MONROE COUNTY WATER AUTHORITY

DEBT MANAGEMENT POLICY

(READOPTED NOVEMBER 2025~~5~~6)

This policy seeks to establish guidelines for the use and management of debt by the Monroe County Water Authority (the "Authority"), including taking steps to minimize the Authority's debt service and issuance costs, retain the highest practical credit rating, and promote full and complete financial disclosure and reporting. This policy is a guideline for general use, allows for exceptions in extraordinary conditions, and applies to all debt issued by the Authority.

ARTICLE I
CREDITWORTHINESS OBJECTIVES, PURPOSES AND USES OF DEBT

Section 1. Credit Rating. The Authority seeks to maintain the highest possible credit ratings for all categories of short and long-term debt, but only if doing so will not compromise the delivery of water or the Authority's adopted policy objectives.

While economic, natural, or other events may from time to time affect the creditworthiness of its debt, the Authority will work to have the actions within its control be fiscally prudent.

Section 2. Financial Disclosure. The Authority intends to make full and complete financial disclosures, and will cooperate fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The Authority intends to comply fully with the secondary disclosure requirements in Securities and Exchange Commission Rule 15c2-12. The Director of Finance and Business Services, his or her designee, or such other person as the Authority may designate in writing to the Trustee or as a part of a continuing disclosure agreement will be the Responsible Party (as defined in the secondary market disclosure requirements). The Director of Finance and Business Services will ensure compliance with required secondary market disclosures made on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (EMMA).

Section 3. Capital Planning. To enhance its creditworthiness and prudent financial management, the Authority is committed to (i) systematic capital planning through adoption of an annual capital budget, which includes an additional five-year capital budget forecast, (ii) intergovernmental cooperation and coordination, and (iii) long-term financial planning.

Section 4. Capital Financing. The Authority normally will fund its operating needs and capital projects on a pay-as-you-go basis. It will issue debt only for capital projects.

Section 5. Debt Limits. The Authority will keep outstanding debt at levels consistent with its objectives under Section 1 and Section 3 of this Article, its Capital Budget, and its Capital Budget Forecast. If the Authority issues debt where the County of Monroe, the County of Genesee or a similar public body is contractually bound to pay the debt service, the Authority may disregard such debt for purposes of calculating the amount of its outstanding debt.

ARTICLE II
DEBT STANDARDS AND STRUCTURE

Section 1. Coverage Ratio. So long as any bonds are outstanding, the Members of the Authority each year will adopt a budget plan to maintain water rates, fees, rentals and other charges at levels necessary during such fiscal year for net revenues to satisfy the minimum debt service coverage ratio required by its Trust Indenture, as amended from time to time.

Section 2. Length of Debt. The Authority will structure its debt for a period consistent with a fair allocation of costs between current and future ratepayers and consistent with the useful life of the assets being financed.

Section 3. Debt Structure. Based on market conditions, the urgency of the capital projects and the Authority's goals for prudent and equitable water rate management, the Authority will structure its debt to achieve the lowest possible net cost to the Authority, and the maturities will be consistent with the useful life of the assets being financed. If possible, the Authority will design the repayment of its overall debt to repay principal as rapidly as possible, consistent with maintaining annual debt service payments that protect against paying too much or too little debt service in any one or more years.

Section 4. Types of Bonds. The Authority may issue serial bonds, term bonds, capital appreciation bonds, put bonds or variable rate bonds. Variable rate bonds will be limited to 20% of the Authority's total outstanding bond principal. The Authority will use short-term borrowing, such as bond anticipation notes, only if the transaction costs plus interest on the debt are less than the cost of internal financing, or if available cash cannot meet capital needs.

Section 5. Use of Derivatives. The Authority will not use derivatives when issuing debt for Authority purposes. A derivative is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures, and options, and other hedging mechanisms such as caps, floors, collars, and rate locks.

ARTICLE III
DEBT ADMINISTRATION AND PROCESS

Section 1. Bond Counsel. For all debt issues, the Authority will retain external Bond Counsel.

Section 2. Financial Advisor. For all debt issues, the Authority will retain an external Financial Advisor to advise on the financial aspects of the transaction.

