Rural Water
FINANCING AGENCY

Rural Water Financing Agency

Financing Alternatives for Utilities and Governmental Borrowers

October 2026

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Section 1

OVERVIEW OF RURAL WATER FINANCING AGENCY

RWFA can lend to governmental entity borrowers in all 50 states

The Rural Water Financing Agency is a public agency designed to finance public projects on a pooled basis.

QUICK, EASY & COST EFFECTIVE!

INTERIM PROGRAM

- Construction financing with a USDA takeout
- Fixed rate for the term of construction
- Streamlined and efficient
- All costs included in the loan rate

FLEX TERM PROGRAM

- AA- rated, no DSRF requirement
- Variety of project types and uses
- Fixed rate, 1-30 years
- Funding in 60-120 days

Rural Water Financing Agency

Program case studies

$1,250,000,000*

Rural Water Financing Agency

INTERIM PROGRAM

1995-present

500+ LOANS

MIG-1 rated program



$965,000,000*

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FLEX-TERM PROGRAM

2001-present

380+ LOANS

AA- rated program



*Includes the agency's predecessor

Rural Water partner

The Agency is headquartered in Bowling Green, KY and has partnership agreements in place with 20 state rural water associations



Gary Larimore is President / CEO of RWFA and the former Executive Director of KRWA



Rural Water Financing Agency

Finance team

RURAL WATER FINANCING AGENCY

- Issuer of debt
- Program oversight
- Approvals

RAYMOND JAMES

- Program management, financials and cashflows, CDU
- Underwriter (Interim Loan Program)
- Municipal advisor (Flex Term Program)
- Rating presentations
- Borrower and investor coordination

RUBIN & HAYS

- RWFA bond counsel
- Provide tax-exempt opinion
- Draft legal docs
- Review underlying loans

REGIONS BANK

- RWFA trustee
- Debt service payments
- Loan disbursements
- Loan payoffs

Borrowers can work with their bond counsel and municipal advisor

ruralwaterfinance.com

LOAN APPLICATION

Rural Water
FINANCING AGENCY

Phone Number
(844) 675-2627

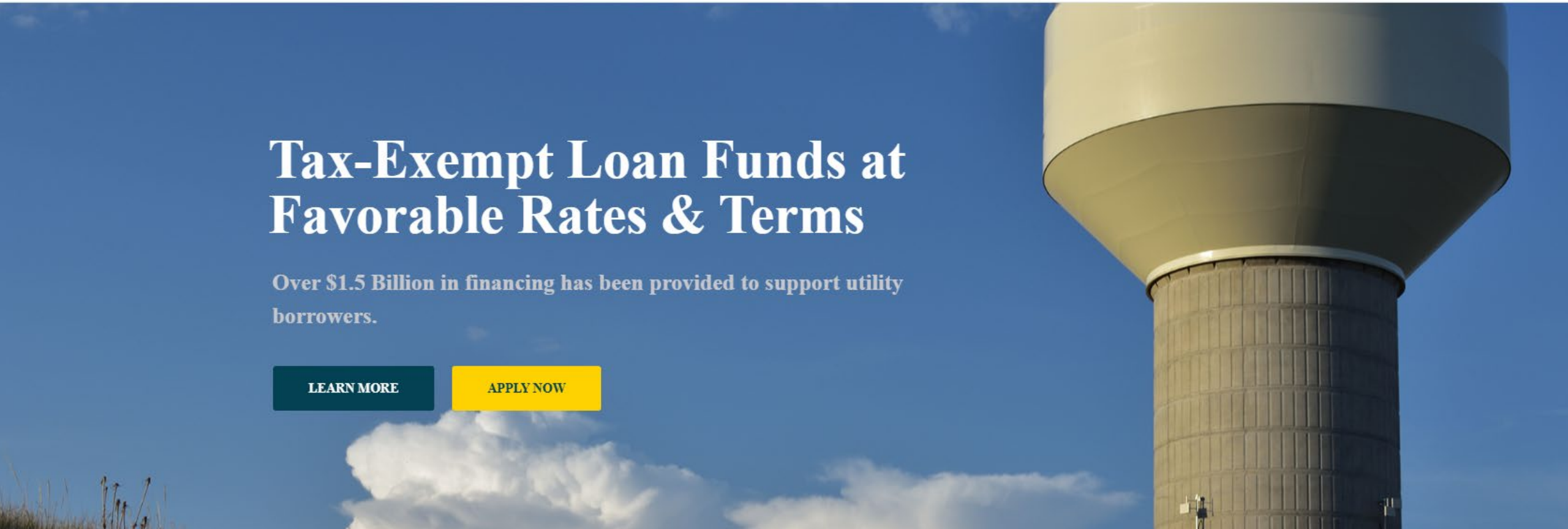
Contact Email
info@ruralwaterfinance.com

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Tax-Exempt Loan Funds at Favorable Rates & Terms

Over $1.5 Billion in financing has been provided to support utility borrowers.

