ten (10) days following the receipt of notice of the naming of the first arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten (10) days following the selection of the second arbitrator. Extensions of the time periods to select arbitrators shall not be unreasonably withheld if requested prior to the original deadlines above. Should any Party refuse or neglect to supply the arbitrators with any papers or information requested in writing by the arbitrators, the arbitrators are empowered to proceed ex parte. The Parties shall agree on

the rules to govern the conduct of the arbitration, but in the absence of such an agreement, the most recently published commercial arbitration rules of the American Arbitration Association shall be deemed to apply. The arbitrator or arbitrators must provide a minimum of thirty (30) days' notice before the date set for any hearing on the merits of the dispute.

- (d) No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration. Conflicts of interest include, but are not limited to: (i) current service on the board, commission, council, or other governing body of CIWW or any Member Agency of CIWW; (ii) current employment, either as an employee or independent contractor, by any CIWW or any Member Agency of CIWW; (iii) employment, either as an employee or independent contractor, within the last five (5) years by CIWW or any Member Agency of CIWW; (iv) any prior participation in negotiations related to the dispute; (v) any direct involvement in the dispute, including as a witness to relevant facts; and (vi) other circumstances that would materially impair the ability of the individual to serve as a neutral arbitrator.
- (e) If there is one arbitrator, the award of the sole arbitrator shall be binding; if three, the agreed upon award of any two shall be binding. The award may be set aside only for reasons permitted under Iowa law.
- (f) The award of the arbitrator or arbitrators shall be in writing and separately state the factual and legal analysis relied upon to reach the decision, and it shall not be open to objection on account of the form of the proceeding or the award.
- (g) The arbitrator or arbitrators may retain special counsel for the purpose of conducting the arbitration proceedings and preparing the arbitration award. In selecting special counsel, the arbitrator or arbitrators may not retain any attorney who has represented CIWW or DMWW within the last five (5) years.
- (h) The costs of arbitration and reasonable attorneys' fees for both Parties shall be paid by the Party requesting arbitration if it does not prevail in said arbitration proceedings. If the Party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the Parties. Costs of the arbitration include, but are not limited to, fees to the arbitrator or arbitrators, special counsel fees, and any other costs of the proceeding, but excluding reasonable attorneys' fees. If the Party requesting arbitration prevails, each Party shall be responsible for its own attorneys' fees.
- (i) CIWW and DMWW consent that any award granted through arbitration will be confirmed in the Iowa District Court for Polk County.

Section 4. Specific Performance. In addition to any other remedies available under applicable law, CIWW and DMWW shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Contract.

Section 5. Actions in Court. Except for disputes covered by Section 3 of this Article X requiring arbitration, either CIWW or DMWW may bring an action in Court for declaratory relief, for specific performance, or for any equitable remedy. Any such action shall be brought in the Iowa District Court in Polk County. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH ACTION.

Section 6. Duty to Mitigate. CIWW and DMWW each agrees that it has a duty to mitigate damages under this Contract and covenants that it will use reasonable efforts to minimize any damages it may incur as a result of an Event of Default involving any other Party.

Section 7. No Third Party Benefit and Limitation. No provision of this Contract shall inure to the benefit of any other entity, or any individual resident, taxpayer, or ratepayer of any Member Agencies of CIWW. This Contract may not be the basis of a claim or cause of action on behalf of any other person or entity against CIWW, DMWW or any Member Agency of CIWW or any of their respective residents, taxpayers, or ratepayers.

Section 8. Entire Contract. This Contract and the CIWW 28E-28F Agreement as in force on the Effective Date hereof shall be construed to form a single agreement, and are the entire agreement between the Parties respecting the matters within the scope of this Contract. Any subsequent change or modification to the terms of this Contract shall be in the form of a duly approved and executed written amendment to this Contract.

Section 9. Governing Law. This Contract shall be governed by, construed and enforced in accordance with the laws of the State of Iowa.

Section 10. Partnership Disclaimer. Nothing in this Contract is intended nor shall be construed as in any way creating or establishing a partnership between the Parties hereto, nor as constituting any Party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.

Section 11. Counterparts. This Contract may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.

Section 12. Force Majeure. No Party shall be liable for any failure to perform any or all of the provisions of this Contract if and to the extent performance has been delayed or prevented by reason of any cause beyond the reasonable control of such Party. The expression “cause beyond the reasonable control” and the term “Force Majeure” as used in this Contract shall mean and be deemed to include, but not be limited to acts, regulations, laws, or restraints imposed by any governmental official or body; wars, hostilities, cyber attack or other sabotage, riots, or commotions; acts of God; pandemic; or fires, floods, storms, or lightning.

Article XI. EXECUTION OF CONTRACT

Section 1. Passage of Resolution. This Contract shall not go into effect unless approved by resolution of the governing boards of DMWW and CIWW.

Section 2. Signature Pages. Each Party shall execute the separate signature page provided for it, and the Parties hereto authorize their counsel to assemble the signature pages of all signatory Parties and to append such signature pages to copies of this Contract for filing with the Iowa Secretary of State.

[Signature Pages Follow]

CENTRAL IOWA WATER WORKS

By: _____
_____, Board Chairperson

ATTEST:

_____, Board Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____ to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and Board Secretary of CENTRAL IOWA WATER WORKS, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the _____ day of _____, 2024, and that _____ and _____ acknowledged the execution of the instrument to be the voluntary act and deed of the CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

**BOARD OF WATER WORKS TRUSTEES OF THE CITY OF
DES MOINES, IOWA**

By: _____
_____, Board Chairperson

ATTEST:

_____, CEO & General Manager

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____ to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the CEO & General Manager of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the _____ day of _____, 2024, and that _____ and _____ acknowledged the execution of the instrument to be their voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

EXHIBIT A

WATER SUPPLY FACILITY OPERATING CONTRACT between CENTRAL IOWA WATER WORKS and BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA

DMWW INSURANCE REQUIREMENTS

Property Insurance

DMWW shall procure and maintain property casualty loss insurance coverage with respect to the real property and personal property that comprises the DMWW Designated Water Supply Facilities owned by CIWW and operated by DMWW under this Contract. Such insurance shall be procured under one or more "all risk" or "special form" policies which shall include coverage against all risks of physical loss, including loss by fire, lightning, wind, terrorism, and other risks normally included in the standard Insurance Services Office ("ISO") special form. Flood insurance shall be obtained through the national flood insurance program or a property insurance carrier, to the extent available. A list of the assets owned by CIWW to be insured by DMWW shall be created by the Parties and updated as needed to reflect the assets to be insured.

The policy or policies shall be in amounts sufficient to satisfy co-insurance requirements under such policy or policies, except as waived by the CIWW Board and shall be subject to deductibles and self-insured retained risk, established by the DMWW Board of Trustees and approved by the CIWW Board.

DMWW shall obtain the required policy or policies in its name in its capacity as contract operator, with CIWW as an "additional insured" or "additional named insured" under such policy or policies in its capacities as owner and customer. The coverage shall be so issued as to cover the several interests of DMWW and CIWW. CIWW shall be the loss payee under such policy or policies in case of any loss or damage.

The cost of property insurance shall be paid by DMWW and DMWW shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

Liability Insurance

DMWW shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Contract by DMWW or its agents, representatives, employees, and contractors, or by anyone for whose acts DMWW or CIWW may be liable.

The cost of such liability insurance shall be paid by DMWW and DMWW shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

DMWW Liability Coverage shall include:

Commercial General Liability

DMWW will maintain commercial general liability insurance covering all operations by or on behalf of DMWW under this Contract on an occurrence basis against claims for personal injury, including bodily injury and death, and property damage, including loss of use.

Comprehensive Automobile Liability Insurance

DMWW will maintain business auto liability insurance covering liability arising for owned, hired, or non-owned autos.

Workers' Compensation & Employer's Liability

DMWW will maintain Workers' Compensation and Employer's Liability insurance as required by any applicable law or regulation. DMWW is currently self-insured with stop loss coverage and may continue to self insure to the extent allowed by law.

Umbrella Liability

DMWW will maintain umbrella liability insurance on an occurrence basis in excess of its underlying liability insurance policies which is at least as broad as each and every one of the underlying policies. The limits of insurance to be maintained by DMWW may be satisfied by purchasing coverage for the limits specified or by any combination of underlying and umbrella limits so long as the total amount of insurance is not less than the limits specified in the insurance section when added to the limits specified in the Umbrella section.

Other Insurance

DMWW shall procure and maintain other coverages insurance as either DMWW or CIWW shall reasonably determine may be reasonably required to establish an appropriate risk mitigation and management program for the DMWW Designated Water Supply Facilities and operations under this Contract.

Such coverage may include coverage for professional liability, builders risk, crime, cyber risk, business interruption, equipment breakdown, pollution risk, and other risks as deemed appropriate and shall include such insurance as is at the time of coverage customarily carried by owners and operators of facilities similar in kind and character to the DMWW Designated Water Supply Facilities

The cost of such other insurance with respect to coverage related to the work under this Contract shall be paid by DMWW and DMWW shall be reimbursed for such costs by CIWW as provided in Article VI of this Contract.

Initial Coverage and Renewals

The forms, scope, limits, deductibles, and self-insured retained risk of all property, liability, and other policies shall be as provided in DMWW's existing policies in force as of the Operational Commencement Date.

Coverage thereafter shall be kept in force during the Term of this Contract by renewal or procurement of new policies as initially determined by the DMWW Board of Trustees, consistent with, and as part of, its overall insurance program, and as approved by the CIWW Board.

In the event that the DMWW Board and CIWW do not agree as to any aspect of the insurance coverages, the position of the Party bearing the higher share of the cost of such insurance coverages shall prevail.

Verification of Insurance

DMWW shall furnish CIWW, during the term of this Contract, with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Contract.

Failure of CIWW to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CIWW to identify a deficiency from evidence provided will not be construed as a waiver of DMWW's obligation to maintain such insurance.

The acceptance by CIWW of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by CIWW that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.

If DMWW fails to maintain insurance as described in this Contract, CIWW will have the right to purchase required insurance in its own name.

CIWW reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Acceptability of Insurers

All insurance shall be provided by companies authorized to do business in Iowa and acceptable by CIWW with a company whose A.M. Best rating is "A- VII" or better.

Primary and Non-Contributing Coverage

DMWW's insurance coverage shall be primary insurance with respect to CIWW, its officers, officials, employees, contractors and volunteers. Any insurance or self-insurance maintained by CIWW, its officers, officials, employees, contractors, or volunteers shall be in excess of DMWW's insurance and shall not contribute with it.

Waiver of Subrogation

All insurance coverage evidenced herein shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against Contractor together with Additional Insured parties. Where permitted by law, DMWW shall require similar written express waivers of subrogation and insurance clauses from each of its contractors of every tier. DMWW and CIWW each agrees to mutually waive subrogation with respect to any loss or damages covered under any policy of insurance held by either of them.

Cancellation

Insurance policies required by this insurance section shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to CIWW.

Subcontractors

DMWW shall require and verify that its sub-contractors, of every tier, shall maintain insurance meeting all the requirements herein, including Additional Insured and Waiver of Subrogation requirements.

Additional Insured under Liability Policies

DMWW agrees to name CIWW, its officers, officials, employees and volunteers as an Additional Insured under DMWW's general liability, automobile, and all other liability insurance policies, other than professional liability policies, with respect to liability arising out of activities, operations, or work performed by or on behalf of DMWW under this Contract.

Minimums and Preserved Liability

To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions, and coverages of Insurance Services Office (ISO) policies, forms, and endorsements.

The limits of liability under insurance policies required by this Contract shall in no way limit DMWW's or CIWW's actual liability.

4878-4751-7694, v. 2

**SUPPLEMENT NO. 1
TO
WATER SUPPLY FACILITY OPERATING CONTRACT**

Between

CENTRAL IOWA WATER WORKS (“CIWW”)

And

BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA (“DMWW”)

FOR METER TO CASH SERVICES

**EFFECTIVE AS OF THE CIWW OPERATIONAL COMMENCEMENT DATE.
(EXCEPT AS OTHERWISE STATED HEREIN)**

THIS SUPPLEMENT No 1 to the OPERATING CONTRACT between Central Iowa Water Works ("CIWW"), a joint and cooperative legal entity organized and existing under Iowa Code Chapters 28E and 28F, and the Board of Water Works Trustees of the City of Des Moines, Iowa Works ("DMWW"), a municipal utility organized and existing under Iowa Code Chapter 388 is executed by and between DMWW and CIWW (hereinafter sometimes jointly referred to as "the Parties" or either referred to individually as a "Party") as of _____, 2024.

WHEREAS CIWW is a regional water wholesale production and supply entity created and governed by the Central Iowa Water Works 28E/28F Agreement executed by and among its Founding Agencies and filed with the Iowa Secretary of State as Agreement No M516883 ("the CIWW 28E-28F Agreement");

WHEREAS, CIWW and DMWW are implementing the water facility operation provisions contemplated by the CIWW 28E-28F Agreement by CIWW engaging DMWW as the contract operator of the DMWW Designated Water Supply Facilities acquired by CIWW for twenty years from the Operational Commencement Date of CIWW on the terms provided in an operating contract between the Parties (the "Operating Contract"); and

WHEREAS, the Parties desire to expand the scope of services to be provided by DMWW under the terms of the Operating Contract to include services required to meter, bill and collect for wholesale water services provided by CIWW, also know as "meter-to-cash" services, during the term of the Operating Contract, subject to termination by either Party on twelve months notice.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other as provided herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, CIWW and DMWW hereby agree as follows:

Section 1. Expanded Scope of Work. The work of DMWW under the Operating Contract is expanded to include meter-to-cash services, defined to include the following:

- (a) Automated meter reading of CIWW member meters previously billed by DMWW as DMWW wholesale meters, for purposes of monthly billing and calculating daily consumption;
- (b) Billing of member charges as outlined in Schedule V-2 to the CIWW 28E-28F Agreement (rate principles schedule), including manual entries to billing system for water producer consumption not connected to DMWW's automated reading system;
- (c) Initial collection of member payments of invoices;
- (d) Daily ACH transfer of funds, or other reasonably similar method, for CIWW charges payable to DMWW and collected by DMWW on behalf of CIWW, to CIWW bank account;
- (e) Reports summarizing relevant financial data for entry into CIWW financial records;
- (f) Routine field maintenance and testing of member meters read by DMWW's meter reading system, with necessary replacements of meter reading devices and/or meters billed to CIWW at DMWW's published rates;
- (g) Peak consumption analysis to provide maximum day demands for member meters read by DMWW's automated meter reading system; and
- (h) All other services required to meter, bill, and collect for CIWW's water services.

Section 2. Creation of Meter-to-Cash System. DMWW shall design and set up the meter-to cash system required to enable CIWW to commence its operations on the on the Operational Commencement Date as defined in the CIWW 28E-28F Agreement. Such work shall be completed on or before the Operational Commencement Date. CIWW shall pay a one-time, non-refundable, fixed implementation fee of \$5,000 for the initial set up of the system, which shall be billed to CIWW upon completion of the work by DMWW. As part of such services under this Section 2, DMWW will produce a billing statement consistent with its standard and customary billing statement carrying the DMWW logo, but with CIWW charges as outlined in schedule VI-2 to the CIWW 28E-28F Agreement clearly denoted, and inclusion of a statement message that DMWW is the contracted billing and collection agent for CIWW. CIWW will have final sign-off of billing statement to the extent design requests can be accommodated by DMWW's billing system as currently configured. DMWW is not required to configure the billing system for rates and charges other than as outlined in VI-2 to the CIWW 28E-28F Agreement, but may agree to implement requested changes if reasonably possible. In such cases, DMWW will quote an additional one-time implementation fee prior to CIWW giving approval of such work.

Section 3. Term of Services. This Supplement No. 1 shall go into effect on the Operational Commencement Date as defined in the CIWW 28E-28F Agreement with respect to the meter-to –cash services under Section 1 and shall continue during the term of the Operating Contract, provided that either Party may prospectively terminate such services without otherwise terminating the Operating Contract by giving at least twelve (12) months prior notice of termination to the other Party. Section 2 of this Supplement No. 1 shall go into effect immediately upon execution hereof as an independent contract deemed to include the terms of the Operating Contract without regard to the effective date of the Operating Contract.

Section 4. Specific Limitations. DMWW shall not be responsible for equipment failures of meters or automated meter reading system that occur from time to time, but and will make reasonable attempts to restore equipment as quickly as possible and estimate usage when necessary. DMWW retains sole decision making related to periodic upgrade or replacement of meter reading and billing systems and staff assignments for the services outlined as long as services can continue to be rendered.

Section 5. Rates. CIWW will set and communicate Member Agency rates to DMWW no later than November 1 of each year, to be effective January 1 of the subsequent year.

Section 6. Payment Options. CIWW Member Agencies shall have use of the same payment options and features of customer interfacing portals as DMWW's retail customers subject to any limitations applicable to DMWW's retail customers (such as maximum amounts for credit card payments, etc.)

Section 7. Costs of Services. Except as stated in Section 2, the costs for DMWW services under this Supplement No. 1 shall be reimbursed as an operating expense under the Article VI of the Operating Contract based on DMWW's allocated production costs for metering reading, billing, data quality assurance, field customer service, information technology including annual depreciation for capitalized systems and technology, and related activities necessary to provide services outlined, prorated based on the number of CIWW accounts and meters billed relative to DMWW's total number of billings.

Section 8. Operating Contract Terms Apply. Except as the context may otherwise require, the provisions of the Operating Contract shall apply to the services provided under this Supplement No. 1. In the case

of irreconcilable conflict between this Supplement No 1 and the Operating Contract, the terms of this Supplement No 1. shall apply.

Section 9. Passage of Resolution. This Supplement No. 1 to the Operating Contract shall not go into effect unless approved by resolution of the governing boards of DMWW and CIWW.

Section 10. Signature Pages. Each Party shall execute the separate signature page provided for it, and the Parties hereto authorize their counsel to assemble the signature pages of all signatory Parties and to append such signature pages to copies of this Contract for filing with the Iowa Secretary of State.

[Signature Pages Follow]

CENTRAL IOWA WATER WORKS

By: _____
Jody E. Smith, Board Chairperson

ATTEST:

Diane Munns, Board Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Jody E. Smith and Diane Munns to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and Board Secretary of CENTRAL IOWA WATER WORKS that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the ____ day of _____, 2024, and that Jody E. Smith and Diane Munns acknowledged the execution of the instrument to be the voluntary act and deed of the CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

**BOARD OF WATER WORKS TRUSTEES OF THE CITY OF
DES MOINES, IOWA**

By: _____
Andrea Boulton, Board Chairperson

ATTEST:

Ted Corrigan, CEO & General Manager

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Andrea Boulton and Ted Corrigan to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the CEO & General Manager of the BOARD OF WATER WRKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the ____ day of _____, 202_, and that Andrea Boulton and Ted Corrigan acknowledged the execution of the instrument to be their voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

WATER SUPPLY FACILITY OPERATING CONTRACT

Between

CENTRAL IOWA WATER WORKS (“CIWW”)

And

BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA (“WDMWW”)

For Operation, Maintenance and Management of
Drinking Water Source, Treatment and Transmission System Facilities

EFFECTIVE AS OF THE CIWW OPERATIONAL COMMENCEMENT DATE

TABLE OF CONTENTS

ARTICLE I. SCOPE AND TERM OF CONTRACT 5

 Section 1. Scope 5

 Section 2. Effective Date 5

 Section 3. Term 5

 Section 4. Supplement to CIWW 28E-28F Agreement..... 6

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND WDMWW 6

 Section 1. Nature of Relationship 6

 Section 2. Operation Obligations 6

 Section 3. Independent Contractor..... 6

 Section 4. Individual Ownership and Responsibility 7

ARTICLE III. OPERATIONAL PROVISIONS 7

 Section 1. WDMWW General Authority 7

 Section 2. Permits and Regulatory Compliance 7

 Section 3. Sampling and Laboratory Testing..... 7

 Section 4. Periodic Reporting..... 7

 Section 5. Other Information 7

 Section 6. Operation in Accordance with Budgets 7

 Section 7. WDMWW’s Authority to Act in an Emergency 7

 Section 8. Ownership of Distribution Facilities 8

 Section 9. Connection Points 8

 Section 10. Connection Facilities 8

 Section 11. Dual Use Facilities 8

 Section 12. Supply Coordination..... 9

 Section 13. Ancillary Agreements and Administrative Support..... 9

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS 9

 Section 1. Warranty and Exclusion of Implied Warranties 9

 Section 2. Disclaimers 9

 Section 3. Quality and Quantity 9

 Section 4. Shortages of Water 10

 Section 5. Variation in Quantity and Quality 10

ARTICLE V. CAPITAL PROJECTS 10

 Section 1. Saylorville Water Treatment Plant Expansion..... 10

Section 2. Other Expansion of Capacity	10
Section 3. Capital Improvements Program	10
Section 4. Joint Capital Projects	10
Section 5. Continuous Performance Monitoring and Needs Assessment	11
ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO WDMWW	12
Section 1. Compensation	12
Section 2. CIWW Payment to WDMWW.....	12
Section 3. Operation, Maintenance, and Management (“OM&M”) Budget	12
Section 4. Information and Input to be Provided by WDMWW	13
Section 5. Other Reimbursements	13
Article VII. OBLIGATIONS OF CIWW	13
Section 1. Financial Obligations	13
Section 2. CIWW Rates and Charges.....	13
Section 3. Taxes.....	13
Section 4. Cooperation and Support.....	13
ARTICLE VIII. TERMINATION PROVISIONS	13
Section 1. Automatic Termination	13
Section 2. Termination for Default	14
ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS	14
Section 1. No Liability.....	14
Section 2. Non-Liability for Main Breaks.....	14
Section 3. Limitations of Liability	14
Section 4. Indemnification	14
Section 5. Insurance	15
Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles	15
Section 7. Audit.....	15
Section 8. Assignment of Contract.....	16
Article X. GENERAL TERMS	16
Section 1. Provisions to be Severable	16
Section 2. Notices.....	16
Section 3. Arbitration	16
Section 4. Specific Performance.....	17
Section 5. Actions in Court.....	17

Section 6. Duty to Mitigate 18

Section 7. No Third Party Benefit and Limitation 18

Section 8. Entire Contract 18

Section 9. Governing Law..... 18

Section 10. Partnership Disclaimer 18

Section 11. Counterparts 18

Section 12. Force Majeure 18

Article XI. EXECUTION OF CONTRACT..... 18

Section 1. Passage of Resolution..... 18

Section 2. Signature Pages..... 18

THIS CONTRACT is made and entered into as of the _____ day of December, 2024 by and between Central Iowa Water Works ("CIWW"), a joint and cooperative legal entity organized and existing under Iowa Code Chapters 28E and 28F, and the Board of Water Works Trustees of the City of West Des Moines, Iowa ("WDMWW"), a municipal utility organized and existing under Iowa Code Chapter 388 (hereinafter sometimes jointly referred to as "the Parties" or either referred to individually as a "Party").