Section 3. Types of Bond Sales. The Authority will issue debt either through a competitive bidding process or by negotiated sale.

Section 4. Investment of Bond Proceeds. The Authority will invest all bond proceeds in accordance with its bond indenture, its Annual Statement of Investment Policy, and applicable New York laws.

Section 5. Arbitrage Bonds. Treasury Regulations §1.148 establishes guidelines for the direct and indirect investment of bond proceeds, including when certain earnings on higher yielding investments must be rebated to the United States. Because a violation may cause bonds to become "arbitrage bonds" (i.e., bonds whose interest is not excludable from the gross income of bondholders), the Authority will comply with all applicable regulations in order to protect the tax-exempt status of its bond issues.

The Director of Finance and Business Services will engage a professional rebate analyst to determine whether the Authority must make rebate payments to the United States. The initial computation date must be no later than five years after the issue date. During the term of the bonds, the rebate analyst will make additional computations no later than five years from each preceding computation date, and it will make a final computation on the final maturity date.

Section 6. Controlling Documents. If any portion of this policy conflicts with the terms of the Authority's Post-Issuance Compliance Procedures, any Tax Compliance Agreement (or similar document), or any tax advice rendered by nationally recognized bond counsel, this policy shall be superseded by such other document(s).



MONROE COUNTY WATER AUTHORITY

Current

Rate

Schedule

Effective January 1, 202~~6~~7

XI. RATES, FEES AND OTHER CHARGES FOR WATER SERVICE

Rates for sale of water to all customers of the Authority excluding water sold to the City of Rochester and others pursuant to special contracts.

11.1 BILLING

All billing of charges for water and water services is in arrears. All charges for service connections are payable in advance.

11.2 RETAIL SERVICE METERED RATES

A. Base Charge

The charge for each connection is dependent upon meter size.

Meter Size	Charge per Day
Up to ¾"	$ ~~0.29~~0.30
1"	~~0.73~~0.75
1½"	~~1.46~~1.51
2"	~~2.33~~2.40
3"	~~4.68~~4.82
4"	~~7.31~~7.54
6"	~~14.62~~15.07
8"	~~23.40~~24.12
10"	~~61.40~~63.30

B. Commodity Charge (per 1000 gallons)

The charge for all water consumption.

(1) **Residential Class** includes all residential, small commercial and community service establishments in Monroe County. $ ~~4.39~~4.58

(2) **Non-Residential Class** includes large commercial, industrial, municipal and all other direct retail customers in Monroe County.

(a) First 125,000 gallons ~~4.39~~4.58
(b) Each additional 1,000 gallons ~~3.13~~3.27

(3) **Out-of-County Landfill Class** within the Town of Bergen or the Village of Bergen, Genesee County. ~~4.39~~4.58

(4) **Out-of-County Class** includes residential, small commercial and community service establishments located outside of Monroe County, except any area covered under existing agreements, or where water is purchased by MCWA from a third party.

(11.2B(1) x 110%) ~~4.81~~5.02

(5) **Western Genesee County Class** includes all customers in Genesee County served by water purchased by MCWA from a third party. ~~8.28~~8.47

(6) **Town of Richmond Class** includes all customers in the Town of Richmond. ~~6.71~~7.01

11.3 WHOLESALE SERVICE METERED RATES – Billed Monthly

A. Base Charge

The charge for each connection is dependent upon meter size.

Meter Size	Charge per Day
Up to ¾"	~~0.29~~0.30
1"	~~0.73~~0.75
1½"	~~1.46~~1.51
2"	~~2.33~~2.40
3"	~~4.68~~4.82
4"	~~7.31~~7.54
6"	~~14.62~~15.07
8"	~~23.40~~24.12
10"	~~61.40~~63.30

B. Commodity Charge (per 1000 gallons)

The charge for all water consumption.

(1) **Wholesale Class** includes all towns, villages, or water districts within Monroe County, that have contracts with the Authority to purchase their total water supply from the Authority.

~~2.95~~3.23

(2) **Wholesale Out-of-County Class** includes all towns or villages, outside Monroe County, with water districts that have contracts with the Authority to purchase their total water supply from the Authority, except where water is purchased by MCWA from a third party.