LEARN MORE APPLY NOW



Section 2

FLEX TERM PROGRAM

Flex Term Program

Borrower and project eligibility

ELIGIBLE BORROWERS

Public agencies (non-profits are not eligible), regardless of population

- **Revenue** supported: have and maintain a 1.20x debt service coverage ratio (rate and tax increases can be taken into consideration in the analysis)
- **General obligation** supported: analysis of the governmental entity



ELIGIBLE PROJECTS

Any governmental-type project

- Utilities, city, county, special district, schools, etc.
- Cannot fund electric-only or gas-only projects

Projects are not subject to Davis Bacon, BABAA, American Iron and Steel



Flex Term Program: purposes and benefits



QUICK ACCESS TO FLEXIBLE TERMS

- 1-to 30-year Maturity
- Fixed Rate
- Amortization options
- Access to funds in approximately 60-120 days
- Anticipated market issuances of 4-5 times per year



HIGHLY RATED

- AA- rated by S&P
- The interest rate is locked in on the day the program bonds are sold
- Costs of issuance vary by size of borrower; a detailed estimate is available upon request



RESERVE BENEFIT

- No reserve fund requirement for borrower
- Borrower has access to RWFA program reserve (approximately $47M)

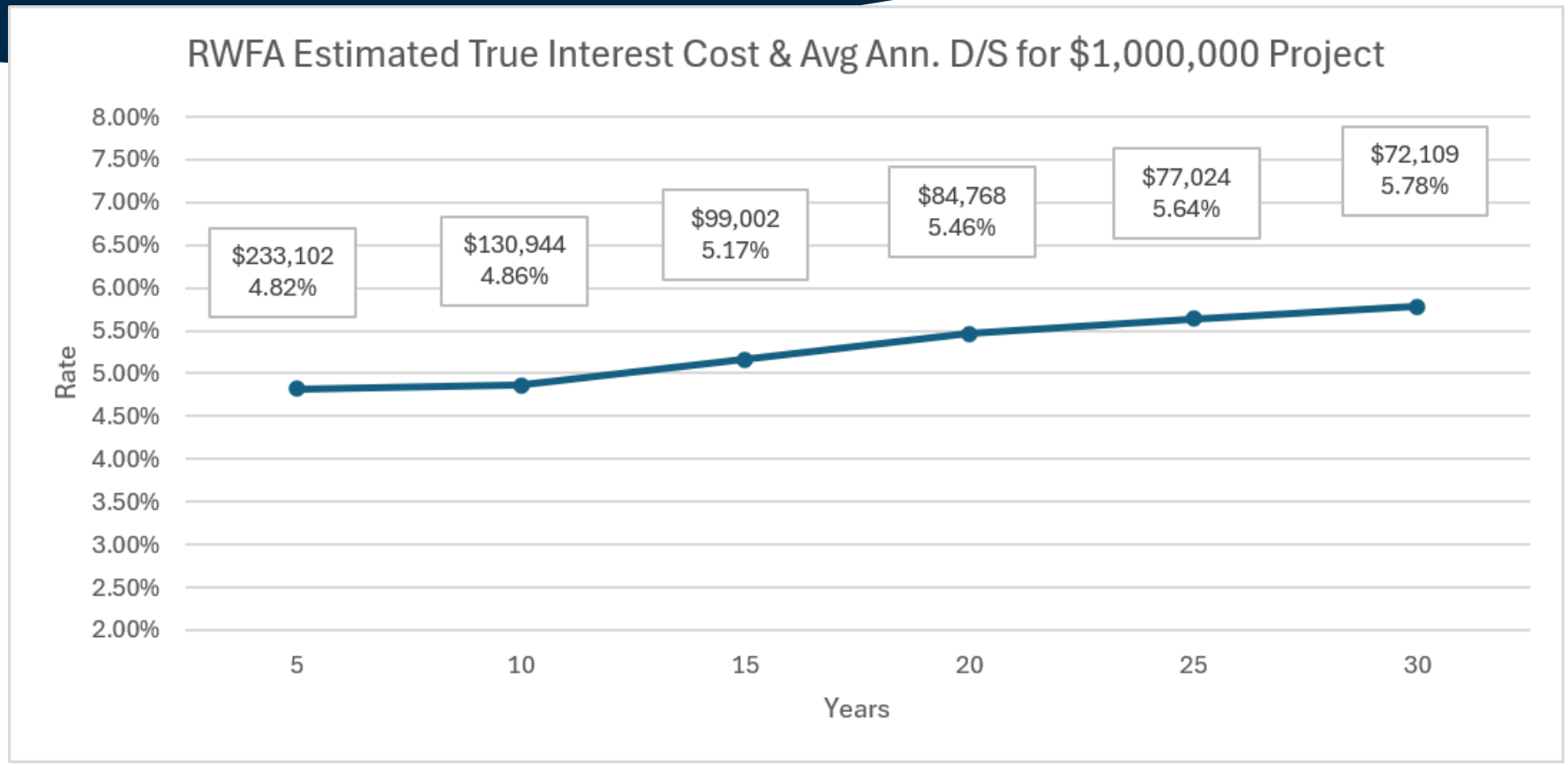


VARIETY OF PROJECT TYPES

- Acquisition, construction, improvement
- Refinancing
- Interim funding prior to USDA takeout letter
- Match funding and cost overruns
- No minimum size, approximately $30M maximum

Flex Term Program: Estimated rates & debt service

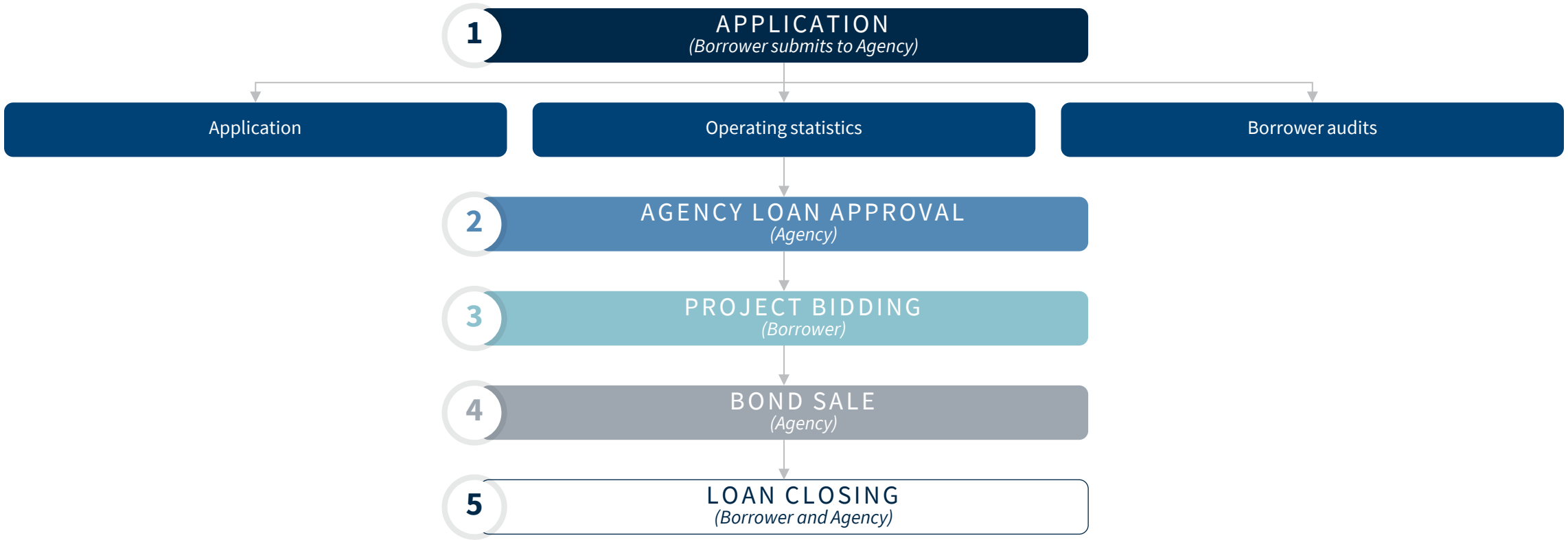
Hypothetical $1,000,000 project



*As of 9/28/2026

Flex Term Program: typical process

Streamlined and efficient



Flex Term Program: Historical & Estimated Calendar

2025 & 2026

	2025 Issuances					
	March	**June**	**July**	**September**	**December**	**Totals**
Borrower Applications Due	2/1	5/1	6/1	8/1	11/1	
Bond Sale	3/12	6/10	7/1	9/9	12/4	
Bond Closing	3/26	6/30	7/17	9/30	12/18	
Par Amount	$20,525,000	$53,885,000	$22,985,000	$55,235,000	$68,320,000	$220,950,000
# of Borrowers	4	17	1	13	8	43
# of States	4	8	1	7	7	11