WHEREAS CIWW is a regional water wholesale production and supply entity created and governed by the Central Iowa Water Works 28E/28F Agreement executed by and among its Founding Agencies and filed with the Iowa Secretary of State as Agreement No M516883 ("the CIWW 28E-28F Agreement");

WHEREAS CIWW has the right and duty to create and supply treated water to its Member Agencies, and for this purpose CIWW will acquire the water supply facilities of WDMWW and other Water Producing Member Agencies of CIWW as of the Operational Commencement Date of CIWW;

WHEREAS WDMWW is a Water Producing Member of CIWW and the current owner and operator of certain Designated Water Supply Facilities as defined in the CIWW 28E-28F Agreement (the "WDMWW Designated Water Supply Facilities");

WHEREAS CIWW and WDMWW desire to implement the water facility operation provisions contemplated by the CIWW 28E-28F Agreement during the Term of this Contract by providing that WDMWW shall be engaged as the contract operator of the WDMWW Designated Water Supply Facilities acquired by CIWW for twenty years from the Operational Commencement Date of CIWW on the terms provided in this Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other as provided in this Contract, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CIWW and WDMWW hereby agree as follows:

ARTICLE I. SCOPE AND TERM OF CONTRACT

Section 1. Scope. This Contract shall govern the relationship between CIWW and WDMWW under the CIWW 28E-28F Agreement with respect to the operation and maintenance of the WDMWW Designated Water Supply Facilities by WDMWW as contract operator from the Effective Date and during the Term of this Contract. As used in this Contract, except as the context may otherwise require, the WDMWW Designated Water Supply Facilities shall include all modifications, improvements, updates and expansion thereto during the Term of this Contract.

This Contract shall not govern the purchase of water from CIWW by WDMWW and, except as otherwise provided herein or in any Supplement hereto, shall not govern any provision for administrative support by WDMWW to CIWW or other services provided by and between the Parties. The Parties may enter into Supplements to this Contract or other separate agreements respecting such matters.

Section 2. Effective Date. The "Effective Date" of this Contract shall be the Operational Commencement Date as defined in the CIWW 28E-28F Agreement.

Section 3. Term. The term of this Contract, subject to the termination provisions herein, shall be twenty years from its Effective Date (the "Term"). Provided, however, such term shall automatically be

extended for successive five-year periods thereafter unless either Party shall, not less than three years prior to the expiration of the first twenty-year period hereunder or any subsequent renewal period, give notice in writing to the other Party of its intention to terminate such Term. Nothing shall prevent WDMWW and CIWW from agreeing to an earlier termination or to an extension of the Term for any reason by further agreement in writing.

Section 4. Supplement to CIWW 28E-28F Agreement. This Contract shall be a supplement to the CIWW 28E-28F Agreement and shall be filed as such with the Iowa Secretary of State after its execution by the Parties. This Contract shall govern certain matters between the Parties hereto under the CIWW 28E-28F Agreement. Except as otherwise defined in this Contract, the capitalized terms used herein that are defined in the CIWW 28E-28F Agreement shall have the meanings as defined in the CIWW 28E-28F Agreement. As used herein, the term CIWW 28E-28F Agreement shall not be construed to mean or include any subsequently adopted amendment to such Contract, except to the extent WDMWW shall expressly agree in writing to accept any such amendment as applying to this Contract. In the event of a conflict between this Contract and the CIWW 28E-28F Agreement, the terms of this Contract shall control.

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND WDMWW

Section 1. Nature of Relationship. WDMWW shall be, and hereby is, engaged by CIWW as the sole operator of the WDMWW Designated Water Supply Facilities acquired by CIWW. In such capacity, WDMWW shall provide all labor, services, materials, and supplies necessary to CIWW's production and delivery of finished drinking water under this Contract, including all operations, maintenance, repairs, planning, engineering (whether staffed or contracted), capital improvements, residuals removal, and procurements required to effectively operate, maintain, and manage the WDMWW Designated Water Supply Facilities to their full capacity under prevailing conditions as they exist from time to time, including capital and technical upgrades as needed. WDMWW shall supply labor and services through its own staff or under contract with others, in its discretion.

Section 2. Operation Obligations. WDMWW's obligations under this Contract shall be to operate and maintain the WDMWW Designated Water Supply Facilities on behalf of CIWW with a level of care, effort, and diligence as may be reasonably expected to enable CIWW to meet the service obligations of CIWW to its Member Agencies as set forth in Schedule IV-6 of the CIWW 28E-28F Agreement, to the extent possible in view of the actual capacities and limitations of the WDMWW Designated Water Supply Facilities under prevailing source water and other conditions. WDMWW operations shall be deemed reasonable to the extent consistent with its existing practices and procedures as of the Effective Date with any changes required by changes in prevailing conditions, law or regulation.

Section 3. Independent Contractor. The relationship of WDMWW to CIWW under this Contract shall at all times be that of independent contractor. Services under this Contract shall be performed in accordance with good and accepted industry practices for operators similarly situated. However, any such services shall not be considered engineering services, and nothing herein is intended to imply that WDMWW is to supply professional engineering services to CIWW, unless specifically stated in this Contract or specifically hereafter agreed by the Parties to the contrary. This provision shall not, however, preclude WDMWW from providing any services under this Contract by means of professional engineers employed by WDMWW on its staff or engaged by WDMWW by contract.

Section 4. Individual Ownership and Responsibility. Except as otherwise explicitly provided in this Contract, each Party shall at all times hold and own its respective properties. Each Party shall be solely authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents. Nothing in this Contract shall be deemed to supersede, replace, impair or limit any collective bargaining agreement between WDMWW and any bargaining unit now existing or hereafter arising.

ARTICLE III. OPERATIONAL PROVISIONS

Section 1. WDMWW General Authority. WDMWW shall at all times during the Term of this Contract have the power and authority to operate and maintain the WDMWW Designated Water Supply Facilities to meet applicable provisions of law.

Section 2. Permits and Regulatory Compliance. WDMWW and CIWW shall each have and maintain all licenses and permits, either individually or jointly, including but not limited to Water Use and Water Supply Operations permits, which are required to be obtained by either of them, or by both from State or Federal regulatory agencies for ongoing operation of the WDMWW Designated Water Supply Facilities. WDMWW will lead the management of regulatory compliance as outlined in these permits.

Section 3. Sampling and Laboratory Testing. WDMWW will provide, through staff or contract, sampling and laboratory testing necessary to monitor water treatment plant performance in addition to sampling and laboratory testing required to meet regulatory requirements set forth in water supply operations permits, NPDES permits, and/or any federal, state or local laws, rules and regulations, local ordinances, permit or license requirements.

Section 4. Periodic Reporting. WDMWW shall prepare and make such periodic reports for the WDMWW Designated Water Supply Facilities as are required by applicable laws, rules, regulations or orders, and shall submit them directly to the appropriate regulatory agencies with copies to the CIWW Executive Director as submitted. WDMWW shall assist CIWW in meeting any regulatory reporting requirements that it has as to CIWW facilities operated by WDMWW.

Section 5. Other Information. WDMWW shall make available to CIWW all such reasonably accessible information, schedules, and analysis concerning the WDMWW Designated Water Supply Facilities and their operation as CIWW may request.

Section 6. Operation in Accordance with Budgets. WDMWW shall operate, maintain, and manage the WDMWW Designated Water Supply Facilities in accordance with the budget established as provided in Section 3 of Article VI of this Contract to the extent possible, subject to such unforeseen changes and contingencies as may arise in the ordinary course of business, and subject to emergencies or other circumstances that require deviation from the budgets.

Section 7. WDMWW's Authority to Act in an Emergency. In any emergency affecting the safety of persons, property or water quality, or the ability to meet peak demands, WDMWW shall act, at its discretion, and without prior CIWW authorization, but with reasonable notification under the circumstances to the CIWW Executive Director, to prevent threatened damage, injury, loss, or operational impairments, notwithstanding any provision in this Contract or any previously approved budget and CIWW shall have financial responsibility to reimburse WDMWW for the full costs thereof.

Section 8. Ownership of Distribution Facilities. Each CIWW Member Agency, including WDMWW, shall exclusively own, operate, maintain, and be responsible, for its own Water Distribution Facilities, including its own Connection Facilities as defined in Section 10 of this Article III.

Section 9. Connection Points. The "Connection Points" at which water is delivered by CIWW to CIWW Member Agencies, including WDMWW and other Water Producing Member Agencies, shall be as follows:

- (a) Metered Core Network Connection – In the case of water sold by CIWW to a specific CIWW Member Agency with a metered point of connection, the Connection Point shall be the tee or tap on the CIWW Core Network transmission main which serves the meter. In the case of an in-line point of connection, the Connection Point shall be a valve or other designated point on the transmission main, prior to the meter, where ownership of the pipeline transitions from CIWW to the CIWW Member Agency that is being served.
- (b) Unmetered Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, for which there is no metered point of connection, the Connection Points shall be the points at which the Water Producing Member Agency's Water Distribution Facilities connect to the CIWW Core Network transmission main.
- (c) Non-Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, but is not delivered through a connection to the CIWW Core Network, the Connection Point shall be a valve or other designated point of transition between the Designated Water Supply Facilities which are owned by CIWW and the Water Producing Member Agency's Water Distribution Facilities which are owned by the Water Producing Member Agency that is being served.

Section 10. Connection Facilities. As used herein "Connection Facilities" shall mean any taps, pipes, corporations, pumps, or other facilities required by any CIWW Member Agency to connect to or to receive water from the CIWW Core Network or to meter the water delivered to such Member Agency. CIWW will provide and shall own all wholesale meters installed at Member Agency Connection Points, but CIWW shall have no obligation to supply or maintain the Connection Facilities, including any facilities such as vaults or pits to contain or support wholesale meters of any CIWW Member Agency, except to the extent CIWW may otherwise agree in writing with the CIWW Member Agency. All new wholesale metering facilities that are part of any Connection Facilities shall be constructed and installed in accordance with drawing plans and specifications approved by CIWW and the affected Member Agency. Any new Connection Facilities established after the Effective Date shall include such device or devices as may be reasonably required to prevent reverse flow.

Section 11. Dual Use Facilities. The Parties recognize that some facilities and equipment, including certain valves and control systems that may be owned by either CIWW or WDMWW after Asset Transfer under the CIWW 28E-28F Agreement, will be used or usable for both Water Supply Activity on behalf of CIWW and for the Water Distribution Activity of WDMWW ("Dual Use Facilities"). WDMWW is

authorized to utilize all Dual Use Facilities for both purposes. The costs of purchase, operation, maintenance, repair and replacement of Dual Use Facilities shall be reasonably allocated between CIWW and WDMWW based on benefit to each of such use by application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of the CIWW 28E-28F Agreement.

Section 12. Supply Coordination. CIWW shall assist WDMWW and other Water Producing Member Agencies in planning to meet the requirements of all CIWW Member Agencies and shall cause each CIWW Member Agency taking water from the WDMWW Designated Water Supply Facilities to keep WDMWW advised of its requirements and changing requirements. CIWW shall establish a staff-level working group consisting of a single authorized representative from each of the Member Agencies, each to individually serve as an ongoing contact point and coordinator with WDMWW to facilitate and optimize water supply operations by WDMWW. Such working group shall meet collectively when needed on call from WDMWW to coordinate and plan for WDMWW operations.

Section 13. Ancillary Agreements and Administrative Support. WDMWW shall support CIWW's ownership of the WDMWW Designated Water Supply Facilities by providing administrative and management support of such assets, and support for any agreements other than water supply agreements related thereto, to include, without limitation, management of shared use facility or property agreements, property use licenses and lease agreements with telecommunications companies, farming licenses and leases, and any other agreements related to, or affecting the WDMWW Designated Water Supply Facilities. For this purpose WDMWW is authorized to (i) administer all existing agreements affecting the WDMWW Designated Water Supply Facilities, together with any new or amended agreement authorized by CIWW; (ii) to enforce such agreements in its own name or the name of CIWW, or both; and (iii) to bill and collect revenues from such agreement for the benefit of CIWW, with such revenues to be treated as offsetting revenues under Section 1 of Article VI of this Contract.

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS

Section 1. Warranty and Exclusion of Implied Warranties. WDMWW warrants that its operation of the WDMWW Designated Water Supply Facilities shall be reasonable under prevailing source water and other conditions. **WDMWW MAKES NO OTHER WARRANTY OF ANY PARTICULAR RESULTS OR OUTCOME FROM ITS OPERATION OF THE WDMWW DESIGNATED WATER SUPPLY FACILITIES.**

Section 2. Disclaimers. CIWW agrees that the WDMWW Designated Water Supply Facilities of WDMWW are special purpose facilities and the performance of such facilities are affected by external conditions over which WDMWW has no control. WDMWW neither warrants nor guarantees that its facilities existing as of the date of this Contract, or its operation of such facilities, will function efficiently or accomplish any specific results under this Contract. CIWW acknowledges that no representations or warranties have been provided to CIWW regarding the WDMWW Designated Water Supply Facilities or the ability of WDMWW to deliver any particular results in the operation of such facilities. WDMWW agrees to cooperate in good faith with CIWW and its Member Agencies to exercise diligence in performing its obligations hereunder, and to use its best efforts to carry out the provisions of this Contract, but makes no guarantee of any particular results.

Section 3. Quality and Quantity. WDMWW shall use reasonable diligence and efforts to produce finished drinking water and to operate, maintain and manage the WDMWW Designated Water Supply Facilities to produce finished drinking water which is (i) in compliance with applicable State and Federal

drinking water quality regulations; (ii) in compliance with all applicable water supply operation permits; and (iii) delivered in adequate quantity and at adequate pressure to meet the needs of CIWW to supply the customers of CIWW. **WDMWW MAKES NO REPRESENTATION OR WARRANTY THAT SUCH OBJECTIVES WILL ALWAYS BE MET UNDER THIS CONTRACT.**

Section 4. Shortages of Water. It is understood that this Contract does not constitute any warranty or assurance by WDMWW that water in the quantity required by CIWW and CIWW Member Agencies will always be available or that water quality requirements will always be able to be met.

Section 5. Variation in Quantity and Quality. All Parties acknowledge and agree that there may be fluctuations in the quantity and quality of finished drinking water produced or delivered under this Contract as a result of prevailing source water, operating conditions, and other conditions and that such variations are acceptable under this Contract.

ARTICLE V. CAPITAL PROJECTS

Section 1. INTENTIONALLY OMITTED.

Section 2. Other Expansion of Capacity. Under the CIWW 28E-28F Agreement CIWW is responsible for planning, engineering, financing, and construction of all new drinking water source, treatment and transmission system facilities needed to expand the capacity of CIWW to meet the requirements of its customers. Such new facilities are referred to herein as "Expansion Facilities," and may include, in CIWW's discretion, facilities constructed or installed to increase the capacity of the WDMWW Designated Water Supply Facilities. WDMWW shall cooperate and assist CIWW in planning for and constructing any Expansion Facilities that affect the WDMWW Designated Water Supply Facilities, and the construction of the Expansion Facilities shall be coordinated so as not to cause undo interference with the operation of the WDMWW Designated Water Supply Facilities. Contracts for Expansion Facilities shall be let in the name of CIWW as owner, with WDMWW acting in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints WDMWW, its staff, and contractors to act on behalf of CIWW for this purpose and CIWW shall reimburse WDMWW for all of its project costs for Expansion Facilities.

Section 3. Capital Improvements Program. WDMWW shall, in coordination with the CIWW Technical Committee, provide data and recommendations to the engineering consultant selected by CIWW, to aid the engineering consultant in developing a multi-year Capital Improvements Program ("CIP") for the WDMWW Designated Water Supply Facilities, based on performance and needs assessments as provided in Section 4 of this Article V. CIWW shall provide the capital required for such projects, and WDMWW shall cooperate with CIWW in the execution of projects under the CIP for the WDMWW Designated Water Supply Facilities with WDMWW reimbursed by CIWW for the costs incurred for its efforts.

Section 4. Joint Capital Projects. During the Term of this Contract, WDMWW shall plan and execute such Joint Capital Projects, as defined in the CIWW 28E-28F Agreement, as CIWW and WDMWW shall jointly deem necessary and proper to enable WDMWW to meet its obligations under this Contract in light of the process defined by Section 5 of this Article V, but WDMWW may proceed with any individual Joint Capital Project within limits of approved capital budgets with an estimated cost not to exceed one hundred thousand dollars (\$100,000.00), or other higher limit approved by the CIWW Board from time to time ("Small WDMWW Projects"), without consultation with, or approval by, CIWW or the CIWW

Technical Committee. Planning for such projects, other than Small WDMWW Projects, shall be coordinated with the CIWW Technical Committee. Joint Capital Projects may be designed by staff of WDMWW or by consultants selected and engaged by WDMWW, or both. Contracts for Joint Capital Projects shall be let in the name of WDMWW, unless otherwise required by law or by reason of CIWW's requirements for debt issuance, and for this purpose CIWW grants authority to WDMWW to make improvements and repairs to the WDMWW Designated Water Supply Facilities and to act as its agent for such purposes. Execution of such projects shall be under the sole supervision of WDMWW, but shall be subject to the review and approval of the CIWW Board as part of the CIWW Budget process, except for Small WDMWW Projects or projects executed under WDMWW's emergency authority provided by Section 7 of Article III. To the extent contracts for Joint Capital Projects are let in the name of CIWW as owner, WDMWW shall act in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints WDMWW, its staff, and contractors to act on behalf of CIWW for this purpose. CIWW shall be responsible to pay for the costs of Joint Capital Projects as provided under the CIWW 28E-28F Agreement.

Section 5. Continuous Performance Monitoring and Needs Assessment. WDMWW shall, in consultation with the CIWW Technical Committee, the engineering consultant selected by CIWW, and CIWW staff:

- (a) Regularly monitor and assess the WDMWW Designated Water Supply Facilities to determine if they are performing optimally;
- (b) Identify and implement operational strategies to optimize the performance of the WDMWW Designated Water Supply Facilities;
- (c) Identify facility improvements needed to optimize performance of the WDMWW Designated Water Supply Facilities and to keep them in compliance with evolving regulatory requirements, source water quality threats, and evolving technical and operational best practices for facilities of such kind; and
- (d) Regularly monitor and assess the use of the WDMWW Designated Water Supply Facilities by CIWW Member Agencies to determine if their needs are being optimally met.

ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO WDMWW

Section 1. Compensation. WDMWW shall be compensated in amounts equal to the actual full cost incurred by WDMWW of providing materials and services under this Contract, plus 2%, with such amounts to be computed and paid as provided in the CIWW 28E-28F Agreement and Section 2 of this Article VI, less any offsetting revenue collected directly from other CIWW Member Agencies or third parties related to WDMWW Designated Water Supply Facilities including without limitation offsetting revenue collected under Section 3 or Section 13 of Article III.

Section 2. CIWW Payment to WDMWW. CIWW shall pay WDMWW for operation, materials, supplies, and services supplied under this Contract on a cost plus basis, based on the cost and payment principles set forth in Schedule V-2 to the CIWW 28E-28F Agreement. Such amounts shall be paid in seasonally adjusted monthly installments with an annual true-up as set forth in such Schedule. For the avoidance of doubt, it is the intent of this Contract that WDMWW be paid its full actual costs, plus a fixed percentage of 2%, after such costs are fully incurred and determined.

Section 3. Operation, Maintenance, and Management (“OM&M”) Budget. For each calendar year, beginning on or after the Operational Commencement Date, WDMWW shall prepare and submit to CIWW a proposed OM&M budget for the next calendar year on such time schedule as may be required to permit the annual budget process of CIWW to proceed pursuant to the terms of the CIWW 28E-28F Agreement.

The proposed OM&M budget shall govern WDMWW’s expenditures for the budget year and shall include:

- (a) A projection of the anticipated reimbursable expenditures that will be incurred by WDMWW for production of water in the budget year, and a projection of any anticipated offsetting revenue to be directly collected by WDMWW from other Member Agencies or from third parties during the budget year;
- (b) A comparison of budgeted expenditures for the budget year to the actual expenditures for the prior budget year;
- (c) The insurance and risk management coverages to be in place for the budget year and the expected costs thereof that are chargeable to CIWW; and
- (d) Any additional information requested by CIWW in advance of WDMWW’s budget process commencement.

The Board of CIWW shall conduct a budget hearing on the proposed OM&M budget at its next meeting following receipt of the proposed budget after giving required notice under applicable law and the CIWW 28E-28F Agreement. If the proposed budget is not approved by the CIWW Board, CIWW shall provide a detailed statement to WDMWW of its objections. Any CIWW objections will be resolved by negotiation between the Parties if possible, but if no agreement is reached on all objections before the commencement of the budget year, the portions of the budget to which objection is not made shall be deemed approved. All pending objections shall be resolved by arbitration as provided in this Contract to be commenced immediately after the Parties reach impasse in discussions, and no later than the commencement of the budget year, with the arbitration to be completed by an award issued not later than 120 days after commencement of the arbitration proceedings by either party.

Pending resolution of objections: (i) WDMWW shall proceed in accordance with the portions of the proposed budget to which no objection is made; (ii) WDMWW shall defer expenditures to which objection is made to the extent practical without impairing operations under this Operating Contract; (iii) DMMW shall limit its expenditures of a required and recurring nature to levels consistent with the most recent prior approved budget to the extent practical without impairing operations under this Operating Contract; and (iv) DMMW shall otherwise be authorized to make expenditures in accordance with its proposed budget only to the extent a failure to make the expenditures would directly cause a material impairment of its ability to meet its obligations under this Operating Contract.

Section 4. Information and Input to be Provided by WDMWW. Upon the request of CIWW or any CIWW Member Agency, WDMWW shall make available such reasonably accessible information, schedules, comparisons and analysis as may be deemed reasonably necessary in order to fully analyze the proposed OM&M budget. WDMWW shall cause such members of its staff to be present at the budget hearing established by CIWW as are necessary to explain the proposed budget and respond to inquiries made concerning same.

Section 5. Other Reimbursements. In addition to the foregoing, CIWW shall also reimburse WDMWW for emergency costs incurred under Section 7 of Article III, capital projects under Article V, uninsured claims and losses under Section 6 of Article X, and any other costs beyond OM&M expenses, that are reimbursable under the terms of this Contract or the CIWW 28E-28F Agreement. Such reimbursements shall not be subject to the 2% increment specified in Section 1 of this Article.

Article VII. OBLIGATIONS OF CIWW

Section 1. Financial Obligations. CIWW shall promptly satisfy all of its financial obligations to WDMWW hereunder, including without limitation, funding under Article V for capital projects. Any loss, damage, or injury resulting from the failure of CIWW to provide funding for capital projects when reasonably requested by WDMWW shall be the sole responsibility of CIWW.

Section 2. CIWW Rates and Charges. CIWW shall at all times set, impose, and collect rates and charges to its Member Agencies that produce revenues at least sufficient to pay the expenses of operation of CIWW, including obligations to WDMWW, and all other obligations including principal and interest of bonds and other debt obligations as they become due.

Section 3. Taxes. CIWW shall pay all sales, excise, ad valorem, property, or other taxes, if any, associated with sales or operations under this Contract or assessed against CIWW property.

Section 4. Cooperation and Support. CIWW shall reasonably cooperate in good faith with WDMWW in the performance of its obligations under this Contract, and shall at all times govern and manage its affairs consistent with the terms of the CIWW 28E-28F Agreement so as to enable and support WDMWW's ability to fully perform its obligations under this Contract.

ARTICLE VIII. TERMINATION PROVISIONS

Section 1. Automatic Termination. This Contract shall automatically terminate upon the termination of existence of CIWW for any reason. Such termination shall be effective upon reversion of assets, including any dual purpose assets, to WDMWW as provided in the CIWW 28E-28F Agreement, with the intent that there shall be no interruption of water production upon termination of the existence of CIWW.

Section 2. Termination for Default. In the event that either Party determines that the other Party has defaulted in the performance of its obligations hereunder, the aggrieved Party may declare that default has occurred and give notice thereof to the defaulting Party. Notice of default shall be given in writing, shall specify the nature of the default and the provisions of the Contract involved, and shall specify what action is required of the defaulting Party to correct the default.

The defaulting Party shall have 180 days from the date of its receipt of the notice of default to correct the default. If at the end of said 180-day period the default has not, in the opinion of the aggrieved Party, been corrected, and if such default shall constitute a material breach of this Contract, the aggrieved Party may thereupon terminate the Contract for material breach by giving 60 days' written notice of termination. Termination of this Contract shall be effective at the end of said 60-day period unless judicial proceedings are initiated by either Party in a court of competent jurisdiction to determine if a material breach has occurred.

Upon termination of this Contract by the either Party, or upon entry of a court order terminating this Contract, WDMWW shall assist CIWW in assuming operation of the WDMWW Designated Water Supply Facilities. CIWW shall pay WDMWW the costs of such assistance within thirty (30) days of its receipt of an invoice for such costs.

Any disputes arising under this Section shall not be subject to mandatory arbitration.

ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS

Section 1. No Liability. WDMWW shall not be liable to CIWW, to any Member Agency or to any of their customers by reason of any interruption or failure to provide any water supplied or for services contemplated by this Contract, or for any error of judgment by WDMWW or its staff or contractors or their employees, except for any bad faith, willful misconduct, or willful disregard for the terms of this Contract by WDMWW. Unauthorized and unanticipated willful misconduct by a WDMWW employee shall not be attributed to WDMWW for this purpose.

Section 2. Non-Liability for Main Breaks. WDMWW shall have no liability to any person for direct or indirect damage caused by water main breaks of CIWW or any other person or entity. CIWW shall indemnify WDMWW from any such claimed liabilities, and hold WDMWW harmless from all such claims, including all attorney fees and other costs of defense.

Section 3. Limitations of Liability. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS CONTRACT FOR ANY CLAIM FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR REVENUE OR THE LOSS OF USE OF EITHER, OR COSTS OF REPLACEMENT CAPITAL, EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT.

Section 4. Indemnification. WDMWW and CIWW, to the fullest extent permitted by law, each hereby agrees to indemnify, defend, pay on behalf of, and hold harmless the other and their respective elected officials, appointed officials, agents, employees and volunteers, and others working on behalf of such Party ("Indemnities"), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnities by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic

damages that arise out of or are in any way connected to this Contract. No Party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Neither the indemnity provisions in this Section, nor any other rights of indemnity held or claimed by CIWW by law or agreement, shall limit, impair, or reduce the rights of WDMWW to full compensation or reimbursement under Article VI of this Contract for OM&M costs, capital project costs, or losses that are incurred by WDMWW with respect to Water Supply Activity operations within the scope of this Contract. CIWW shall not be entitled to indemnity under this Contract, and waives any and all claims of indemnity otherwise existing or arising by law, to the fullest extent necessary so that WDMWW's right of full compensation and reimbursement under Article VI of this Contract is preserved.

Each Party's Contracts and obligations as set forth in this Section are applicable for the duration of and following expiration or termination of this Contract, regardless of the manner of termination, and notwithstanding other provisions of this Contract.

Section 5. Insurance. WDMWW shall insure the WDMWW Designated Water Supply Facilities and shall provide liability and other insurance with respect to WDMWW's work under this Contract in the respects and particulars as set forth in Exhibit A hereto. To the fullest extent permitted by law, neither this provision, nor the existence of any insurance policy procured by either WDMWW or CIWW shall be deemed to limit or be a waiver of, any immunity or other defense to liability otherwise held by either Party.

Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles. To the extent WDMWW incurs a loss, expense or claim payment that is not reimbursed by insurance by reason of lack of coverage, self-insured retention, policy deductible or for any other reason, with respect to Water Supply Activity operations within the scope of this Contract or otherwise in the operation and maintenance of the WDMWW Designated Water Supply Facilities, including without limitation any losses arising from unauthorized and unanticipated willful misconduct by a WDMWW employee, CIWW will reimburse WDMWW for such amounts as incurred. Such reimbursement shall include but not be limited to costs of claims, demands, suits, deductibles and loss retentions under insurance, and all other damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs.

WDMWW shall not be reimbursed for any loss, expense or claim payment that arises solely by reason of its Water Distribution Activity.

To the extent a loss, claim or expense is attributable to both Water Supply Activity on behalf of CIWW and Water Distribution Activity of WDMWW, such amount shall be reasonably allocated between CIWW and WDMWW based on application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of this Contract.

Section 7. Audit. CIWW may by notice in writing request access to WDMWW's records for purposes of conducting an independent audit of WDMWW's financial records in relation to compensation or other amounts paid or payable by CIWW to WDMWW. Such notice shall identify the records sought for audit, and WDMWW shall provide access to the records sought for audit within 30 days after receipt of the notice requesting audit. Such audit shall be conducted by a certified public accounting firm retained by CIWW and at CIWW's sole cost. The audit findings shall be promptly provided to WDMWW. In the event that such audit reveals any overpayment or underpayment to WDMWW, the Parties shall make such

adjustments to balances paid or payable between them as the audit determines are proper, with such adjustments to be made within 30 days of the issuance of the audit report. In the event that either Party disputes the findings of the audit, it may notify the other Party of its objection thereto and request binding arbitration to resolve the matter.

Section 8. Assignment of Contract. Neither Party may assign this Contract to a third party without the written consent of the other Party.

Article X. GENERAL TERMS

Section 1. Provisions to be Severable. If any provision of this Contract is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Contract that can be given effect without the provision determined to be invalid, and to that end, the provisions of this Contract are severable.

Section 2. Notices. Notices which WDMWW or CIWW are authorized or required to give one another pursuant to this Contract shall be in writing and may be personally delivered, may be sent by ordinary mail or delivery service to the addresses for such Party reflected in the records of CIWW or WDMWW, or may be sent by electronic means, including email. Notice by personal delivery, by delivery service, or by electronic means shall be effective upon actual receipt. Mailed notices shall be effective and deemed to be received by the Party to whom directed when they are postmarked.

Section 3. Arbitration.

- (a) CIWW and WDMWW agree that any disputes and any claims relating to the adoption of any OM&M budget under this Contract, the allocation or reimbursement of costs, losses, or expenses under this Contract, or otherwise for money damages arising between or among them with regard to matters within the scope of this Contract shall be submitted to mandatory, binding arbitration at the request of any Party. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the Parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.
- (b) If the Parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the Party requesting arbitration, one named in writing by the adverse Party, and the third chosen by the first two arbitrators so chosen.
- (c) The Party requesting arbitration shall choose an arbitrator within ten (10) days following the Parties' decision that they will not agree to use one arbitrator. Failure to do so shall be deemed a waiver of its request for arbitration. If the adverse Party desires to appoint a different arbitrator, they shall name their arbitrator within ten (10) days following the receipt of notice of the naming of the first arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten (10) days following the selection of the second arbitrator. Extensions of the time periods to select arbitrators shall not be unreasonably withheld if requested prior to the original deadlines above. Should any Party refuse or neglect to supply the arbitrators with any papers or information requested in writing by the arbitrators, the arbitrators are empowered to proceed ex parte. The Parties shall agree on

the rules to govern the conduct of the arbitration, but in the absence of such an agreement, the most recently published commercial arbitration rules of the American Arbitration Association shall be deemed to apply. The arbitrator or arbitrators must provide a minimum of thirty (30) days' notice before the date set for any hearing on the merits of the dispute.

- (d) No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration. Conflicts of interest include, but are not limited to: (i) current service on the board, commission, council, or other governing body of CIWW or any Member Agency of CIWW; (ii) current employment, either as an employee or independent contractor, by any CIWW or any Member Agency of CIWW; (iii) employment, either as an employee or independent contractor, within the last five (5) years by CIWW or any Member Agency of CIWW; (iv) any prior participation in negotiations related to the dispute; (v) any direct involvement in the dispute, including as a witness to relevant facts; and (vi) other circumstances that would materially impair the ability of the individual to serve as a neutral arbitrator.
- (e) If there is one arbitrator, the award of the sole arbitrator shall be binding; if three, the agreed upon award of any two shall be binding. The award may be set aside only for reasons permitted under Iowa law.
- (f) The award of the arbitrator or arbitrators shall be in writing and separately state the factual and legal analysis relied upon to reach the decision, and it shall not be open to objection on account of the form of the proceeding or the award.
- (g) The arbitrator or arbitrators may retain special counsel for the purpose of conducting the arbitration proceedings and preparing the arbitration award. In selecting special counsel, the arbitrator or arbitrators may not retain any attorney who has represented CIWW or WDMWW within the last five (5) years.
- (h) The costs of arbitration and reasonable attorneys' fees for both Parties shall be paid by the Party requesting arbitration if it does not prevail in said arbitration proceedings. If the Party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the Parties. Costs of the arbitration include, but are not limited to, fees to the arbitrator or arbitrators, special counsel fees, and any other costs of the proceeding, but excluding reasonable attorneys' fees. If the Party requesting arbitration prevails, each Party shall be responsible for its own attorneys' fees.
- (i) CIWW and WDMWW consent that any award granted through arbitration will be confirmed in the Iowa District Court for Polk County.

Section 4. Specific Performance. In addition to any other remedies available under applicable law, CIWW and WDMWW shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Contract.

Section 5. Actions in Court. Except for disputes covered by Section 3 of this Article X requiring arbitration, either CIWW or WDMWW may bring an action in Court for declaratory relief, for specific performance, or for any equitable remedy. Any such action shall be brought in the Iowa District Court in Polk County. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH ACTION.

Section 6. Duty to Mitigate. CIWW and WDMWW each agrees that it has a duty to mitigate damages under this Contract and covenants that it will use reasonable efforts to minimize any damages it may incur as a result of an Event of Default involving any other Party.

Section 7. No Third Party Benefit and Limitation. No provision of this Contract shall inure to the benefit of any other entity, or any individual resident, taxpayer, or ratepayer of any Member Agencies of CIWW. This Contract may not be the basis of a claim or cause of action on behalf of any other person or entity against CIWW, WDMWW or any Member Agency of CIWW or any of their respective residents, taxpayers, or ratepayers.

Section 8. Entire Contract. This Contract and the CIWW 28E-28F Agreement as in force on the Effective Date hereof shall be construed to form a single agreement, and are the entire agreement between the Parties respecting the matters within the scope of this Contract. Any subsequent change or modification to the terms of this Contract shall be in the form of a duly approved and executed written amendment to this Contract.

Section 9. Governing Law. This Contract shall be governed by, construed and enforced in accordance with the laws of the State of Iowa.

Section 10. Partnership Disclaimer. Nothing in this Contract is intended nor shall be construed as in any way creating or establishing a partnership between the Parties hereto, nor as constituting any Party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.

Section 11. Counterparts. This Contract may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.

Section 12. Force Majeure. No Party shall be liable for any failure to perform any or all of the provisions of this Contract if and to the extent performance has been delayed or prevented by reason of any cause beyond the reasonable control of such Party. The expression "cause beyond the reasonable control" and the term "Force Majeure" as used in this Contract shall mean and be deemed to include, but not be limited to acts, regulations, laws, or restraints imposed by any governmental official or body; wars, hostilities, cyber attack or other sabotage, riots, or commotions; acts of God; pandemic; or fires, floods, storms, or lightning.

Article XI. EXECUTION OF CONTRACT

Section 1. Passage of Resolution. This Contract shall not go into effect unless approved by resolution of the governing boards of WDMWW and CIWW.

Section 2. Signature Pages. Each Party shall execute the separate signature page provided for it, and the Parties hereto authorize their counsel to assemble the signature pages of all signatory Parties and to append such signature pages to copies of this Contract for filing with the Iowa Secretary of State.

[Signature Pages Follow]

CENTRAL IOWA WATER WORKS

By: _____
Jody E. Smith, Board Chair

ATTEST:

Diane Munns, Board Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of December, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Jody E. Smith and Diane Munns to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and Board Secretary of CENTRAL IOWA WATER WORKS, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the 6th day of December, 2024, and that Jody E. Smith and Diane Munns acknowledged the execution of the instrument to be the voluntary act and deed of the CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA

By: _____
Scott Brennan, Board Chair

ATTEST:

Christina Murphy, Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of December, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Scott Brennan and Christina Murphy to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the Secretary of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the 2nd day of December, 2024, and that Scott Brennan and Christina Murphy acknowledged the execution of the instrument to be their voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

EXHIBIT A

WATER SUPPLY FACILITY OPERATING CONTRACT between CENTRAL IOWA WATER WORKS and BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA

WDMWW INSURANCE REQUIREMENTS

Property Insurance

WDMWW shall procure and maintain property casualty loss insurance coverage with respect to the real property and personal property that comprises the WDMWW Designated Water Supply Facilities owned by CIWW and operated by WDMWW under this Contract. Such insurance shall be procured under one or more "all risk" or "special form" policies which shall include coverage against all risks of physical loss, including loss by fire, lightning, wind, terrorism, and other risks normally included in the standard Insurance Services Office ("ISO") special form. Flood insurance shall be obtained through the national flood insurance program or a property insurance carrier, to the extent available. A list of the assets owned by CIWW to be insured by WDMWW shall be created by the Parties and updated as needed to reflect the assets to be insured.

The policy or policies shall be in amounts sufficient to satisfy co-insurance requirements under such policy or policies, except as waived by the CIWW Board and shall be subject to deductibles and self-insured retained risk, established by the WDMWW Board of Trustees and approved by the CIWW Board.

WDMWW shall obtain the required policy or policies in its name in its capacity as contract operator, with CIWW as an "additional insured" or "additional named insured" under such policy or policies in its capacities as owner and customer. The coverage shall be so issued as to cover the several interests of WDMWW and CIWW. CIWW shall be the loss payee under such policy or policies in case of any loss or damage.

The cost of property insurance shall be paid by WDMWW and WDMWW shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

Liability Insurance

WDMWW shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Contract by WDMWW or its agents, representatives, employees, and contractors, or by anyone for whose acts WDMWW or CIWW may be liable.

The cost of such liability insurance shall be paid by WDMWW and WDMWW shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

WDMWW Liability Coverage shall include:

Commercial General Liability

WDMWW will maintain commercial general liability insurance covering all operations by or on behalf of WDMWW under this Contract on an occurrence basis against claims for personal injury, including bodily injury and death, and property damage, including loss of use.

Comprehensive Automobile Liability Insurance

WDMWW will maintain business auto liability insurance covering liability arising for owned, hired, or non-owned autos.

Workers' Compensation & Employer's Liability

WDMWW will maintain Workers' Compensation and Employer's Liability insurance as required by any applicable law or regulation. WDMWW is currently self-insured with stop loss coverage and may continue to self insure to the extent allowed by law.