(11.3B(1) x 110%) ~~3.25~~3.56

(3) **Wholesale Western Genesee County Class** includes service to towns and villages in Genesee County that have contracts with the Authority to purchase their entire water supply from the Authority and where such water supply is purchased by the Authority from a third party. ~~6.84~~7.12

(4) **Wholesale Town of Canadice**, includes service to the Town of Canadice that has contracted with the Authority to purchase their entire water supply from the Authority and where such water supply is purchased by the Authority from a third party.

~~5.15~~5.55

11.4 SUPPLEMENTAL SUPPLY RATES

The rate for all water sold as a supplemental supply to a water district or other municipality with its principal supply elsewhere or as the entire supply to water district or municipality that does not have a contract with the Authority to purchase its total supply from the Authority.

A. Base Charge

The charge for each connection is dependent upon meter size.

Meter Size	Charge Per Month
4" or Less	$ ~~219.30~~226.20
6"	~~438.60~~452.10
8"	~~702.00~~723.60
10"	~~1,842.00~~1,899.00

B. Commodity Charge per 1000 gallons in Monroe County $ ~~4.39~~4.58

C. Commodity Charge per 1000 gallons outside of Monroe County

Out-Of-County (as described in 11.2B(4)) ~~4.81~~5.02

Western Genesee County Service Area (as described in 11.2B(5)) ~~8.28~~8.47

D. Large Commercial Customer

Commodity charge per 1000 gallons when the Authority must purchase the supply from another purveyor without benefit of a Contract.

At Cost

11.5 FIRE PROTECTION RATES

A. Private Fire Protection

(1) Private hydrants, fire sprinkler systems, and service lines sized for fire protection.

Service Size	Charge Per Quarter
1" to 2"	$ 29.73
3"	54.05
4”	59.45
6”	108.10
8"	172.95
10”	237.81
12"	324.30
16"	432.40

(2) There is no charge for metered sprinkler systems in residential (3 units or less) homes with service size less than three inches.

(3) There is no charge to fire departments for privately-owned hydrants used expressly for training, at preapproved locations, or in the conduct of fire-fighting operations.

B. Public Fire Protection

There is no charge to fire districts for fire protection furnished through hydrants located on a street in the public right-of-way, or on an easement granted to the Authority, or for training events if conducted at preapproved hydrant locations with advanced notification to the Authority.

C. Additional Public Hydrants

The annual maintenance fee for Additional Public Hydrants installed under Article VII.

$ 200.00

11.6 ACCOUNT CHARGE

An account charge shall be paid by each applicant for a water service account.

New Account	$ 30.00
Account Transfer	30.00

11.7 SERVICE CONNECTION CHARGE

A. No charge is made for local facilities which exist in a public right-of-way or in an easement of the Authority that is contiguous with the property of an applicant for water service. Within certain leased water districts, the applicant may be liable to the water district for charges to connect to its local facilities leased to the Authority.

Where local facilities do not exist contiguous to the applicant's property, such applicant must arrange for an extension of mains (Article VI) at the expense of the applicant.

B. A service connection charge shall be paid by each new applicant for each new service and meter installation on an existing water main prior to approval of the application. The service connection charge includes the installation of a 1-inch water service within the public right-of-way or easement, a 5/8-inch by 3/4-inch meter, and the creation of a new account.

Service Connection Charge	$	~~3,350.00~~3,450.00 (1) (2)

(1)In the event that multiple services are installed in the same excavation, a partial refund is available for a two-year period from the date of payment. 25% of the cost for each additional service (this does not include the first service which is not eligible for any refund) will be refunded if the service is activated within the two-year period.

(2)New water services greater than 1-inch in diameter or new water meters larger than 5/8-inch by 3/4-inch will be charged at cost. Services installed as part of a new Water District extension or formation or a Developers Main Extension shall be installed under the Main Extension Agreement with the Town or the Developer.

C. Meter Tile Installations

(1) Up to 1" - At the Time of Service Application/Installation	$ ~~400.00~~420.00
(2) Greater than 1" – At the Time of Service Application/Installation	At Cost
(3) Existing Service	At Cost

D. Access Easement/Well Separation $1,000.00

For customers maintaining a well supply on premises.