	2026 Issuances				
	March	**June**	**September**	**December (est.)**	**Totals**
Borrower Applications Due	2/1	5/1	8/1	10/30	
Bond Sale	3/10	6/11	9/9	12/3	
Bond Closing	3/31	6/30	9/29	12/22	
Par Amount	$40,985,000	$52,340,000	$24,985,000	TBD	$118,310,000
# of Borrowers	6	8	7	TBD	21
# of States	5	4	4	TBD	TBD

Note: RWFA reserves the right to adjust the schedule and add additional pools to fulfill borrower demand.

Rural Water Financing Agency

Series 2025 C

$53,885,000

Rural Water Financing Agency
Flex term loans to 17 borrowers

Sale date: June 10, 2025

Closing date: June 30, 2025

CONTACTS

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KRWA / RWFA // 270.843.2291

BACKGROUND

- The Series 2025 C bonds were issued to fund loans to 17 borrowers for various projects, as well as to fund additional program debt service reserve funds
- Borrowers were from 8 states (Kentucky, Pennsylvania, Missouri, Utah, Arkansas, Texas, Indiana and Kansas)
- The sizes of the loans ranged from $490,000 to $9,210,000, and maturities varied from 5-30 years
- The true interest costs on the loans ranged from 3.81% to 5.19% (depending on the maturity)

SUCCESSFUL OUTCOME

- This Flex Term Program bond issue, rated AA-, funded a variety of projects including water system improvements, sewer system improvements, new water meters, a new library, city projects (fire trucks, street improvements, city building improvements), land purchase, and refinancing
- None of the borrowers in this 2025C Series had bond ratings and they were able to benefit from the AA- rating of the Flex Term Program and the lack of a borrower reserve fund requirement
- All borrowers and their advisors were pleased with the outcome and were kept abreast of estimated interest rates and the potential effect on their debt service on a weekly basis leading up to the bond sale

Raymond James serves as municipal advisor to the Flex Term Program. This summary may not be representative of the experience of other clients and is not a guarantee of future performance or success. Past performance is not indicative of future results. The information contained herein has been obtained from sources considered to be reliable, but we do not guarantee the forgoing material is accurate or complete.

Rural Water Financing Agency

Series 2022 D – 2026 B

$22,985,000

Rural Water Financing Agency
Flex Term Loan to:
Warren County Water District (KY)

Series 2022D, 2024D, 2025D, 2026B

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BACKGROUND

- Warren County is one of the fastest growing counties in Kentucky, and the Water District has the need to drastically expand its capacity, run new lines to the expanding footprint and to a major industrial park
- Because of the fluidity of the projects, potential grant funding and the need to determine the amount of the rate increase needed to fund the full projects, Warren County Water District opted to fund the bond-funded side of their project in several phases:
  1. Series 2022D Bond Anticipation Note #1: **$11,370,000**
  2. Series 2024D Bond Anticipation Note #2: **$11,880,000**
  3. Series 2025D Bond Anticipation Note #3: **$22,985,000**
  4. Series 2026B Long-Term financing: **$20,730,000 + TBD**
- The District's first Note was issued in October 2022 was refunded and extended for one year in July 2024. The District issued its third note through RWFA in July 2025 which completed most of its projects and allowed time for the rate increases to take effect.

SUCCESSFUL OUTCOME

- The Water District benefits included:
  1. A shortened time period to receive the first tranches of funds
  2. Provided additional time for the District to refine the finance plan to determine other potential sources of project funding (grants and subsidized funds) before approaching the rating agency
- The Series 2022D BAN was issued to yield 3.50%, the Series 2024D BAN was issued to yield 3.25% and the Series 2025D BAN was issued to yield 3.375%.
- The $20,730,000 Series 2026B long-term bonds were sold with a 4.74% true interest cost.
- The Water District was very pleased with the results and is looking forward to further transitioning to long-term financing in the coming years

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Section 3

INTERIM PROGRAM

Purposes and benefits

COMPETITIVE RATES

- Est. 2-year rate: 5.65% *
- Est. investment rate: 3.57% *
- Includes all RWFA costs (underwriting, RWFA bond counsel, rating, etc.)
- Fixed rate for the term of debt (12- to 30-month average)
- Average cost on closed loans: **2.29%**