Umbrella Liability

WDMWW will maintain umbrella liability insurance on an occurrence basis in excess of its underlying liability insurance policies which is at least as broad as each and every one of the underlying policies. The limits of insurance to be maintained by WDMWW may be satisfied by purchasing coverage for the limits specified or by any combination of underlying and umbrella limits so long as the total amount of insurance is not less than the limits specified in the insurance section when added to the limits specified in the Umbrella section.

Other Insurance

WDMWW shall procure and maintain other coverages insurance as either WDMWW or CIWW shall reasonably determine may be reasonably required to establish an appropriate risk mitigation and management program for the WDMWW Designated Water Supply Facilities and operations under this Contract.

Such coverage may include coverage for professional liability, builders risk, crime, cyber risk, business interruption, equipment breakdown, pollution risk, and other risks as deemed appropriate and shall include such insurance as is at the time of coverage customarily carried by owners and operators of facilities similar in kind and character to the WDMWW Designated Water Supply Facilities

The cost of such other insurance with respect to coverage related to the work under this Contract shall be paid by WDMWW and WDMWW shall be reimbursed for such costs by CIWW as provided in Article VI of this Contract.

Initial Coverage and Renewals

The forms, scope, limits, deductibles, and self-insured retained risk of all property, liability, and other policies shall be as provided in WDMWW's existing policies in force as of the Operational Commencement Date.

Coverage thereafter shall be kept in force during the Term of this Contract by renewal or procurement of new policies as initially determined by the WDMWW Board of Trustees, consistent with, and as part of, its overall insurance program, and as approved by the CIWW Board.

In the event that the WDMWW Board and CIWW do not agree as to any aspect of the insurance coverages, the position of the Party bearing the higher share of the cost of such insurance coverages shall prevail.

Verification of Insurance

WDMWW shall furnish CIWW, during the term of this Contract, with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Contract.

Failure of CIWW to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CIWW to identify a deficiency from evidence provided will not be construed as a waiver of WDMWW's obligation to maintain such insurance.

The acceptance by CIWW of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by CIWW that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.

If WDMWW fails to maintain insurance as described in this Contract, CIWW will have the right to purchase required insurance in its own name.

CIWW reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Acceptability of Insurers

All insurance shall be provided by companies authorized to do business in Iowa and acceptable by CIWW with a company whose A.M. Best rating is "A- VII" or better.

Primary and Non-Contributing Coverage

WDMWW's insurance coverage shall be primary insurance with respect to CIWW, its officers, officials, employees, contractors and volunteers. Any insurance or self-insurance maintained by CIWW, its officers, officials, employees, contractors, or volunteers shall be in excess of WDMWW's insurance and shall not contribute with it.

Waiver of Subrogation

All insurance coverage evidenced herein shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against Contractor together with Additional Insured parties. Where permitted by law, WDMWW shall require similar written express waivers of subrogation and insurance clauses from each of its contractors of every tier. WDMWW and CIWW each agrees to mutually waive subrogation with respect to any loss or damages covered under any policy of insurance held by either of them.

Cancellation

Insurance policies required by this insurance section shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to CIWW.

Subcontractors

WDMWW shall require and verify that its sub-contractors, of every tier, shall maintain insurance meeting all the requirements herein, including Additional Insured and Waiver of Subrogation requirements.

Additional Insured under Liability Policies

WDMWW agrees to name CIWW, its officers, officials, employees and volunteers as an Additional Insured under WDMWW's general liability, automobile, and all other liability insurance policies, other than professional liability policies, with respect to liability arising out of activities, operations, or work performed by or on behalf of WDMWW under this Contract.

Minimums and Preserved Liability

To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions, and coverages of Insurance Services Office (ISO) policies, forms, and endorsements.

The limits of liability under insurance policies required by this Contract shall in no way limit WDMWW's or CIWW's actual liability.

4878-4751-7694, v. 2

WATER SUPPLY FACILITY OPERATING CONTRACT

Between

CENTRAL IOWA WATER WORKS (“CIWW”)

And

CITY OF POLK CITY, IOWA (“POLK CITY”)

For Operation, Maintenance and Management of
Drinking Water Source, Treatment and Transmission System Facilities

EFFECTIVE AS OF THE CIWW OPERATIONAL COMMENCEMENT DATE

TABLE OF CONTENTS

ARTICLE I. SCOPE AND TERM OF CONTRACT 5

 Section 1. Scope 5

 Section 2. Effective Date 5

 Section 3. Term 5

 Section 4. Supplement to CIWW 28E-28F Agreement..... 6

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND POLK CITY 6

 Section 1. Nature of Relationship 6

 Section 2. Operation Obligations 6

 Section 3. Independent Contractor..... 6

 Section 4. Individual Ownership and Responsibility 6

ARTICLE III. OPERATIONAL PROVISIONS 7

 Section 1. POLK CITY General Authority 7

 Section 2. Permits and Regulatory Compliance 7

 Section 3. Sampling and Laboratory Testing..... 7

 Section 4. Periodic Reporting..... 7

 Section 5. Other Information 7

 Section 6. Operation in Accordance with Budgets 7

 Section 7. POLK CITY’s Authority to Act in an Emergency 7

 Section 8. Ownership of Distribution Facilities 7

 Section 9. Connection Points 8

 Section 10. Connection Facilities 8

 Section 11. Dual Use Facilities 8

 Section 12. Supply Coordination..... 9

 Section 13. Ancillary Agreements and Administrative Support..... 9

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS 9

 Section 1. Warranty and Exclusion of Implied Warranties 9

 Section 2. Disclaimers 9

 Section 3. Quality and Quantity 9

 Section 4. Shortages of Water 10

 Section 5. Variation in Quantity and Quality 10

ARTICLE V. CAPITAL PROJECTS 10

 Section 1. Saylorville Water Treatment Plant Expansion..... 10

Section 2. Other Expansion of Capacity	10
Section 3. Capital Improvements Program	10
Section 4. Joint Capital Projects	10
Section 5. Continuous Performance Monitoring and Needs Assessment	11
ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO POLK CITY.....	12
Section 1. Compensation	12
Section 2. CIWW Payment to POLK CITY.....	12
Section 3. Operation, Maintenance, and Management (“OM&M”) Budget	12
Section 4. Information and Input to be Provided by POLK CITY	13
Section 5. Other Reimbursements	13
Article VII. OBLIGATIONS OF CIWW	13
Section 1. Financial Obligations	13
Section 2. CIWW Rates and Charges	13
Section 3. Taxes.....	13
Section 4. Cooperation and Support.....	13
ARTICLE VIII. TERMINATION PROVISIONS	13
Section 1. Automatic Termination	13
Section 2. Termination for Default	14
ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS	14
Section 1. No Liability.....	14
Section 2. Non-Liability for Main Breaks.....	14
Section 3. Limitations of Liability	14
Section 4. Indemnification	14
Section 5. Insurance	15
Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles	15
Section 7. Audit.....	15
Section 8. Assignment of Contract.....	16
Article X. GENERAL TERMS	16
Section 1. Provisions to be Severable	16
Section 2. Notices.....	16
Section 3. Arbitration	16
Section 4. Specific Performance.....	17
Section 5. Actions in Court.....	17

Section 6. Duty to Mitigate 18

Section 7. No Third Party Benefit and Limitation 18

Section 8. Entire Contract 18

Section 9. Governing Law..... 18

Section 10. Partnership Disclaimer 18

Section 11. Counterparts 18

Section 12. Force Majeure 18

Article XI. EXECUTION OF CONTRACT..... 18

Section 1. Passage of Resolution..... 18

Section 2. Signature Pages..... 18

THIS CONTRACT is made and entered into as of the _____ day of December, 2024 by and between Central Iowa Water Works ("CIWW"), a joint and cooperative legal entity organized and existing under Iowa Code Chapters 28E and 28F, and the City of Polk City, Iowa ("POLK CITY"), a municipal organization (hereinafter sometimes jointly referred to as "the Parties" or either referred to individually as a "Party").

WHEREAS CIWW is a regional water wholesale production and supply entity created and governed by the Central Iowa Water Works 28E/28F Agreement executed by and among its Founding Agencies and filed with the Iowa Secretary of State as Agreement No M516883 ("the CIWW 28E-28F Agreement");

WHEREAS CIWW has the right and duty to create and supply treated water to its Member Agencies, and for this purpose CIWW will acquire the water supply facilities of POLK CITY and other Water Producing Member Agencies of CIWW as of the Operational Commencement Date of CIWW;

WHEREAS POLK CITY is a Water Producing Member of CIWW and the current owner and operator of certain Designated Water Supply Facilities as defined in the CIWW 28E-28F Agreement (the "POLK CITY Designated Water Supply Facilities");

WHEREAS CIWW and POLK CITY desire to implement the water facility operation provisions contemplated by the CIWW 28E-28F Agreement during the Term of this Contract by providing that POLK CITY shall be engaged as the contract operator of the POLK CITY Designated Water Supply Facilities acquired by CIWW for twenty years from the Operational Commencement Date of CIWW on the terms provided in this Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other as provided in this Contract, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CIWW and POLK CITY hereby agree as follows:

ARTICLE I. SCOPE AND TERM OF CONTRACT

Section 1. Scope. This Contract shall govern the relationship between CIWW and POLK CITY under the CIWW 28E-28F Agreement with respect to the operation and maintenance of the POLK CITY Designated Water Supply Facilities by POLK CITY as contract operator from the Effective Date and during the Term of this Contract. As used in this Contract, except as the context may otherwise require, the POLK CITY Designated Water Supply Facilities shall include all modifications, improvements, updates and expansion thereto during the Term of this Contract.

This Contract shall not govern the purchase of water from CIWW by POLK CITY and, except as otherwise provided herein or in any Supplement hereto, shall not govern any provision for administrative support by POLK CITY to CIWW or other services provided by and between the Parties. The Parties may enter into Supplements to this Contract or other separate agreements respecting such matters.

Section 2. Effective Date. The "Effective Date" of this Contract shall be the Operational Commencement Date as defined in the CIWW 28E-28F Agreement.

Section 3. Term. The term of this Contract, subject to the termination provisions herein, shall be twenty years from its Effective Date (the "Term"). Provided, however, such term shall automatically be extended for successive five-year periods thereafter unless either Party shall, not less than three years

prior to the expiration of the first twenty-year period hereunder or any subsequent renewal period, give notice in writing to the other Party of its intention to terminate such Term. Nothing shall prevent POLK CITY and CIWW from agreeing to an earlier termination or to an extension of the Term for any reason by further agreement in writing.

Section 4. Supplement to CIWW 28E-28F Agreement. This Contract shall be a supplement to the CIWW 28E-28F Agreement and shall be filed as such with the Iowa Secretary of State after its execution by the Parties. This Contract shall govern certain matters between the Parties hereto under the CIWW 28E-28F Agreement. Except as otherwise defined in this Contract, the capitalized terms used herein that are defined in the CIWW 28E-28F Agreement shall have the meanings as defined in the CIWW 28E-28F Agreement. As used herein, the term CIWW 28E-28F Agreement shall not be construed to mean or include any subsequently adopted amendment to such Contract, except to the extent POLK CITY shall expressly agree in writing to accept any such amendment as applying to this Contract. In the event of a conflict between this Contract and the CIWW 28E-28F Agreement, the terms of this Contract shall control.

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND POLK CITY

Section 1. Nature of Relationship. POLK CITY shall be, and hereby is, engaged by CIWW as the sole operator of the POLK CITY Designated Water Supply Facilities acquired by CIWW. In such capacity, POLK CITY shall provide all labor, services, materials, and supplies necessary to CIWW's production and delivery of finished drinking water under this Contract, including all operations, maintenance, repairs, planning, engineering (whether staffed or contracted), capital improvements, residuals removal, and procurements required to effectively operate, maintain, and manage the POLK CITY Designated Water Supply Facilities to their full capacity under prevailing conditions as they exist from time to time, including capital and technical upgrades as needed. POLK CITY shall supply labor and services through its own staff or under contract with others, in its discretion.

Section 2. Operation Obligations. POLK CITY's obligations under this Contract shall be to operate and maintain the POLK CITY Designated Water Supply Facilities on behalf of CIWW with a level of care, effort, and diligence as may be reasonably expected to enable CIWW to meet the service obligations of CIWW to its Member Agencies as set forth in Schedule IV-6 of the CIWW 28E-28F Agreement, to the extent possible in view of the actual capacities and limitations of the POLK CITY Designated Water Supply Facilities under prevailing source water and other conditions. POLK CITY operations shall be deemed reasonable to the extent consistent with its existing practices and procedures as of the Effective Date with any changes required by changes in prevailing conditions, law or regulation.

Section 3. Independent Contractor. The relationship of POLK CITY to CIWW under this Contract shall at all times be that of independent contractor. Services under this Contract shall be performed in accordance with good and accepted industry practices for operators similarly situated. However, any such services shall not be considered engineering services, and nothing herein is intended to imply that POLK CITY is to supply professional engineering services to CIWW, unless specifically stated in this Contract or specifically hereafter agreed by the Parties to the contrary. This provision shall not, however, preclude POLK CITY from providing any services under this Contract by means of professional engineers employed by POLK CITY on its staff or engaged by POLK CITY by contract.

Section 4. Individual Ownership and Responsibility. Except as otherwise explicitly provided in this Contract, each Party shall at all times hold and own its respective properties. Each Party shall be solely

authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents. Nothing in this Contract shall be deemed to supersede, replace, impair or limit any collective bargaining agreement between POLK CITY and any bargaining unit now existing or hereafter arising.

ARTICLE III. OPERATIONAL PROVISIONS

Section 1. POLK CITY General Authority. POLK CITY shall at all times during the Term of this Contract have the power and authority to operate and maintain the POLK CITY Designated Water Supply Facilities to meet applicable provisions of law.

Section 2. Permits and Regulatory Compliance. POLK CITY and CIWW shall each have and maintain all licenses and permits, either individually or jointly, including but not limited to Water Use and Water Supply Operations permits, which are required to be obtained by either of them, or by both from State or Federal regulatory agencies for ongoing operation of the POLK CITY Designated Water Supply Facilities. POLK CITY will lead the management of regulatory compliance as outlined in these permits.

Section 3. Sampling and Laboratory Testing. POLK CITY will provide, through staff or contract, sampling and laboratory testing necessary to monitor water treatment plant performance in addition to sampling and laboratory testing required to meet regulatory requirements set forth in water supply operations permits, NPDES permits, and/or any federal, state or local laws, rules and regulations, local ordinances, permit or license requirements.

Section 4. Periodic Reporting. POLK CITY shall prepare and make such periodic reports for the POLK CITY Designated Water Supply Facilities as are required by applicable laws, rules, regulations or orders, and shall submit them directly to the appropriate regulatory agencies with copies to the CIWW Executive Director as submitted. POLK CITY shall assist CIWW in meeting any regulatory reporting requirements that it has as to CIWW facilities operated by POLK CITY.

Section 5. Other Information. POLK CITY shall make available to CIWW all such reasonably accessible information, schedules, and analysis concerning the POLK CITY Designated Water Supply Facilities and their operation as CIWW may request.

Section 6. Operation in Accordance with Budgets. POLK CITY shall operate, maintain, and manage the POLK CITY Designated Water Supply Facilities in accordance with the budget established as provided in Section 3 of Article VI of this Contract to the extent possible, subject to such unforeseen changes and contingences as may arise in the ordinary course of business, and subject to emergencies or other circumstances that require deviation from the budgets.

Section 7. POLK CITY's Authority to Act in an Emergency. In any emergency affecting the safety of persons, property or water quality, or the ability to meet peak demands, POLK CITY shall act, at its discretion, and without prior CIWW authorization, but with reasonable notification under the circumstances to the CIWW Executive Director, to prevent threatened damage, injury, loss, or operational impairments, notwithstanding any provision in this Contract or any previously approved budget and CIWW shall have financial responsibility to reimburse POLK CITY for the full costs thereof.

Section 8. Ownership of Distribution Facilities. Each CIWW Member Agency, including POLK CITY, shall exclusively own, operate, maintain, and be responsible, for its own Water Distribution Facilities, including its own Connection Facilities as defined in Section 10 of this Article III.

Section 9. Connection Points. The "Connection Points" at which water is delivered by CIWW to CIWW Member Agencies, including POLK CITY and other Water Producing Member Agencies, shall be as follows:

- (a) Metered Core Network Connection – In the case of water sold by CIWW to a specific CIWW Member Agency with a metered point of connection, the Connection Point shall be the tee or tap on the CIWW Core Network transmission main which serves the meter. In the case of an in-line point of connection, the Connection Point shall be a valve or other designated point on the transmission main, prior to the meter, where ownership of the pipeline transitions from CIWW to the CIWW Member Agency that is being served.
- (b) Unmetered Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, for which there is no metered point of connection, the Connection Points shall be the points at which the Water Producing Member Agency's Water Distribution Facilities connect to the CIWW Core Network transmission main.
- (c) Non-Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, but is not delivered through a connection to the CIWW Core Network, the Connection Point shall be a valve or other designated point of transition between the Designated Water Supply Facilities which are owned by CIWW and the Water Producing Member Agency's Water Distribution Facilities which are owned by the Water Producing Member Agency that is being served.

Section 10. Connection Facilities. As used herein "Connection Facilities" shall mean any taps, pipes, corporations, pumps, or other facilities required by any CIWW Member Agency to connect to or to receive water from the CIWW Core Network or to meter the water delivered to such Member Agency. CIWW will provide and shall own all wholesale meters installed at Member Agency Connection Points, but CIWW shall have no obligation to supply or maintain the Connection Facilities, including any facilities such as vaults or pits to contain or support wholesale meters of any CIWW Member Agency, except to the extent CIWW may otherwise agree in writing with the CIWW Member Agency. All new wholesale metering facilities that are part of any Connection Facilities shall be constructed and installed in accordance with drawing plans and specifications approved by CIWW and the affected Member Agency. Any new Connection Facilities established after the Effective Date shall include such device or devices as may be reasonably required to prevent reverse flow.

Section 11. Dual Use Facilities. The Parties recognize that some facilities and equipment, including certain valves and control systems that may be owned by either CIWW or POLK CITY after Asset Transfer under the CIWW 28E-28F Agreement, will be used or usable for both Water Supply Activity on behalf of CIWW and for the Water Distribution Activity of POLK CITY ("Dual Use Facilities"). POLK CITY is authorized to utilize all Dual Use Facilities for both purposes. The costs of purchase, operation, maintenance, repair and replacement of Dual Use Facilities shall be reasonably allocated between CIWW and POLK CITY based on benefit to each of such use by application of such allocation methods as

the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of the CIWW 28E-28F Agreement.

Section 12. Supply Coordination. CIWW shall assist POLK CITY and other Water Producing Member Agencies in planning to meet the requirements of all CIWW Member Agencies and shall cause each CIWW Member Agency taking water from the POLK CITY Designated Water Supply Facilities to keep POLK CITY advised of its requirements and changing requirements. CIWW shall establish a staff-level working group consisting of a single authorized representative from each of the Member Agencies, each to individually serve as an ongoing contact point and coordinator with POLK CITY to facilitate and optimize water supply operations by POLK CITY. Such working group shall meet collectively when needed on call from POLK CITY to coordinate and plan for POLK CITY operations.

Section 13. Ancillary Agreements and Administrative Support. POLK CITY shall support CIWW's ownership of the POLK CITY Designated Water Supply Facilities by providing administrative and management support of such assets, and support for any agreements other than water supply agreements related thereto, to include, without limitation, management of shared use facility or property agreements, property use licenses and lease agreements with telecommunications companies, farming licenses and leases, and any other agreements related to, or affecting the POLK CITY Designated Water Supply Facilities. For this purpose POLK CITY is authorized to (i) administer all existing agreements affecting the POLK CITY Designated Water Supply Facilities, together with any new or amended agreement authorized by CIWW; (ii) to enforce such agreements in its own name or the name of CIWW, or both; and (iii) to bill and collect revenues from such agreement for the benefit of CIWW, with such revenues to be treated as offsetting revenues under Section 1 of Article VI of this Contract.

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS

Section 1. Warranty and Exclusion of Implied Warranties. POLK CITY warrants that its operation of the POLK CITY Designated Water Supply Facilities shall be reasonable under prevailing source water and other conditions. **POLK CITY MAKES NO OTHER WARRANTY OF ANY PARTICULAR RESULTS OR OUTCOME FROM ITS OPERATION OF THE POLK CITY DESIGNATED WATER SUPPLY FACILITIES.**

Section 2. Disclaimers. CIWW agrees that the POLK CITY Designated Water Supply Facilities of POLK CITY are special purpose facilities and the performance of such facilities are affected by external conditions over which POLK CITY has no control. POLK CITY neither warrants nor guarantees that its facilities existing as of the date of this Contract, or its operation of such facilities, will function efficiently or accomplish any specific results under this Contract. CIWW acknowledges that no representations or warranties have been provided to CIWW regarding the POLK CITY Designated Water Supply Facilities or the ability of POLK CITY to deliver any particular results in the operation of such facilities. POLK CITY agrees to cooperate in good faith with CIWW and its Member Agencies to exercise diligence in performing its obligations hereunder, and to use its best efforts to carry out the provisions of this Contract, but makes no guarantee of any particular results.