E. County Clerk Filing Fees At Cost

11.8 FIELD SERVICE CHARGES

Type of Service

A. Meter Test - Customer's Request

Up to 1" Size	$ ~~75.00~~100.00
1½" & 2" Size	~~100.00~~125.00
Over 2" Size	At Cost

B. Service Status Change - Customer's Request

(1) Shut Off and/or Meter Removal	$ 40.00
(2) Turn On and/or Meter Set	40.00

C. Shut Off and/or Turn On – Customer's Request - After Hours
Between the hours of 4:00 p.m. and 7:00 a.m. Monday through Sunday

(1) Shut Off	$ 80.00
(2) Turn On	80.00

D. Meter

(1) 5/8” x 3/4"	$ 250.00
(2) 1” & Over	At Cost
(3) RPZ	At Cost

E. Well Separation Inspection Fee $ 80.00

F. Special Service - by application only

(1) Temporary Service - A complete one-inch water service installed to supply water for a short period.

Temporary Service Installation -	$ ~~3,070.00~~3,170.00
Temporary Service Abandonment -	At Cost
Deposit -	500.00
Water Service Metered Rates -	Per Section 11.2A & B

(2) Hydrant Supply - Irrigation or Construction - Water supply from an authorized hydrant with meter and backflow prevention installed and removed by MCWA only.

Deposit -	$ 850.00
Equipment Fee / Setup & Removal -	180.00
Relocation Fee -	$ 100.00
Water Service Metered Rates -	Per Section 11.2A & B

Hydrant Supply – Municipal Use - Water supply from authorized hydrants with meter and backflow prevention installed by the permitted municipality for use with their mobile equipment. Not intended for permanent installation.

Equipment Use Fee -	$ 350.00

(3) Tanker Supply - A supply drawn from specific authorized locations for use in filling water transport vehicles.

Seasonal Permit:	First Vehicle - $ 200.00 Each Additional Vehicle $ 100.00 Wrench Deposit - $ 150.00

G. Unauthorized Use or Operation Fee

First Occurrence -	$ 500.00 + Costs Incurred
Each Additional Occurrence -	$1,000.00 + Costs Incurred

Any unauthorized use or operation of the Authority’s water supply system.

H. Private hydrant and/or Water Main Maintenance Agreement

(1) Set Up Fee $ 200.00

(2) Private Hydrant Inspections - Inspection service performed twice a year per hydrant.

(a) Up to two hydrants	$ 60.00/yr.
(b) Each additional hydrant	45.00/yr.

Repairs and replacements at owner's cost.

I. Service Discontinuance Fee $ 80.00

Water service discontinued due to noncompliance of the Authority's Rules.

J. New Fire Flow Test – At Customer's Request $ 300.00

K. Backflow Prevention Device Test

The Water Authority may test a backflow prevention device to avoid the discontinuance of water service for noncompliance with Health Department regulations. No plumbing or repair work is to be completed.

Device Size	Charge Per Device
Less than 4"	$ 300.00
4" & 6"	400.00
8" & Larger	500.00

11.9 DELINQUENCY CHARGES

A. Late Payment

Accounts become delinquent twenty (20) calendar days after a billing date. 10% of current bill

B. Non-Negotiable Payment

To defray the costs incurred for handling, a charge will be added to any account when payment on that account is returned by the banking system as a non-negotiable check or electronic payment.

$ 20.00

C. Service Discontinuance

Any water service account which carries an unpaid balance sixty (60) calendar days past the due date is subject to discontinuance of service and the following additional charge at the time of restoration:

$ 80.00

11.10 LABORATORY SERVICES

Authority served Water District distribution monitoring samples mandated by the NYS Department of Health may be tested and reported for bacteriological quality under letter Agreement with the Authority at the following fee schedule:

A. Water sample testing fee $ ~~55.00~~60.00 per sample

B. Charge for water samples picked up by MCWA at central location in Township. $ 30.00 per stop

Other tests as requested or required At Cost

The Authority furnishes all sample containers and expendable supplies. Billing is quarterly.