ECONOMIES OF SCALE

- Standardized and consistent loan process
- Benefits to borrowers, counsels, advisors, USDA and others

APPEALING TERMS

- No minimum, no maximum loan amount
- Interest is capitalized from loan proceeds, borrower does not pay interest from operations
- Prepayable without penalty after 6-9 months
- USDA oversight ensures their takeout

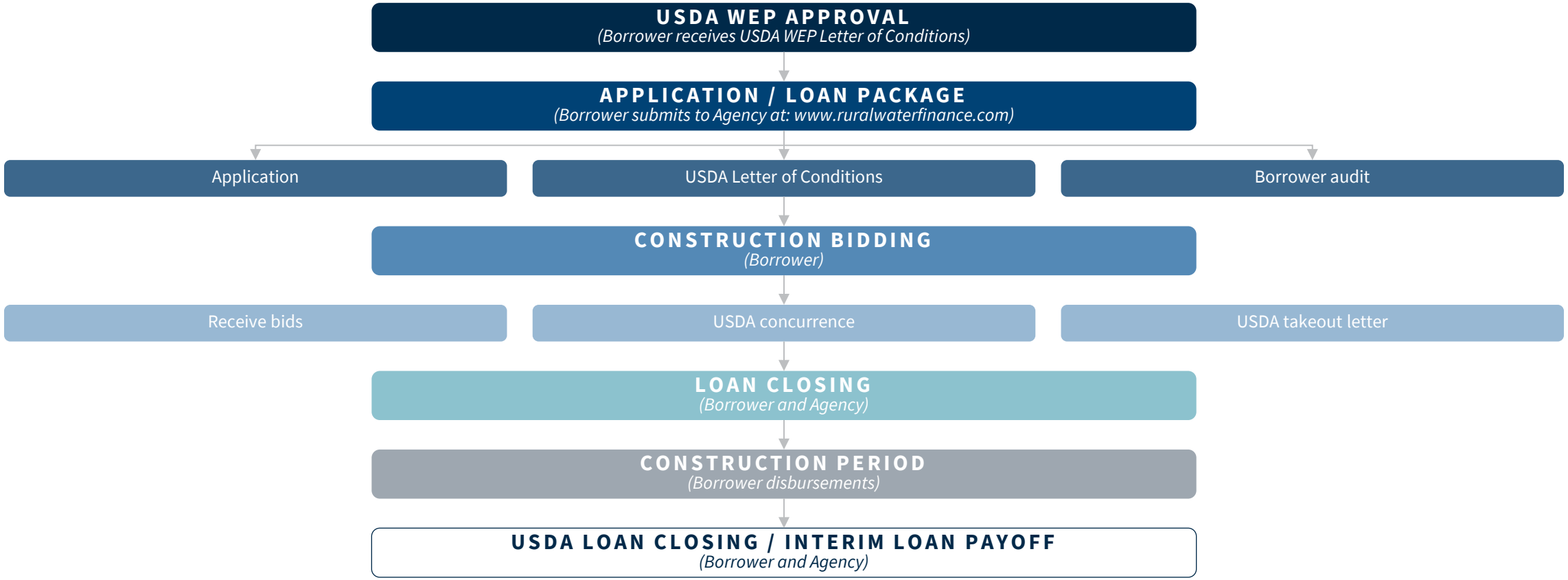
MEETS REGULATIONS / CASHFLOW BENEFIT

- Meets USDA regulations – USDA requires interim financing
- Serves as an interest rate hedge for USDA projects
- Borrower can defer principal

*As of 9/28/2026

Interim Program: process

Streamlined and efficient



Rural Water Financing Agency

Series 2023 A

$26,750,000

Rural Water Financing Agency
Interim Loans to 13 borrowers

Sale date: March 21, 2023
Maturity date: November 1, 2025

CONTACTS

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BACKGROUND

- The Series 2023 A Bonds were issued to fund loans to 13 borrowers (seven initial borrowers and six subsequent borrowers), all for a variety of water and sewer projects with a USDA takeout commitment
- Borrowers were from 5 states (Kentucky, Iowa, Idaho, Utah and Wisconsin)
- The sizes of the loans ranged from $414,000 to $8,250,000, and maturities varied from 6-30 months

SUCCESSFUL OUTCOME

- The net interest costs on the closed loans ranged from 1.06% to 3.07% (depending on the borrower's draw schedule and earnings)
- All borrowers were pleased with the outcome and the process that allowed them to construct their projects while waiting for the USDA direct loan to close

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Questions?

Rural Water FINANCING AGENCY

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