Section 3. Quality and Quantity. POLK CITY shall use reasonable diligence and efforts to produce finished drinking water and to operate, maintain and manage the POLK CITY Designated Water Supply Facilities to produce finished drinking water which is (i) in compliance with applicable State and Federal drinking water quality regulations; (ii) in compliance with all applicable water supply operation permits; and (iii) delivered in adequate quantity and at adequate pressure to meet the needs of CIWW to supply

the customers of CIWW. **POLK CITY MAKES NO REPRESENTATION OR WARRANTY THAT SUCH OBJECTIVES WILL ALWAYS BE MET UNDER THIS CONTRACT.**

Section 4. Shortages of Water. It is understood that this Contract does not constitute any warranty or assurance by POLK CITY that water in the quantity required by CIWW and CIWW Member Agencies will always be available or that water quality requirements will always be able to be met.

Section 5. Variation in Quantity and Quality. All Parties acknowledge and agree that there may be fluctuations in the quantity and quality of finished drinking water produced or delivered under this Contract as a result of prevailing source water, operating conditions, and other conditions and that such variations are acceptable under this Contract.

ARTICLE V. CAPITAL PROJECTS

Section 1. INTENTIONALLY OMITTED.

Section 2. Other Expansion of Capacity. Under the CIWW 28E-28F Agreement CIWW is responsible for planning, engineering, financing, and construction of all new drinking water source, treatment and transmission system facilities needed to expand the capacity of CIWW to meet the requirements of its customers. Such new facilities are referred to herein as "Expansion Facilities," and may include, in CIWW's discretion, facilities constructed or installed to increase the capacity of the POLK CITY Designated Water Supply Facilities. POLK CITY shall cooperate and assist CIWW in planning for and constructing any Expansion Facilities that affect the POLK CITY Designated Water Supply Facilities, and the construction of the Expansion Facilities shall be coordinated so as not to cause undo interference with the operation of the POLK CITY Designated Water Supply Facilities. Contracts for Expansion Facilities shall be let in the name of CIWW as owner, with POLK CITY acting in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints POLK CITY, its staff, and contractors to act on behalf of CIWW for this purpose and CIWW shall reimburse POLK CITY for all of its project costs for Expansion Facilities.

Section 3. Capital Improvements Program. POLK CITY shall, in coordination with the CIWW Technical Committee, provide data and recommendations to the engineering consultant selected by CIWW, to aid the engineering consultant in developing a multi-year Capital Improvements Program ("CIP") for the POLK CITY Designated Water Supply Facilities, based on performance and needs assessments as provided in Section 4 of this Article V. CIWW shall provide the capital required for such projects, and POLK CITY shall cooperate with CIWW in the execution of projects under the CIP for the POLK CITY Designated Water Supply Facilities with POLK CITY reimbursed by CIWW for the costs incurred for its efforts.

Section 4. Joint Capital Projects. During the Term of this Contract, POLK CITY shall plan and execute such Joint Capital Projects, as defined in the CIWW 28E-28F Agreement, as CIWW and POLK CITY shall jointly deem necessary and proper to enable POLK CITY to meet its obligations under this Contract in light of the process defined by Section 5 of this Article V, but POLK CITY may proceed with any individual Joint Capital Project within limits of approved capital budgets with an estimated cost not to exceed one hundred thousand dollars (\$100,000.00), or other higher limit approved by the CIWW Board from time to time ("Small POLK CITY Projects"), without consultation with, or approval by, CIWW or the CIWW Technical Committee. Planning for such projects, other than Small POLK CITY Projects, shall be coordinated with the CIWW Technical Committee. Joint Capital Projects may be designed by staff of

POLK CITY or by consultants selected and engaged by POLK CITY, or both. Contracts for Joint Capital Projects shall be let in the name of POLK CITY, unless otherwise required by law or by reason of CIWW's requirements for debt issuance, and for this purpose CIWW grants authority to POLK CITY to make improvements and repairs to the POLK CITY Designated Water Supply Facilities and to act as its agent for such purposes. Execution of such projects shall be under the sole supervision of POLK CITY, but shall be subject to the review and approval of the CIWW Board as part of the CIWW Budget process, except for Small POLK CITY Projects or projects executed under POLK CITY's emergency authority provided by Section 7 of Article III. To the extent contracts for Joint Capital Projects are let in the name of CIWW as owner, POLK CITY shall act in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints POLK CITY, its staff, and contractors to act on behalf of CIWW for this purpose. CIWW shall be responsible to pay for the costs of Joint Capital Projects as provided under the CIWW 28E-28F Agreement.

Section 5. Continuous Performance Monitoring and Needs Assessment. POLK CITY shall, in consultation with the CIWW Technical Committee, the engineering consultant selected by CIWW, and CIWW staff:

- (a) Regularly monitor and assess the POLK CITY Designated Water Supply Facilities to determine if they are performing optimally;
- (b) Identify and implement operational strategies to optimize the performance of the POLK CITY Designated Water Supply Facilities;
- (c) Identify facility improvements needed to optimize performance of the POLK CITY Designated Water Supply Facilities and to keep them in compliance with evolving regulatory requirements, source water quality threats, and evolving technical and operational best practices for facilities of such kind; and
- (d) Regularly monitor and assess the use of the POLK CITY Designated Water Supply Facilities by CIWW Member Agencies to determine if their needs are being optimally met.

ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO POLK CITY

Section 1. Compensation. POLK CITY shall be compensated in amounts equal to the actual full cost incurred by POLK CITY of providing materials and services under this Contract, plus 2%, with such amounts to be computed and paid as provided in the CIWW 28E-28F Agreement and Section 2 of this Article VI, less any offsetting revenue collected directly from other CIWW Member Agencies or third parties related to POLK CITY Designated Water Supply Facilities including without limitation offsetting revenue collected under Section 3 or Section 13 of Article III.

Section 2. CIWW Payment to POLK CITY. CIWW shall pay POLK CITY for operation, materials, supplies, and services supplied under this Contract on a cost plus basis, based on the cost and payment principles set forth in Schedule V-2 to the CIWW 28E-28F Agreement. Such amounts shall be paid in seasonally adjusted monthly installments with an annual true-up as set forth in such Schedule. For the avoidance of doubt, it is the intent of this Contract that POLK CITY be paid its full actual costs, plus a fixed percentage of 2%, after such costs are fully incurred and determined.

Section 3. Operation, Maintenance, and Management ("OM&M") Budget. For each calendar year, beginning on or after the Operational Commencement Date, POLK CITY shall prepare and submit to CIWW a proposed OM&M budget for the next calendar year on such time schedule as may be required to permit the annual budget process of CIWW to proceed pursuant to the terms of the CIWW 28E-28F Agreement.

The proposed OM&M budget shall govern POLK CITY's expenditures for the budget year and shall include:

- (a) A projection of the anticipated reimbursable expenditures that will be incurred by POLK CITY for production of water in the budget year, and a projection of any anticipated offsetting revenue to be directly collected by POLK CITY from other Member Agencies or from third parties during the budget year;
- (b) A comparison of budgeted expenditures for the budget year to the actual expenditures for the prior budget year;
- (c) The insurance and risk management coverages to be in place for the budget year and the expected costs thereof that are chargeable to CIWW; and
- (d) Any additional information requested by CIWW in advance of POLK CITY's budget process commencement.

The Board of CIWW shall conduct a budget hearing on the proposed OM&M budget at its next meeting following receipt of the proposed budget after giving required notice under applicable law and the CIWW 28E-28F Agreement. If the proposed budget is not approved by the CIWW Board, CIWW shall provide a detailed statement to POLK CITY of its objections. Any CIWW objections will be resolved by negotiation between the Parties if possible, but if no agreement is reached on all objections before the commencement of the budget year, the portions of the budget to which objection is not made shall be deemed approved. All pending objections shall be resolved by arbitration as provided in this Contract to be commenced immediately after the Parties reach impasse in discussions, and no later than the commencement of the budget year, with the arbitration to be completed by an award issued not later than 120 days after commencement of the arbitration proceedings by either party.

Pending resolution of objections: (i) POLK CITY shall proceed in accordance with the portions of the proposed budget to which no objection is made; (ii) POLK CITY shall defer expenditures to which objection is made to the extent practical without impairing operations under this Operating Contract; (iii) DMMW shall limit its expenditures of a required and recurring nature to levels consistent with the most recent prior approved budget to the extent practical without impairing operations under this Operating Contract; and (iv) DMMW shall otherwise be authorized to make expenditures in accordance with its proposed budget only to the extent a failure to make the expenditures would directly cause a material impairment of its ability to meet its obligations under this Operating Contract.

Section 4. Information and Input to be Provided by POLK CITY. Upon the request of CIWW or any CIWW Member Agency, POLK CITY shall make available such reasonably accessible information, schedules, comparisons and analysis as may be deemed reasonably necessary in order to fully analyze the proposed OM&M budget. POLK CITY shall cause such members of its staff to be present at the budget hearing established by CIWW as are necessary to explain the proposed budget and respond to inquiries made concerning same.

Section 5. Other Reimbursements. In addition to the foregoing, CIWW shall also reimburse POLK CITY for emergency costs incurred under Section 7 of Article III, capital projects under Article V, uninsured claims and losses under Section 6 of Article X, and any other costs beyond OM&M expenses, that are reimbursable under the terms of this Contract or the CIWW 28E-28F Agreement. Such reimbursements shall not be subject to the 2% increment specified in Section 1 of this Article.

Article VII. OBLIGATIONS OF CIWW

Section 1. Financial Obligations. CIWW shall promptly satisfy all of its financial obligations to POLK CITY hereunder, including without limitation, funding under Article V for capital projects. Any loss, damage, or injury resulting from the failure of CIWW to provide funding for capital projects when reasonably requested by POLK CITY shall be the sole responsibility of CIWW.

Section 2. CIWW Rates and Charges. CIWW shall at all times set, impose, and collect rates and charges to its Member Agencies that produce revenues at least sufficient to pay the expenses of operation of CIWW, including obligations to POLK CITY, and all other obligations including principal and interest of bonds and other debt obligations as they become due.

Section 3. Taxes. CIWW shall pay all sales, excise, ad valorem, property, or other taxes, if any, associated with sales or operations under this Contract or assessed against CIWW property.

Section 4. Cooperation and Support. CIWW shall reasonably cooperate in good faith with POLK CITY in the performance of its obligations under this Contract, and shall at all times govern and manage its affairs consistent with the terms of the CIWW 28E-28F Agreement so as to enable and support POLK CITY's ability to fully perform its obligations under this Contract.

ARTICLE VIII. TERMINATION PROVISIONS

Section 1. Automatic Termination. This Contract shall automatically terminate upon the termination of existence of CIWW for any reason. Such termination shall be effective upon reversion of assets, including any dual purpose assets, to POLK CITY as provided in the CIWW 28E-28F Agreement, with the intent that there shall be no interruption of water production upon termination of the existence of CIWW.

Section 2. Termination for Default. In the event that either Party determines that the other Party has defaulted in the performance of its obligations hereunder, the aggrieved Party may declare that default has occurred and give notice thereof to the defaulting Party. Notice of default shall be given in writing, shall specify the nature of the default and the provisions of the Contract involved, and shall specify what action is required of the defaulting Party to correct the default.

The defaulting Party shall have 180 days from the date of its receipt of the notice of default to correct the default. If at the end of said 180-day period the default has not, in the opinion of the aggrieved Party, been corrected, and if such default shall constitute a material breach of this Contract, the aggrieved Party may thereupon terminate the Contract for material breach by giving 60 days' written notice of termination. Termination of this Contract shall be effective at the end of said 60-day period unless judicial proceedings are initiated by either Party in a court of competent jurisdiction to determine if a material breach has occurred.

Upon termination of this Contract by the either Party, or upon entry of a court order terminating this Contract, POLK CITY shall assist CIWW in assuming operation of the POLK CITY Designated Water Supply Facilities. CIWW shall pay POLK CITY the costs of such assistance within thirty (30) days of its receipt of an invoice for such costs.

Any disputes arising under this Section shall not be subject to mandatory arbitration.

ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS

Section 1. No Liability. POLK CITY shall not be liable to CIWW, to any Member Agency or to any of their customers by reason of any interruption or failure to provide any water supplied or for services contemplated by this Contract, or for any error of judgment by POLK CITY or its staff or contractors or their employees, except for any bad faith, willful misconduct, or willful disregard for the terms of this Contract by POLK CITY. Unauthorized and unanticipated willful misconduct by a POLK CITY employee shall not be attributed to POLK CITY for this purpose.

Section 2. Non-Liability for Main Breaks. POLK CITY shall have no liability to any person for direct or indirect damage caused by water main breaks of CIWW or any other person or entity. CIWW shall indemnify POLK CITY from any such claimed liabilities, and hold POLK CITY harmless from all such claims, including all attorney fees and other costs of defense.

Section 3. Limitations of Liability. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS CONTRACT FOR ANY CLAIM FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR REVENUE OR THE LOSS OF USE OF EITHER, OR COSTS OF REPLACEMENT CAPITAL, EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT.

Section 4. Indemnification. POLK CITY and CIWW, to the fullest extent permitted by law, each hereby agrees to indemnify, defend, pay on behalf of, and hold harmless the other and their respective elected officials, appointed officials, agents, employees and volunteers, and others working on behalf of such Party ("Indemnities"), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnities by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic

damages that arise out of or are in any way connected to this Contract. No Party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Neither the indemnity provisions in this Section, nor any other rights of indemnity held or claimed by CIWW by law or agreement, shall limit, impair, or reduce the rights of POLK CITY to full compensation or reimbursement under Article VI of this Contract for OM&M costs, capital project costs, or losses that are incurred by POLK CITY with respect to Water Supply Activity operations within the scope of this Contract. CIWW shall not be entitled to indemnity under this Contract, and waives any and all claims of indemnity otherwise existing or arising by law, to the fullest extent necessary so that POLK CITY's right of full compensation and reimbursement under Article VI of this Contract is preserved.

Each Party's Contracts and obligations as set forth in this Section are applicable for the duration of and following expiration or termination of this Contract, regardless of the manner of termination, and notwithstanding other provisions of this Contract.

Section 5. Insurance. POLK CITY shall insure the POLK CITY Designated Water Supply Facilities and shall provide liability and other insurance with respect to POLK CITY's work under this Contract in the respects and particulars as set forth in Exhibit A hereto. To the fullest extent permitted by law, neither this provision, nor the existence of any insurance policy procured by either POLK CITY or CIWW shall be deemed to limit or be a waiver of, any immunity or other defense to liability otherwise held by either Party.

Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles. To the extent POLK CITY incurs a loss, expense or claim payment that is not reimbursed by insurance by reason of lack of coverage, self-insured retention, policy deductible or for any other reason, with respect to Water Supply Activity operations within the scope of this Contract or otherwise in the operation and maintenance of the POLK CITY Designated Water Supply Facilities, including without limitation any losses arising from unauthorized and unanticipated willful misconduct by a POLK CITY employee, CIWW will reimburse POLK CITY for such amounts as incurred. Such reimbursement shall include but not be limited to costs of claims, demands, suits, deductibles and loss retentions under insurance, and all other damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs.

POLK CITY shall not be reimbursed for any loss, expense or claim payment that arises solely by reason of its Water Distribution Activity.

To the extent a loss, claim or expense is attributable to both Water Supply Activity on behalf of CIWW and Water Distribution Activity of POLK CITY, such amount shall be reasonably allocated between CIWW and POLK CITY based on application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of this Contract.

Section 7. Audit. CIWW may by notice in writing request access to POLK CITY's records for purposes of conducting an independent audit of POLK CITY's financial records in relation to compensation or other amounts paid or payable by CIWW to POLK CITY. Such notice shall identify the records sought for audit, and POLK CITY shall provide access to the records sought for audit within 30 days after receipt of the notice requesting audit. Such audit shall be conducted by a certified public accounting firm retained by CIWW and at CIWW's sole cost. The audit findings shall be promptly provided to POLK CITY. In the event that such audit reveals any overpayment or underpayment to POLK CITY, the Parties shall make such

adjustments to balances paid or payable between them as the audit determines are proper, with such adjustments to be made within 30 days of the issuance of the audit report. In the event that either Party disputes the findings of the audit, it may notify the other Party of its objection thereto and request binding arbitration to resolve the matter.

Section 8. Assignment of Contract. Neither Party may assign this Contract to a third party without the written consent of the other Party.

Article X. GENERAL TERMS

Section 1. Provisions to be Severable. If any provision of this Contract is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Contract that can be given effect without the provision determined to be invalid, and to that end, the provisions of this Contract are severable.

Section 2. Notices. Notices which POLK CITY or CIWW are authorized or required to give one another pursuant to this Contract shall be in writing and may be personally delivered, may be sent by ordinary mail or delivery service to the addresses for such Party reflected in the records of CIWW or POLK CITY, or may be sent by electronic means, including email. Notice by personal delivery, by delivery service, or by electronic means shall be effective upon actual receipt. Mailed notices shall be effective and deemed to be received by the Party to whom directed when they are postmarked.

Section 3. Arbitration.

- (a) CIWW and POLK CITY agree that any disputes and any claims relating to the adoption of any OM&M budget under this Contract, the allocation or reimbursement of costs, losses, or expenses under this Contract, or otherwise for money damages arising between or among them with regard to matters within the scope of this Contract shall be submitted to mandatory, binding arbitration at the request of any Party. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the Parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.
- (b) If the Parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the Party requesting arbitration, one named in writing by the adverse Party, and the third chosen by the first two arbitrators so chosen.
- (c) The Party requesting arbitration shall choose an arbitrator within ten (10) days following the Parties' decision that they will not agree to use one arbitrator. Failure to do so shall be deemed a waiver of its request for arbitration. If the adverse Party desires to appoint a different arbitrator, they shall name their arbitrator within ten (10) days following the receipt of notice of the naming of the first arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten (10) days following the selection of the second arbitrator. Extensions of the time periods to select arbitrators shall not be unreasonably withheld if requested prior to the original deadlines above. Should any Party refuse or neglect to supply the arbitrators with any papers or information requested in writing by the arbitrators, the arbitrators are empowered to proceed ex parte. The Parties shall agree on

the rules to govern the conduct of the arbitration, but in the absence of such an agreement, the most recently published commercial arbitration rules of the American Arbitration Association shall be deemed to apply. The arbitrator or arbitrators must provide a minimum of thirty (30) days' notice before the date set for any hearing on the merits of the dispute.

- (d) No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration. Conflicts of interest include, but are not limited to: (i) current service on the board, commission, council, or other governing body of CIWW or any Member Agency of CIWW; (ii) current employment, either as an employee or independent contractor, by any CIWW or any Member Agency of CIWW; (iii) employment, either as an employee or independent contractor, within the last five (5) years by CIWW or any Member Agency of CIWW; (iv) any prior participation in negotiations related to the dispute; (v) any direct involvement in the dispute, including as a witness to relevant facts; and (vi) other circumstances that would materially impair the ability of the individual to serve as a neutral arbitrator.
- (e) If there is one arbitrator, the award of the sole arbitrator shall be binding; if three, the agreed upon award of any two shall be binding. The award may be set aside only for reasons permitted under Iowa law.
- (f) The award of the arbitrator or arbitrators shall be in writing and separately state the factual and legal analysis relied upon to reach the decision, and it shall not be open to objection on account of the form of the proceeding or the award.
- (g) The arbitrator or arbitrators may retain special counsel for the purpose of conducting the arbitration proceedings and preparing the arbitration award. In selecting special counsel, the arbitrator or arbitrators may not retain any attorney who has represented CIWW or POLK CITY within the last five (5) years.
- (h) The costs of arbitration and reasonable attorneys' fees for both Parties shall be paid by the Party requesting arbitration if it does not prevail in said arbitration proceedings. If the Party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the Parties. Costs of the arbitration include, but are not limited to, fees to the arbitrator or arbitrators, special counsel fees, and any other costs of the proceeding, but excluding reasonable attorneys' fees. If the Party requesting arbitration prevails, each Party shall be responsible for its own attorneys' fees.
- (i) CIWW and POLK CITY consent that any award granted through arbitration will be confirmed in the Iowa District Court for Polk County.

Section 4. Specific Performance. In addition to any other remedies available under applicable law, CIWW and POLK CITY shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Contract.

Section 5. Actions in Court. Except for disputes covered by Section 3 of this Article X requiring arbitration, either CIWW or POLK CITY may bring an action in Court for declaratory relief, for specific performance, or for any equitable remedy. Any such action shall be brought in the Iowa District Court in Polk County. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH ACTION.

Section 6. Duty to Mitigate. CIWW and POLK CITY each agrees that it has a duty to mitigate damages under this Contract and covenants that it will use reasonable efforts to minimize any damages it may incur as a result of an Event of Default involving any other Party.

Section 7. No Third Party Benefit and Limitation. No provision of this Contract shall inure to the benefit of any other entity, or any individual resident, taxpayer, or ratepayer of any Member Agencies of CIWW. This Contract may not be the basis of a claim or cause of action on behalf of any other person or entity against CIWW, POLK CITY or any Member Agency of CIWW or any of their respective residents, taxpayers, or ratepayers.

Section 8. Entire Contract. This Contract and the CIWW 28E-28F Agreement as in force on the Effective Date hereof shall be construed to form a single agreement, and are the entire agreement between the Parties respecting the matters within the scope of this Contract. Any subsequent change or modification to the terms of this Contract shall be in the form of a duly approved and executed written amendment to this Contract.

Section 9. Governing Law. This Contract shall be governed by, construed and enforced in accordance with the laws of the State of Iowa.

Section 10. Partnership Disclaimer. Nothing in this Contract is intended nor shall be construed as in any way creating or establishing a partnership between the Parties hereto, nor as constituting any Party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.

Section 11. Counterparts. This Contract may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.

Section 12. Force Majeure. No Party shall be liable for any failure to perform any or all of the provisions of this Contract if and to the extent performance has been delayed or prevented by reason of any cause beyond the reasonable control of such Party. The expression “cause beyond the reasonable control” and the term “Force Majeure” as used in this Contract shall mean and be deemed to include, but not be limited to acts, regulations, laws, or restraints imposed by any governmental official or body; wars, hostilities, cyber attack or other sabotage, riots, or commotions; acts of God; pandemic; or fires, floods, storms, or lightning.

Article XI. EXECUTION OF CONTRACT

Section 1. Passage of Resolution. This Contract shall not go into effect unless approved by resolution of the governing boards of POLK CITY and CIWW.

Section 2. Signature Pages. Each Party shall execute the separate signature page provided for it, and the Parties hereto authorize their counsel to assemble the signature pages of all signatory Parties and to append such signature pages to copies of this Contract for filing with the Iowa Secretary of State.

[Signature Pages Follow]

CENTRAL IOWA WATER WORKS

By: _____
Jody E. Smith, Board Chair

ATTEST:

Diane Munns, Board Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of December, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Jody E. Smith and Diane Munns to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and Board Secretary of CENTRAL IOWA WATER WORKS, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the 6th day of December, 2024, and that Jody E. Smith and Diane Munns acknowledged the execution of the instrument to be the voluntary act and deed of the CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF POLK CITY, IOWA

By: _____
Steve Karsjen, Mayor

ATTEST:

Jenny Coffin, City Clerk

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this ____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Steve Karsjen and Jenny Coffin, to me personally known, and who, being by me duly sworn, did say that they are the Mayor and City Clerk of the CITY OF POLK CITY, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the entity by authority of its Council, as contained in the resolution adopted by the Council on the 9th day of December, 2024, and that they each acknowledge the execution of the instrument to be the voluntary act and deed of the CITY OF POLK CITY, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

EXHIBIT A

WATER SUPPLY FACILITY OPERATING CONTRACT between CENTRAL IOWA WATER WORKS and BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA

POLK CITY INSURANCE REQUIREMENTS

Property Insurance

POLK CITY shall procure and maintain property casualty loss insurance coverage with respect to the real property and personal property that comprises the POLK CITY Designated Water Supply Facilities owned by CIWW and operated by POLK CITY under this Contract. Such insurance shall be procured under one or more “all risk” or “special form” policies which shall include coverage against all risks of physical loss, including loss by fire, lightning, wind, terrorism, and other risks normally included in the standard Insurance Services Office (“ISO”) special form. Flood insurance shall be obtained through the national flood insurance program or a property insurance carrier, to the extent available. A list of the assets owned by CIWW to be insured by POLK CITY shall be created by the Parties and updated as needed to reflect the assets to be insured.

The policy or policies shall be in amounts sufficient to satisfy co-insurance requirements under such policy or policies, except as waived by the CIWW Board and shall be subject to deductibles and self-insured retained risk, established by the POLK CITY Board of Trustees and approved by the CIWW Board.

POLK CITY shall obtain the required policy or policies in its name in its capacity as contract operator, with CIWW as an “additional insured” or “additional named insured” under such policy or policies in its capacities as owner and customer. The coverage shall be so issued as to cover the several interests of POLK CITY and CIWW. CIWW shall be the loss payee under such policy or policies in case of any loss or damage.

The cost of property insurance shall be paid by POLK CITY and POLK CITY shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

Liability Insurance

POLK CITY shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Contract by POLK CITY or its agents, representatives, employees, and contractors, or by anyone for whose acts POLK CITY or CIWW may be liable.

The cost of such liability insurance shall be paid by POLK CITY and POLK CITY shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

POLK CITY Liability Coverage shall include:

Commercial General Liability

POLK CITY will maintain commercial general liability insurance covering all operations by or on behalf of POLK CITY under this Contract on an occurrence basis against claims for personal injury, including bodily injury and death, and property damage, including loss of use.

Comprehensive Automobile Liability Insurance

POLK CITY will maintain business auto liability insurance covering liability arising for owned, hired, or non-owned autos.

Workers' Compensation & Employer's Liability

POLK CITY will maintain Workers' Compensation and Employer's Liability insurance as required by any applicable law or regulation. POLK CITY is currently self-insured with stop loss coverage and may continue to self insure to the extent allowed by law.

Umbrella Liability

POLK CITY will maintain umbrella liability insurance on an occurrence basis in excess of its underlying liability insurance policies which is at least as broad as each and every one of the underlying policies. The limits of insurance to be maintained by POLK CITY may be satisfied by purchasing coverage for the limits specified or by any combination of underlying and umbrella limits so long as the total amount of insurance is not less than the limits specified in the insurance section when added to the limits specified in the Umbrella section.

Other Insurance

POLK CITY shall procure and maintain other coverages insurance as either POLK CITY or CIWW shall reasonably determine may be reasonably required to establish an appropriate risk mitigation and management program for the POLK CITY Designated Water Supply Facilities and operations under this Contract.

Such coverage may include coverage for professional liability, builders risk, crime, cyber risk, business interruption, equipment breakdown, pollution risk, and other risks as deemed appropriate and shall include such insurance as is at the time of coverage customarily carried by owners and operators of facilities similar in kind and character to the POLK CITY Designated Water Supply Facilities

The cost of such other insurance with respect to coverage related to the work under this Contract shall be paid by POLK CITY and POLK CITY shall be reimbursed for such costs by CIWW as provided in Article VI of this Contract.

Initial Coverage and Renewals

The forms, scope, limits, deductibles, and self-insured retained risk of all property, liability, and other policies shall be as provided in POLK CITY's existing policies in force as of the Operational Commencement Date.

Coverage thereafter shall be kept in force during the Term of this Contract by renewal or procurement of new policies as initially determined by the POLK CITY Board of Trustees, consistent with, and as part of, its overall insurance program, and as approved by the CIWW Board.

In the event that the POLK CITY Board and CIWW do not agree as to any aspect of the insurance coverages, the position of the Party bearing the higher share of the cost of such insurance coverages shall prevail.

Verification of Insurance

POLK CITY shall furnish CIWW, during the term of this Contract, with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Contract.

Failure of CIWW to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CIWW to identify a deficiency from evidence provided will not be construed as a waiver of POLK CITY's obligation to maintain such insurance.

The acceptance by CIWW of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by CIWW that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.

If POLK CITY fails to maintain insurance as described in this Contract, CIWW will have the right to purchase required insurance in its own name.

CIWW reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Acceptability of Insurers

All insurance shall be provided by companies authorized to do business in Iowa and acceptable by CIWW with a company whose A.M. Best rating is "A- VII" or better.

Primary and Non-Contributing Coverage

POLK CITY's insurance coverage shall be primary insurance with respect to CIWW, its officers, officials, employees, contractors and volunteers. Any insurance or self-insurance maintained by CIWW, its officers, officials, employees, contractors, or volunteers shall be in excess of POLK CITY's insurance and shall not contribute with it.

Waiver of Subrogation

All insurance coverage evidenced herein shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against Contractor together with Additional Insured parties. Where permitted by law, POLK CITY shall require similar written express waivers of subrogation and insurance clauses from each of its contractors of every tier. POLK CITY and CIWW each agrees to mutually waive subrogation with respect to any loss or damages covered under any policy of insurance held by either of them.

Cancellation

Insurance policies required by this insurance section shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to CIWW.

Subcontractors

POLK CITY shall require and verify that its sub-contractors, of every tier, shall maintain insurance meeting all the requirements herein, including Additional Insured and Waiver of Subrogation requirements.

Additional Insured under Liability Policies

POLK CITY agrees to name CIWW, its officers, officials, employees and volunteers as an Additional Insured under POLK CITY's general liability, automobile, and all other liability insurance policies, other than professional liability policies, with respect to liability arising out of activities, operations, or work performed by or on behalf of POLK CITY under this Contract.

Minimums and Preserved Liability

To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions, and coverages of Insurance Services Office (ISO) policies, forms, and endorsements.

The limits of liability under insurance policies required by this Contract shall in no way limit POLK CITY's or CIWW's actual liability.

4878-4751-7694, v. 2

**The final maturity dates for these loans range from December 2036- December 2041.
WATER SUPPLY FACILITY OPERATING CONTRACT**

Between

CENTRAL IOWA WATER WORKS (“CIWW”)

And

CITY OF GRIMES, IOWA (“GRIMES”)

For Operation, Maintenance and Management of
Drinking Water Source, Treatment and Transmission System Facilities

EFFECTIVE AS OF THE CIWW OPERATIONAL COMMENCEMENT DATE

TABLE OF CONTENTS

ARTICLE I. SCOPE AND TERM OF CONTRACT 5

 Section 1. Scope 5

 Section 2. Effective Date 5

 Section 3. Term 5

 Section 4. Supplement to CIWW 28E-28F Agreement..... 6

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND GRIMES..... 6

 Section 1. Nature of Relationship 6

 Section 2. Operation Obligations 6

 Section 3. Independent Contractor..... 6

 Section 4. Individual Ownership and Responsibility 6

ARTICLE III. OPERATIONAL PROVISIONS 7

 Section 1. GRIMES General Authority 7

 Section 2. Permits and Regulatory Compliance 7

 Section 3. Sampling and Laboratory Testing..... 7

 Section 4. Periodic Reporting..... 7

 Section 5. Other Information 7

 Section 6. Operation in Accordance with Budgets 7

 Section 7. GRIMES’s Authority to Act in an Emergency 7

 Section 8. Ownership of Distribution Facilities 7

 Section 9. Connection Points 8

 Section 10. Connection Facilities 8

 Section 11. Dual Use Facilities 8

 Section 12. Supply Coordination..... 9

 Section 13. Ancillary Agreements and Administrative Support..... 9

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS 9

 Section 1. Warranty and Exclusion of Implied Warranties 9

 Section 2. Disclaimers 9

 Section 3. Quality and Quantity 9

 Section 4. Shortages of Water 10

 Section 5. Variation in Quantity and Quality 10

ARTICLE V. CAPITAL PROJECTS 10

 Section 1. Saylorville Water Treatment Plant Expansion..... 10

Section 2. Other Expansion of Capacity	10
Section 3. Capital Improvements Program	10
Section 4. Joint Capital Projects	10
Section 5. Continuous Performance Monitoring and Needs Assessment	11
ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO GRIMES	12
Section 1. Compensation	12
Section 2. CIWW Payment to GRIMES	12
Section 3. Operation, Maintenance, and Management (“OM&M”) Budget	12
Section 4. Information and Input to be Provided by GRIMES.....	13
Section 5. Other Reimbursements	13
Article VII. OBLIGATIONS OF CIWW	13
Section 1. Financial Obligations	13
Section 2. CIWW Rates and Charges	13
Section 3. Taxes.....	13
Section 4. Cooperation and Support.....	13
ARTICLE VIII. TERMINATION PROVISIONS	13
Section 1. Automatic Termination	13
Section 2. Termination for Default	14
ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS	14
Section 1. No Liability.....	14
Section 2. Non-Liability for Main Breaks.....	14
Section 3. Limitations of Liability	14
Section 4. Indemnification	14
Section 5. Insurance	15
Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles	15
Section 7. Audit	15
Section 8. Assignment of Contract.....	16
Article X. GENERAL TERMS	16
Section 1. Provisions to be Severable	16
Section 2. Notices.....	16
Section 3. Arbitration	16
Section 4. Specific Performance.....	17
Section 5. Actions in Court.....	17

Section 6. Duty to Mitigate 18

Section 7. No Third Party Benefit and Limitation 18

Section 8. Entire Contract 18

Section 9. Governing Law..... 18

Section 10. Partnership Disclaimer 18

Section 11. Counterparts 18

Section 12. Force Majeure 18

Article XI. EXECUTION OF CONTRACT..... 18

Section 1. Passage of Resolution..... 18

Section 2. Signature Pages..... 18

THIS CONTRACT is made and entered into as of the _____ day of December, 2024 by and between Central Iowa Water Works ("CIWW"), a joint and cooperative legal entity organized and existing under Iowa Code Chapters 28E and 28F, and the City of GRIMES, Iowa ("GRIMES"), a municipal organization (hereinafter sometimes jointly referred to as "the Parties" or either referred to individually as a "Party").

WHEREAS CIWW is a regional water wholesale production and supply entity created and governed by the Central Iowa Water Works 28E/28F Agreement executed by and among its Founding Agencies and filed with the Iowa Secretary of State as Agreement No M516883 ("the CIWW 28E-28F Agreement");

WHEREAS CIWW has the right and duty to create and supply treated water to its Member Agencies, and for this purpose CIWW will acquire the water supply facilities of GRIMES and other Water Producing Member Agencies of CIWW as of the Operational Commencement Date of CIWW;

WHEREAS GRIMES is a Water Producing Member of CIWW and the current owner and operator of certain Designated Water Supply Facilities as defined in the CIWW 28E-28F Agreement (the "GRIMES Designated Water Supply Facilities");

WHEREAS CIWW and GRIMES desire to implement the water facility operation provisions contemplated by the CIWW 28E-28F Agreement during the Term of this Contract by providing that GRIMES shall be engaged as the contract operator of the GRIMES Designated Water Supply Facilities acquired by CIWW for twenty years from the Operational Commencement Date of CIWW on the terms provided in this Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other as provided in this Contract, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CIWW and GRIMES hereby agree as follows:

ARTICLE I. SCOPE AND TERM OF CONTRACT

Section 1. Scope. This Contract shall govern the relationship between CIWW and GRIMES under the CIWW 28E-28F Agreement with respect to the operation and maintenance of the GRIMES Designated Water Supply Facilities by GRIMES as contract operator from the Effective Date and during the Term of this Contract. As used in this Contract, except as the context may otherwise require, the GRIMES Designated Water Supply Facilities shall include all modifications, improvements, updates and expansion thereto during the Term of this Contract.

This Contract shall not govern the purchase of water from CIWW by GRIMES and, except as otherwise provided herein or in any Supplement hereto, shall not govern any provision for administrative support by GRIMES to CIWW or other services provided by and between the Parties. The Parties may enter into Supplements to this Contract or other separate agreements respecting such matters.

Section 2. Effective Date. The "Effective Date" of this Contract shall be the Operational Commencement Date as defined in the CIWW 28E-28F Agreement.

Section 3. Term. The term of this Contract, subject to the termination provisions herein, shall be twenty years from its Effective Date (the "Term"). Provided, however, such term shall automatically be extended for successive five-year periods thereafter unless either Party shall, not less than three years

prior to the expiration of the first twenty-year period hereunder or any subsequent renewal period, give notice in writing to the other Party of its intention to terminate such Term. Nothing shall prevent GRIMES and CIWW from agreeing to an earlier termination or to an extension of the Term for any reason by further agreement in writing.

Section 4. Supplement to CIWW 28E-28F Agreement. This Contract shall be a supplement to the CIWW 28E-28F Agreement and shall be filed as such with the Iowa Secretary of State after its execution by the Parties. This Contract shall govern certain matters between the Parties hereto under the CIWW 28E-28F Agreement. Except as otherwise defined in this Contract, the capitalized terms used herein that are defined in the CIWW 28E-28F Agreement shall have the meanings as defined in the CIWW 28E-28F Agreement. As used herein, the term CIWW 28E-28F Agreement shall not be construed to mean or include any subsequently adopted amendment to such Contract, except to the extent GRIMES shall expressly agree in writing to accept any such amendment as applying to this Contract. In the event of a conflict between this Contract and the CIWW 28E-28F Agreement, the terms of this Contract shall control.

ARTICLE II. THE RELATIONSHIP BETWEEN CIWW AND GRIMES

Section 1. Nature of Relationship. GRIMES shall be, and hereby is, engaged by CIWW as the sole operator of the GRIMES Designated Water Supply Facilities acquired by CIWW. In such capacity, GRIMES shall provide all labor, services, materials, and supplies necessary to CIWW's production and delivery of finished drinking water under this Contract, including all operations, maintenance, repairs, planning, engineering (whether staffed or contracted), capital improvements, residuals removal, and procurements required to effectively operate, maintain, and manage the GRIMES Designated Water Supply Facilities to their full capacity under prevailing conditions as they exist from time to time, including capital and technical upgrades as needed. GRIMES shall supply labor and services through its own staff or under contract with others, in its discretion.

Section 2. Operation Obligations. GRIMES's obligations under this Contract shall be to operate and maintain the GRIMES Designated Water Supply Facilities on behalf of CIWW with a level of care, effort, and diligence as may be reasonably expected to enable CIWW to meet the service obligations of CIWW to its Member Agencies as set forth in Schedule IV-6 of the CIWW 28E-28F Agreement, to the extent possible in view of the actual capacities and limitations of the GRIMES Designated Water Supply Facilities under prevailing source water and other conditions. GRIMES operations shall be deemed reasonable to the extent consistent with its existing practices and procedures as of the Effective Date with any changes required by changes in prevailing conditions, law or regulation.

Section 3. Independent Contractor. The relationship of GRIMES to CIWW under this Contract shall at all times be that of independent contractor. Services under this Contract shall be performed in accordance with good and accepted industry practices for operators similarly situated. However, any such services shall not be considered engineering services, and nothing herein is intended to imply that GRIMES is to supply professional engineering services to CIWW, unless specifically stated in this Contract or specifically hereafter agreed by the Parties to the contrary. This provision shall not, however, preclude GRIMES from providing any services under this Contract by means of professional engineers employed by GRIMES on its staff or engaged by GRIMES by contract.

Section 4. Individual Ownership and Responsibility. Except as otherwise explicitly provided in this Contract, each Party shall at all times hold and own its respective properties. Each Party shall be solely

authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents. Nothing in this Contract shall be deemed to supersede, replace, impair or limit any collective bargaining agreement between GRIMES and any bargaining unit now existing or hereafter arising.

ARTICLE III. OPERATIONAL PROVISIONS

Section 1. GRIMES General Authority. GRIMES shall at all times during the Term of this Contract have the power and authority to operate and maintain the GRIMES Designated Water Supply Facilities to meet applicable provisions of law.

Section 2. Permits and Regulatory Compliance. GRIMES and CIWW shall each have and maintain all licenses and permits, either individually or jointly, including but not limited to Water Use and Water Supply Operations permits, which are required to be obtained by either of them, or by both from State or Federal regulatory agencies for ongoing operation of the GRIMES Designated Water Supply Facilities. GRIMES will lead the management of regulatory compliance as outlined in these permits.

Section 3. Sampling and Laboratory Testing. GRIMES will provide, through staff or contract, sampling and laboratory testing necessary to monitor water treatment plant performance in addition to sampling and laboratory testing required to meet regulatory requirements set forth in water supply operations permits, NPDES permits, and/or any federal, state or local laws, rules and regulations, local ordinances, permit or license requirements.

Section 4. Periodic Reporting. GRIMES shall prepare and make such periodic reports for the GRIMES Designated Water Supply Facilities as are required by applicable laws, rules, regulations or orders, and shall submit them directly to the appropriate regulatory agencies with copies to the CIWW Executive Director as submitted. GRIMES shall assist CIWW in meeting any regulatory reporting requirements that it has as to CIWW facilities operated by GRIMES.

Section 5. Other Information. GRIMES shall make available to CIWW all such reasonably accessible information, schedules, and analysis concerning the GRIMES Designated Water Supply Facilities and their operation as CIWW may request.

Section 6. Operation in Accordance with Budgets. GRIMES shall operate, maintain, and manage the GRIMES Designated Water Supply Facilities in accordance with the budget established as provided in Section 3 of Article VI of this Contract to the extent possible, subject to such unforeseen changes and contingencies as may arise in the ordinary course of business, and subject to emergencies or other circumstances that require deviation from the budgets.

Section 7. GRIMES's Authority to Act in an Emergency. In any emergency affecting the safety of persons, property or water quality, or the ability to meet peak demands, GRIMES shall act, at its discretion, and without prior CIWW authorization, but with reasonable notification under the circumstances to the CIWW Executive Director, to prevent threatened damage, injury, loss, or operational impairments, notwithstanding any provision in this Contract or any previously approved budget and CIWW shall have financial responsibility to reimburse GRIMES for the full costs thereof.

Section 8. Ownership of Distribution Facilities. Each CIWW Member Agency, including GRIMES, shall exclusively own, operate, maintain, and be responsible, for its own Water Distribution Facilities, including its own Connection Facilities as defined in Section 10 of this Article III.

Section 9. Connection Points. The "Connection Points" at which water is delivered by CIWW to CIWW Member Agencies, including GRIMES and other Water Producing Member Agencies, shall be as follows:

- (a) Metered Core Network Connection – In the case of water sold by CIWW to a specific CIWW Member Agency with a metered point of connection, the Connection Point shall be the tee or tap on the CIWW Core Network transmission main which serves the meter. In the case of an in-line point of connection, the Connection Point shall be a valve or other designated point on the transmission main, prior to the meter, where ownership of the pipeline transitions from CIWW to the CIWW Member Agency that is being served.
- (b) Unmetered Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, for which there is no metered point of connection, the Connection Points shall be the points at which the Water Producing Member Agency's Water Distribution Facilities connect to the CIWW Core Network transmission main.
- (c) Non-Core Network Connection – In the case of water produced by the Designated Water Supply Facilities of a Water Producing Member Agency and sold by CIWW to that Water Producing Member Agency for delivery to any retail or wholesale customer of the Water Producing Member Agency, but is not delivered through a connection to the CIWW Core Network, the Connection Point shall be a valve or other designated point of transition between the Designated Water Supply Facilities which are owned by CIWW and the Water Producing Member Agency's Water Distribution Facilities which are owned by the Water Producing Member Agency that is being served.

Section 10. Connection Facilities. As used herein "Connection Facilities" shall mean any taps, pipes, corporations, pumps, or other facilities required by any CIWW Member Agency to connect to or to receive water from the CIWW Core Network or to meter the water delivered to such Member Agency. CIWW will provide and shall own all wholesale meters installed at Member Agency Connection Points, but CIWW shall have no obligation to supply or maintain the Connection Facilities, including any facilities such as vaults or pits to contain or support wholesale meters of any CIWW Member Agency, except to the extent CIWW may otherwise agree in writing with the CIWW Member Agency. All new wholesale metering facilities that are part of any Connection Facilities shall be constructed and installed in accordance with drawing plans and specifications approved by CIWW and the affected Member Agency. Any new Connection Facilities established after the Effective Date shall include such device or devices as may be reasonably required to prevent reverse flow.

Section 11. Dual Use Facilities. The Parties recognize that some facilities and equipment, including certain valves and control systems that may be owned by either CIWW or GRIMES after Asset Transfer under the CIWW 28E-28F Agreement, will be used or usable for both Water Supply Activity on behalf of CIWW and for the Water Distribution Activity of GRIMES ("Dual Use Facilities"). GRIMES is authorized to utilize all Dual Use Facilities for both purposes. The costs of purchase, operation, maintenance, repair and replacement of Dual Use Facilities shall be reasonably allocated between CIWW and GRIMES based on benefit to each of such use by application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of the CIWW 28E-28F Agreement.

Section 12. Supply Coordination. CIWW shall assist GRIMES and other Water Producing Member Agencies in planning to meet the requirements of all CIWW Member Agencies and shall cause each CIWW Member Agency taking water from the GRIMES Designated Water Supply Facilities to keep GRIMES advised of its requirements and changing requirements. CIWW shall establish a staff-level working group consisting of a single authorized representative from each of the Member Agencies, each to individually serve as an ongoing contact point and coordinator with GRIMES to facilitate and optimize water supply operations by GRIMES. Such working group shall meet collectively when needed on call from GRIMES to coordinate and plan for GRIMES operations.

Section 13. Ancillary Agreements and Administrative Support. GRIMES shall support CIWW's ownership of the GRIMES Designated Water Supply Facilities by providing administrative and management support of such assets, and support for any agreements other than water supply agreements related thereto, to include, without limitation, management of shared use facility or property agreements, property use licenses and lease agreements with telecommunications companies, farming licenses and leases, and any other agreements related to, or affecting the GRIMES Designated Water Supply Facilities. For this purpose GRIMES is authorized to (i) administer all existing agreements affecting the GRIMES Designated Water Supply Facilities, together with any new or amended agreement authorized by CIWW; (ii) to enforce such agreements in its own name or the name of CIWW, or both; and (iii) to bill and collect revenues from such agreement for the benefit of CIWW, with such revenues to be treated as offsetting revenues under Section 1 of Article VI of this Contract.

ARTICLE IV. WARRANTIES, EXCLUSION OF WARRANTIES AND DISCLAIMERS

Section 1. Warranty and Exclusion of Implied Warranties. GRIMES warrants that its operation of the GRIMES Designated Water Supply Facilities shall be reasonable under prevailing source water and other conditions. **GRIMES MAKES NO OTHER WARRANTY OF ANY PARTICULAR RESULTS OR OUTCOME FROM ITS OPERATION OF THE GRIMES DESIGNATED WATER SUPPLY FACILITIES.**

Section 2. Disclaimers. CIWW agrees that the GRIMES Designated Water Supply Facilities of GRIMES are special purpose facilities and the performance of such facilities are affected by external conditions over which GRIMES has no control. GRIMES neither warrants nor guarantees that its facilities existing as of the date of this Contract, or its operation of such facilities, will function efficiently or accomplish any specific results under this Contract. CIWW acknowledges that no representations or warranties have been provided to CIWW regarding the GRIMES Designated Water Supply Facilities or the ability of GRIMES to deliver any particular results in the operation of such facilities. GRIMES agrees to cooperate in good faith with CIWW and its Member Agencies to exercise diligence in performing its obligations hereunder, and to use its best efforts to carry out the provisions of this Contract, but makes no guarantee of any particular results.

Section 3. Quality and Quantity. GRIMES shall use reasonable diligence and efforts to produce finished drinking water and to operate, maintain and manage the GRIMES Designated Water Supply Facilities to produce finished drinking water which is (i) in compliance with applicable State and Federal drinking water quality regulations; (ii) in compliance with all applicable water supply operation permits; and (iii) delivered in adequate quantity and at adequate pressure to meet the needs of CIWW to supply the customers of CIWW. **GRIMES MAKES NO REPRESENTATION OR WARRANTY THAT SUCH OBJECTIVES WILL ALWAYS BE MET UNDER THIS CONTRACT.**

Section 4. Shortages of Water. It is understood that this Contract does not constitute any warranty or assurance by GRIMES that water in the quantity required by CIWW and CIWW Member Agencies will always be available or that water quality requirements will always be able to be met.

Section 5. Variation in Quantity and Quality. All Parties acknowledge and agree that there may be fluctuations in the quantity and quality of finished drinking water produced or delivered under this Contract as a result of prevailing source water, operating conditions, and other conditions and that such variations are acceptable under this Contract.

ARTICLE V. CAPITAL PROJECTS

Section 1. INTENTIONALLY OMITTED.

Section 2. Other Expansion of Capacity. Under the CIWW 28E-28F Agreement CIWW is responsible for planning, engineering, financing, and construction of all new drinking water source, treatment and transmission system facilities needed to expand the capacity of CIWW to meet the requirements of its customers. Such new facilities are referred to herein as "Expansion Facilities," and may include, in CIWW's discretion, facilities constructed or installed to increase the capacity of the GRIMES Designated Water Supply Facilities. GRIMES shall cooperate and assist CIWW in planning for and constructing any Expansion Facilities that affect the GRIMES Designated Water Supply Facilities, and the construction of the Expansion Facilities shall be coordinated so as not to cause undo interference with the operation of the GRIMES Designated Water Supply Facilities. Contracts for Expansion Facilities shall be let in the name of CIWW as owner, with GRIMES acting in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints GRIMES, its staff, and contractors to act on behalf of CIWW for this purpose and CIWW shall reimburse GRIMES for all of its project costs for Expansion Facilities.

Section 3. Capital Improvements Program. GRIMES shall, in coordination with the CIWW Technical Committee, provide data and recommendations to the engineering consultant selected by CIWW, to aid the engineering consultant in developing a multi-year Capital Improvements Program ("CIP") for the GRIMES Designated Water Supply Facilities, based on performance and needs assessments as provided in Section 4 of this Article V. CIWW shall provide the capital required for such projects, and GRIMES shall cooperate with CIWW in the execution of projects under the CIP for the GRIMES Designated Water Supply Facilities with GRIMES reimbursed by CIWW for the costs incurred for its efforts.

Section 4. Joint Capital Projects. During the Term of this Contract, GRIMES shall plan and execute such Joint Capital Projects, as defined in the CIWW 28E-28F Agreement, as CIWW and GRIMES shall jointly deem necessary and proper to enable GRIMES to meet its obligations under this Contract in light of the process defined by Section 5 of this Article V, but GRIMES may proceed with any individual Joint Capital Project within limits of approved capital budgets with an estimated cost not to exceed one hundred thousand dollars (\$100,000.00), or other higher limit approved by the CIWW Board from time to time ("Small GRIMES Projects"), without consultation with, or approval by, CIWW or the CIWW Technical Committee. Planning for such projects, other than Small GRIMES Projects, shall be coordinated with the CIWW Technical Committee. Joint Capital Projects may be designed by staff of GRIMES or by consultants selected and engaged by GRIMES, or both. Contracts for Joint Capital Projects shall be let in the name of GRIMES, unless otherwise required by law or by reason of CIWW's requirements for debt issuance, and for this purpose CIWW grants authority to GRIMES to make improvements and repairs to the GRIMES Designated Water Supply Facilities and to act as its agent for such purposes. Execution of

such projects shall be under the sole supervision of GRIMES, but shall be subject to the review and approval of the CIWW Board as part of the CIWW Budget process, except for Small GRIMES Projects or projects executed under GRIMES's emergency authority provided by Section 7 of Article III. To the extent contracts for Joint Capital Projects are let in the name of CIWW as owner, GRIMES shall act in its capacity as Operating Contractor and as agent to CIWW to manage and execute such contracts for the benefit of CIWW through its staff and contractors. CIWW appoints GRIMES, its staff, and contractors to act on behalf of CIWW for this purpose. CIWW shall be responsible to pay for the costs of Joint Capital Projects as provided under the CIWW 28E-28F Agreement.

Section 5. Continuous Performance Monitoring and Needs Assessment. GRIMES shall, in consultation with the CIWW Technical Committee, the engineering consultant selected by CIWW, and CIWW staff:

- (a) Regularly monitor and assess the GRIMES Designated Water Supply Facilities to determine if they are performing optimally;
- (b) Identify and implement operational strategies to optimize the performance of the GRIMES Designated Water Supply Facilities;
- (c) Identify facility improvements needed to optimize performance of the GRIMES Designated Water Supply Facilities and to keep them in compliance with evolving regulatory requirements, source water quality threats, and evolving technical and operational best practices for facilities of such kind; and
- (d) Regularly monitor and assess the use of the GRIMES Designated Water Supply Facilities by CIWW Member Agencies to determine if their needs are being optimally met.

ARTICLE VI. COMPENSATION AND REIMBURSEMENT TO GRIMES

Section 1. Compensation. GRIMES shall be compensated in amounts equal to the actual full cost incurred by GRIMES of providing materials and services under this Contract, plus 2%, with such amounts to be computed and paid as provided in the CIWW 28E-28F Agreement and Section 2 of this Article VI, less any offsetting revenue collected directly from other CIWW Member Agencies or third parties related to GRIMES Designated Water Supply Facilities including without limitation offsetting revenue collected under Section 3 or Section 13 of Article III.

Section 2. CIWW Payment to GRIMES. CIWW shall pay GRIMES for operation, materials, supplies, and services supplied under this Contract on a cost plus basis, based on the cost and payment principles set forth in Schedule V-2 to the CIWW 28E-28F Agreement. Such amounts shall be paid in seasonally adjusted monthly installments with an annual true-up as set forth in such Schedule. For the avoidance of doubt, it is the intent of this Contract that GRIMES be paid its full actual costs, plus a fixed percentage of 2%, after such costs are fully incurred and determined.

Section 3. Operation, Maintenance, and Management (“OM&M”) Budget. For each calendar year, beginning on or after the Operational Commencement Date, GRIMES shall prepare and submit to CIWW a proposed OM&M budget for the next calendar year on such time schedule as may be required to permit the annual budget process of CIWW to proceed pursuant to the terms of the CIWW 28E-28F Agreement.

The proposed OM&M budget shall govern GRIMES’s expenditures for the budget year and shall include:

- (a) A projection of the anticipated reimbursable expenditures that will be incurred by GRIMES for production of water in the budget year, and a projection of any anticipated offsetting revenue to be directly collected by GRIMES from other Member Agencies or from third parties during the budget year;
- (b) A comparison of budgeted expenditures for the budget year to the actual expenditures for the prior budget year;
- (c) The insurance and risk management coverages to be in place for the budget year and the expected costs thereof that are chargeable to CIWW; and
- (d) Any additional information requested by CIWW in advance of GRIMES’s budget process commencement.

The Board of CIWW shall conduct a budget hearing on the proposed OM&M budget at its next meeting following receipt of the proposed budget after giving required notice under applicable law and the CIWW 28E-28F Agreement. If the proposed budget is not approved by the CIWW Board, CIWW shall provide a detailed statement to GRIMES of its objections. Any CIWW objections will be resolved by negotiation between the Parties if possible, but if no agreement is reached on all objections before the commencement of the budget year, the portions of the budget to which objection is not made shall be deemed approved. All pending objections shall be resolved by arbitration as provided in this Contract to be commenced immediately after the Parties reach impasse in discussions, and no later than the commencement of the budget year, with the arbitration to be completed by an award issued not later than 120 days after commencement of the arbitration proceedings by either party.

Pending resolution of objections: (i) GRIMES shall proceed in accordance with the portions of the proposed budget to which no objection is made; (ii) GRIMES shall defer expenditures to which objection is made to the extent practical without impairing operations under this Operating Contract; (iii) DMMW shall limit its expenditures of a required and recurring nature to levels consistent with the most recent prior approved budget to the extent practical without impairing operations under this Operating Contract; and (iv) DMMW shall otherwise be authorized to make expenditures in accordance with its proposed budget only to the extent a failure to make the expenditures would directly cause a material impairment of its ability to meet its obligations under this Operating Contract.

Section 4. Information and Input to be Provided by GRIMES. Upon the request of CIWW or any CIWW Member Agency, GRIMES shall make available such reasonably accessible information, schedules, comparisons and analysis as may be deemed reasonably necessary in order to fully analyze the proposed OM&M budget. GRIMES shall cause such members of its staff to be present at the budget hearing established by CIWW as are necessary to explain the proposed budget and respond to inquiries made concerning same.

Section 5. Other Reimbursements. In addition to the foregoing, CIWW shall also reimburse GRIMES for emergency costs incurred under Section 7 of Article III, capital projects under Article V, uninsured claims and losses under Section 6 of Article X, and any other costs beyond OM&M expenses, that are reimbursable under the terms of this Contract or the CIWW 28E-28F Agreement. Such reimbursements shall not be subject to the 2% increment specified in Section 1 of this Article.

Article VII. OBLIGATIONS OF CIWW

Section 1. Financial Obligations. CIWW shall promptly satisfy all of its financial obligations to GRIMES hereunder, including without limitation, funding under Article V for capital projects. Any loss, damage, or injury resulting from the failure of CIWW to provide funding for capital projects when reasonably requested by GRIMES shall be the sole responsibility of CIWW.

Section 2. CIWW Rates and Charges. CIWW shall at all times set, impose, and collect rates and charges to its Member Agencies that produce revenues at least sufficient to pay the expenses of operation of CIWW, including obligations to GRIMES, and all other obligations including principal and interest of bonds and other debt obligations as they become due.

Section 3. Taxes. CIWW shall pay all sales, excise, ad valorem, property, or other taxes, if any, associated with sales or operations under this Contract or assessed against CIWW property.

Section 4. Cooperation and Support. CIWW shall reasonably cooperate in good faith with GRIMES in the performance of its obligations under this Contract, and shall at all times govern and manage its affairs consistent with the terms of the CIWW 28E-28F Agreement so as to enable and support GRIMES's ability to fully perform its obligations under this Contract.

ARTICLE VIII. TERMINATION PROVISIONS

Section 1. Automatic Termination. This Contract shall automatically terminate upon the termination of existence of CIWW for any reason. Such termination shall be effective upon reversion of assets, including any dual purpose assets, to GRIMES as provided in the CIWW 28E-28F Agreement, with the intent that there shall be no interruption of water production upon termination of the existence of CIWW.

Section 2. Termination for Default. In the event that either Party determines that the other Party has defaulted in the performance of its obligations hereunder, the aggrieved Party may declare that default has occurred and give notice thereof to the defaulting Party. Notice of default shall be given in writing, shall specify the nature of the default and the provisions of the Contract involved, and shall specify what action is required of the defaulting Party to correct the default.

The defaulting Party shall have 180 days from the date of its receipt of the notice of default to correct the default. If at the end of said 180-day period the default has not, in the opinion of the aggrieved Party, been corrected, and if such default shall constitute a material breach of this Contract, the aggrieved Party may thereupon terminate the Contract for material breach by giving 60 days' written notice of termination. Termination of this Contract shall be effective at the end of said 60-day period unless judicial proceedings are initiated by either Party in a court of competent jurisdiction to determine if a material breach has occurred.

Upon termination of this Contract by the either Party, or upon entry of a court order terminating this Contract, GRIMES shall assist CIWW in assuming operation of the GRIMES Designated Water Supply Facilities. CIWW shall pay GRIMES the costs of such assistance within thirty (30) days of its receipt of an invoice for such costs.

Any disputes arising under this Section shall not be subject to mandatory arbitration.

ARTICLE IX. LIABILITY, INDEMNITY, INSURANCE, AUDIT, AND GENERAL TERMS

Section 1. No Liability. GRIMES shall not be liable to CIWW, to any Member Agency or to any of their customers by reason of any interruption or failure to provide any water supplied or for services contemplated by this Contract, or for any error of judgment by GRIMES or its staff or contractors or their employees, except for any bad faith, willful misconduct, or willful disregard for the terms of this Contract by GRIMES. Unauthorized and unanticipated willful misconduct by a GRIMES employee shall not be attributed to GRIMES for this purpose.

Section 2. Non-Liability for Main Breaks. GRIMES shall have no liability to any person for direct or indirect damage caused by water main breaks of CIWW or any other person or entity. CIWW shall indemnify GRIMES from any such claimed liabilities, and hold GRIMES harmless from all such claims, including all attorney fees and other costs of defense.

Section 3. Limitations of Liability. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS CONTRACT FOR ANY CLAIM FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR REVENUE OR THE LOSS OF USE OF EITHER, OR COSTS OF REPLACEMENT CAPITAL, EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT.

Section 4. Indemnification. GRIMES and CIWW, to the fullest extent permitted by law, each hereby agrees to indemnify, defend, pay on behalf of, and hold harmless the other and their respective elected officials, appointed officials, agents, employees and volunteers, and others working on behalf of such Party ("Indemnities"), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnities by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic

damages that arise out of or are in any way connected to this Contract. No Party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Neither the indemnity provisions in this Section, nor any other rights of indemnity held or claimed by CIWW by law or agreement, shall limit, impair, or reduce the rights of GRIMES to full compensation or reimbursement under Article VI of this Contract for OM&M costs, capital project costs, or losses that are incurred by GRIMES with respect to Water Supply Activity operations within the scope of this Contract. CIWW shall not be entitled to indemnity under this Contract, and waives any and all claims of indemnity otherwise existing or arising by law, to the fullest extent necessary so that GRIMES's right of full compensation and reimbursement under Article VI of this Contract is preserved.

Each Party's Contracts and obligations as set forth in this Section are applicable for the duration of and following expiration or termination of this Contract, regardless of the manner of termination, and notwithstanding other provisions of this Contract.

Section 5. Insurance. GRIMES shall insure the GRIMES Designated Water Supply Facilities and shall provide liability and other insurance with respect to GRIMES's work under this Contract in the respects and particulars as set forth in Exhibit A hereto. To the fullest extent permitted by law, neither this provision, nor the existence of any insurance policy procured by either GRIMES or CIWW shall be deemed to limit or be a waiver of, any immunity or other defense to liability otherwise held by either Party.

Section 6. Uninsured Claims and Losses, Self-Insured Claims, and Deductibles. To the extent GRIMES incurs a loss, expense or claim payment that is not reimbursed by insurance by reason of lack of coverage, self-insured retention, policy deductible or for any other reason, with respect to Water Supply Activity operations within the scope of this Contract or otherwise in the operation and maintenance of the GRIMES Designated Water Supply Facilities, including without limitation any losses arising from unauthorized and unanticipated willful misconduct by a GRIMES employee, CIWW will reimburse GRIMES for such amounts as incurred. Such reimbursement shall include but not be limited to costs of claims, demands, suits, deductibles and loss retentions under insurance, and all other damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and court costs.

GRIMES shall not be reimbursed for any loss, expense or claim payment that arises solely by reason of its Water Distribution Activity.

To the extent a loss, claim or expense is attributable to both Water Supply Activity on behalf of CIWW and Water Distribution Activity of GRIMES, such amount shall be reasonably allocated between CIWW and GRIMES based on application of such allocation methods as the Parties may agree upon from time to time. Any dispute as to such allocation shall be resolved under the dispute resolution provisions of this Contract.

Section 7. Audit. CIWW may by notice in writing request access to GRIMES's records for purposes of conducting an independent audit of GRIMES's financial records in relation to compensation or other amounts paid or payable by CIWW to GRIMES. Such notice shall identify the records sought for audit, and GRIMES shall provide access to the records sought for audit within 30 days after receipt of the notice requesting audit. Such audit shall be conducted by a certified public accounting firm retained by CIWW and at CIWW's sole cost. The audit findings shall be promptly provided to GRIMES. In the event that such audit reveals any overpayment or underpayment to GRIMES, the Parties shall make such

adjustments to balances paid or payable between them as the audit determines are proper, with such adjustments to be made within 30 days of the issuance of the audit report. In the event that either Party disputes the findings of the audit, it may notify the other Party of its objection thereto and request binding arbitration to resolve the matter.

Section 8. Assignment of Contract. Neither Party may assign this Contract to a third party without the written consent of the other Party.

Article X. GENERAL TERMS

Section 1. Provisions to be Severable. If any provision of this Contract is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Contract that can be given effect without the provision determined to be invalid, and to that end, the provisions of this Contract are severable.

Section 2. Notices. Notices which GRIMES or CIWW are authorized or required to give one another pursuant to this Contract shall be in writing and may be personally delivered, may be sent by ordinary mail or delivery service to the addresses for such Party reflected in the records of CIWW or GRIMES, or may be sent by electronic means, including email. Notice by personal delivery, by delivery service, or by electronic means shall be effective upon actual receipt. Mailed notices shall be effective and deemed to be received by the Party to whom directed when they are postmarked.

Section 3. Arbitration.

- (a) CIWW and GRIMES agree that any disputes and any claims relating to the adoption of any OM&M budget under this Contract, the allocation or reimbursement of costs, losses, or expenses under this Contract, or otherwise for money damages arising between or among them with regard to matters within the scope of this Contract shall be submitted to mandatory, binding arbitration at the request of any Party. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the Parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.
- (b) If the Parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the Party requesting arbitration, one named in writing by the adverse Party, and the third chosen by the first two arbitrators so chosen.
- (c) The Party requesting arbitration shall choose an arbitrator within ten (10) days following the Parties' decision that they will not agree to use one arbitrator. Failure to do so shall be deemed a waiver of its request for arbitration. If the adverse Party desires to appoint a different arbitrator, they shall name their arbitrator within ten (10) days following the receipt of notice of the naming of the first arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten (10) days following the selection of the second arbitrator. Extensions of the time periods to select arbitrators shall not be unreasonably withheld if requested prior to the original deadlines above. Should any Party refuse or neglect to supply the arbitrators with any papers or information requested in writing by the arbitrators, the arbitrators are empowered to proceed ex parte. The Parties shall agree on

the rules to govern the conduct of the arbitration, but in the absence of such an agreement, the most recently published commercial arbitration rules of the American Arbitration Association shall be deemed to apply. The arbitrator or arbitrators must provide a minimum of thirty (30) days' notice before the date set for any hearing on the merits of the dispute.

- (d) No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration. Conflicts of interest include, but are not limited to: (i) current service on the board, commission, council, or other governing body of CIWW or any Member Agency of CIWW; (ii) current employment, either as an employee or independent contractor, by any CIWW or any Member Agency of CIWW; (iii) employment, either as an employee or independent contractor, within the last five (5) years by CIWW or any Member Agency of CIWW; (iv) any prior participation in negotiations related to the dispute; (v) any direct involvement in the dispute, including as a witness to relevant facts; and (vi) other circumstances that would materially impair the ability of the individual to serve as a neutral arbitrator.
- (e) If there is one arbitrator, the award of the sole arbitrator shall be binding; if three, the agreed upon award of any two shall be binding. The award may be set aside only for reasons permitted under Iowa law.
- (f) The award of the arbitrator or arbitrators shall be in writing and separately state the factual and legal analysis relied upon to reach the decision, and it shall not be open to objection on account of the form of the proceeding or the award.
- (g) The arbitrator or arbitrators may retain special counsel for the purpose of conducting the arbitration proceedings and preparing the arbitration award. In selecting special counsel, the arbitrator or arbitrators may not retain any attorney who has represented CIWW or GRIMES within the last five (5) years.
- (h) The costs of arbitration and reasonable attorneys' fees for both Parties shall be paid by the Party requesting arbitration if it does not prevail in said arbitration proceedings. If the Party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the Parties. Costs of the arbitration include, but are not limited to, fees to the arbitrator or arbitrators, special counsel fees, and any other costs of the proceeding, but excluding reasonable attorneys' fees. If the Party requesting arbitration prevails, each Party shall be responsible for its own attorneys' fees.
- (i) CIWW and GRIMES consent that any award granted through arbitration will be confirmed in the Iowa District Court for Polk County.

Section 4. Specific Performance. In addition to any other remedies available under applicable law, CIWW and GRIMES shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Contract.

Section 5. Actions in Court. Except for disputes covered by Section 3 of this Article X requiring arbitration, either CIWW or GRIMES may bring an action in Court for declaratory relief, for specific performance, or for any equitable remedy. Any such action shall be brought in the Iowa District Court in Polk County. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH ACTION.

Section 6. Duty to Mitigate. CIWW and GRIMES each agrees that it has a duty to mitigate damages under this Contract and covenants that it will use reasonable efforts to minimize any damages it may incur as a result of an Event of Default involving any other Party.

Section 7. No Third Party Benefit and Limitation. No provision of this Contract shall inure to the benefit of any other entity, or any individual resident, taxpayer, or ratepayer of any Member Agencies of CIWW. This Contract may not be the basis of a claim or cause of action on behalf of any other person or entity against CIWW, GRIMES or any Member Agency of CIWW or any of their respective residents, taxpayers, or ratepayers.

Section 8. Entire Contract. This Contract and the CIWW 28E-28F Agreement as in force on the Effective Date hereof shall be construed to form a single agreement, and are the entire agreement between the Parties respecting the matters within the scope of this Contract. Any subsequent change or modification to the terms of this Contract shall be in the form of a duly approved and executed written amendment to this Contract.

Section 9. Governing Law. This Contract shall be governed by, construed and enforced in accordance with the laws of the State of Iowa.

Section 10. Partnership Disclaimer. Nothing in this Contract is intended nor shall be construed as in any way creating or establishing a partnership between the Parties hereto, nor as constituting any Party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.

Section 11. Counterparts. This Contract may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.

Section 12. Force Majeure. No Party shall be liable for any failure to perform any or all of the provisions of this Contract if and to the extent performance has been delayed or prevented by reason of any cause beyond the reasonable control of such Party. The expression "cause beyond the reasonable control" and the term "Force Majeure" as used in this Contract shall mean and be deemed to include, but not be limited to acts, regulations, laws, or restraints imposed by any governmental official or body; wars, hostilities, cyber attack or other sabotage, riots, or commotions; acts of God; pandemic; or fires, floods, storms, or lightning.

Article XI. EXECUTION OF CONTRACT

Section 1. Passage of Resolution. This Contract shall not go into effect unless approved by resolution of the governing boards of GRIMES and CIWW.

Section 2. Signature Pages. Each Party shall execute the separate signature page provided for it, and the Parties hereto authorize their counsel to assemble the signature pages of all signatory Parties and to append such signature pages to copies of this Contract for filing with the Iowa Secretary of State.

[Signature Pages Follow]

CENTRAL IOWA WATER WORKS

By: _____
Jody E. Smith, Board Chair

ATTEST:

Diane Munns, Board Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of December, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Jody E. Smith and Diane Munns to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and Board Secretary of CENTRAL IOWA WATER WORKS, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the 6th day of December, 2024, and that Jody E. Smith and Diane Munns acknowledged the execution of the instrument to be the voluntary act and deed of the CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF GRIMES, IOWA

By: _____
_____, Mayor

ATTEST:

_____, City Clerk

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this ____ day of _____, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, and who, being by me duly sworn, did say that they are the Mayor and City Clerk of the CITY OF GRIMES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the entity by authority of its Council, as contained in the resolution adopted by the Council on the 9th day of December, 2024, and that they each acknowledge the execution of the instrument to be the voluntary act and deed of the CITY OF GRIMES, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

EXHIBIT A

WATER SUPPLY FACILITY OPERATING CONTRACT between CENTRAL IOWA WATER WORKS and BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA

GRIMES INSURANCE REQUIREMENTS

Property Insurance

GRIMES shall procure and maintain property casualty loss insurance coverage with respect to the real property and personal property that comprises the GRIMES Designated Water Supply Facilities owned by CIWW and operated by GRIMES under this Contract. Such insurance shall be procured under one or more “all risk” or “special form” policies which shall include coverage against all risks of physical loss, including loss by fire, lightning, wind, terrorism, and other risks normally included in the standard Insurance Services Office (“ISO”) special form. Flood insurance shall be obtained through the national flood insurance program or a property insurance carrier, to the extent available. A list of the assets owned by CIWW to be insured by GRIMES shall be created by the Parties and updated as needed to reflect the assets to be insured.

The policy or policies shall be in amounts sufficient to satisfy co-insurance requirements under such policy or policies, except as waived by the CIWW Board and shall be subject to deductibles and self-insured retained risk, established by the GRIMES Board of Trustees and approved by the CIWW Board.

GRIMES shall obtain the required policy or policies in its name in its capacity as contract operator, with CIWW as an “additional insured” or “additional named insured” under such policy or policies in its capacities as owner and customer. The coverage shall be so issued as to cover the several interests of GRIMES and CIWW. CIWW shall be the loss payee under such policy or policies in case of any loss or damage.

The cost of property insurance shall be paid by GRIMES and GRIMES shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

Liability Insurance

GRIMES shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Contract by GRIMES or its agents, representatives, employees, and contractors, or by anyone for whose acts GRIMES or CIWW may be liable.

The cost of such liability insurance shall be paid by GRIMES and GRIMES shall be reimbursed for such costs by CIWW as part of the OM&M reimbursed under Article VI of this Contract.

GRIMES Liability Coverage shall include:

Commercial General Liability

GRIMES will maintain commercial general liability insurance covering all operations by or on behalf of GRIMES under this Contract on an occurrence basis against claims for personal injury, including bodily injury and death, and property damage, including loss of use.

Comprehensive Automobile Liability Insurance

GRIMES will maintain business auto liability insurance covering liability arising for owned, hired, or non-owned autos.

Workers' Compensation & Employer's Liability

GRIMES will maintain Workers' Compensation and Employer's Liability insurance as required by any applicable law or regulation. GRIMES is currently self-insured with stop loss coverage and may continue to self insure to the extent allowed by law.

Umbrella Liability

GRIMES will maintain umbrella liability insurance on an occurrence basis in excess of its underlying liability insurance policies which is at least as broad as each and every one of the underlying policies. The limits of insurance to be maintained by GRIMES may be satisfied by purchasing coverage for the limits specified or by any combination of underlying and umbrella limits so long as the total amount of insurance is not less than the limits specified in the insurance section when added to the limits specified in the Umbrella section.

Other Insurance

GRIMES shall procure and maintain other coverages insurance as either GRIMES or CIWW shall reasonably determine may be reasonably required to establish an appropriate risk mitigation and management program for the GRIMES Designated Water Supply Facilities and operations under this Contract.

Such coverage may include coverage for professional liability, builders risk, crime, cyber risk, business interruption, equipment breakdown, pollution risk, and other risks as deemed appropriate and shall include such insurance as is at the time of coverage customarily carried by owners and operators of facilities similar in kind and character to the GRIMES Designated Water Supply Facilities

The cost of such other insurance with respect to coverage related to the work under this Contract shall be paid by GRIMES and GRIMES shall be reimbursed for such costs by CIWW as provided in Article VI of this Contract.

Initial Coverage and Renewals

The forms, scope, limits, deductibles, and self-insured retained risk of all property, liability, and other policies shall be as provided in GRIMES's existing policies in force as of the Operational Commencement Date.

Coverage thereafter shall be kept in force during the Term of this Contract by renewal or procurement of new policies as initially determined by the GRIMES Board of Trustees, consistent with, and as part of, its overall insurance program, and as approved by the CIWW Board.

In the event that the GRIMES Board and CIWW do not agree as to any aspect of the insurance coverages, the position of the Party bearing the higher share of the cost of such insurance coverages shall prevail.

Verification of Insurance

GRIMES shall furnish CIWW, during the term of this Contract, with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this Contract.

Failure of CIWW to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CIWW to identify a deficiency from evidence provided will not be construed as a waiver of GRIMES's obligation to maintain such insurance.

The acceptance by CIWW of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by CIWW that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.

If GRIMES fails to maintain insurance as described in this Contract, CIWW will have the right to purchase required insurance in its own name.

CIWW reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Acceptability of Insurers

All insurance shall be provided by companies authorized to do business in Iowa and acceptable by CIWW with a company whose A.M. Best rating is "A- VII" or better.

Primary and Non-Contributing Coverage

GRIMES's insurance coverage shall be primary insurance with respect to CIWW, its officers, officials, employees, contractors and volunteers. Any insurance or self-insurance maintained by CIWW, its officers, officials, employees, contractors, or volunteers shall be in excess of GRIMES's insurance and shall not contribute with it.

Waiver of Subrogation

All insurance coverage evidenced herein shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against Contractor together with Additional Insured parties. Where permitted by law, GRIMES shall require similar written express waivers of subrogation and insurance clauses from each of its contractors of every tier. GRIMES and CIWW each agrees to mutually waive subrogation with respect to any loss or damages covered under any policy of insurance held by either of them.

Cancellation

Insurance policies required by this insurance section shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to CIWW.

Subcontractors

GRIMES shall require and verify that its sub-contractors, of every tier, shall maintain insurance meeting all the requirements herein, including Additional Insured and Waiver of Subrogation requirements.

Additional Insured under Liability Policies

GRIMES agrees to name CIWW, its officers, officials, employees and volunteers as an Additional Insured under GRIMES's general liability, automobile, and all other liability insurance policies, other than professional liability policies, with respect to liability arising out of activities, operations, or work performed by or on behalf of GRIMES under this Contract.

Minimums and Preserved Liability

To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions, and coverages of Insurance Services Office (ISO) policies, forms, and endorsements.

The limits of liability under insurance policies required by this Contract shall in no way limit GRIMES's or CIWW's actual liability.

4878-4751-7694, v. 2

RESOLUTION APPROVING OPERATING CONTRACTS, INCLUDING INSURANCE EXHIBIT, AND APPROVING DES MOINES WATER WORKS METER TO CASH SUPPLEMENT

WHEREAS, certain water utilities, rural water districts and governmental entities have created a new regional water authority as a separate public entity created under Chapter 28E and Chapter 28F, Iowa Code, known as the "Central Iowa Water Works" ("CIWW") to act as a regional water wholesale production and supply entity under the material terms and conditions as set forth in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the "CIWW Agreement");

WHEREAS, the conditions of membership of certain members in CIWW, include the transfer to CIWW of certain water production and supply assets owned by those members that are listed and described in Schedule IV-7 to the CIWW Agreement ("Water Supply Facilities") and the acquisition of such assets by CIWW under terms as set forth in CIWW Agreement with CIWW to assume obligations related to such assets as of an Operational Commencement Date and Asset Transfer Date of January 1, 2025 or such later date approved by the CIWW Board;

WHEREAS, the Board finds that an Operational Commencement Date and Asset Transfer Date of January 1, 2025 is appropriate and that the consummation of asset transfer should be completed by CIWW as of such date as provided in the CIWW Agreement with consideration therefor to be paid as set forth in the CIWW Agreement;

WHEREAS, in accordance with the CIWW Agreement, certain Member Agencies will continue to produce water and operate the assets in accordance with Operating Contracts entered into between CIWW and those Member Agencies; and

WHEREAS, the Board desires to enter into the Operating Contracts attached hereto as Exhibits "A", "C", "D" and "E", including the Insurance Exhibit thereto, and a Meter to Cash Supplement to the Operating Contract with Des Moines Water Works attached hereto as Exhibit "B," to enable Operational Commencement by CIWW as of January 1, 2025.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Central Iowa Water Works hereby finds that it is in the best interest of CIWW to enter into the Operating Contracts attached hereto as Exhibits "A", "C", "D" and "E" and a Meter to Cash Supplement to the contract with Des Moines Water Works attached hereto as Exhibit "B" (such contracts and supplement are collectively the "Operating Contracts") and hereby authorizes and approves each of the Operating Contracts as attached, and waives any requirement that such Operating Contract be in the form previously approved by the Water Producing Members prior to the formation of CIWW.

BE IT FURTHER RESOLVED, the Board hereby authorizes and directs the commencement of CIWW operations on January 1, 2025 under the terms of the Operating Contracts and the CIWW Agreement.

BE IT FURTHER RESOLVED, that (i) the Board Chair and Secretary together, individually or collectively be, and are, hereby authorized, empowered and directed to execute, attest, and deliver the Operating Contracts in accordance with these resolutions and the CIWW Agreement for and on behalf of CIWW; (ii) the Board Chair and Secretary, the Executive Director, and the other officers of CIWW be, and are, hereby authorized, empowered and directed, individually or jointly to do all such acts and things, and to execute all such documents as may be necessary to carry out the Operating Contracts; and (iii) the Board Chair and Secretary, the Executive Director, and the other officers of CIWW be, and are, hereby authorized, empowered and directed, individually or jointly to do all such acts and things, necessary or appropriate to carry out and comply with this Resolution.

PASSED AND APPROVED this 6th day of December 2024.

Jody E. Smith, Board Chair

Attest:

Diane Munns, Board Secretary

Exhibit "A": Operating Contract-Des Moines Water Works

[Insert full text of Contract]

Exhibit "B": Meter to Cash Supplement to Operating Contract

[Insert full text of Supplement]

Exhibit "C": Operating Contract-West Des Moines Water Works

[Insert full text of Contract]

Exhibit "D": Operating Contract-Polk City

[Insert full text of Contract]

Exhibit "E": Operating Contract-City of Grimes

[Insert full text of Contract]



**CENTRAL IOWA WATER WORKS
BOARD OF TRUSTEES ACTION ITEM FORM**

Meeting Date: December 6, 2024

ITEM NUMBER: 6B

SUBJECT: Motion to Approve Executive Director Spending Authority

SUMMARY:

To facilitate the efficient operation of CIWW administrative functions, it is recommended a spending authority of \$50,000 per transaction be established for the Executive Director to allow the Executive Director to make purchases and approve payments.

Each Board Clerk (Christina Murphy, Ted Corrigan, and Amy Kahler) continue to have spending authority of \$5,000 per transaction under the Interim Purchasing and Expenditure Policy.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

Motion to approve a spending authority of \$50,000 for the Executive Director of Central Iowa Water Works.

Prepared by: _____

Amy Kahler