NEW ISSUES

MOODY'S INVESTORS SERVICE: "Aa1" **See "BOND RATING" herein**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax under the Code, however interest on the 2025 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that interest on the 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York.) Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount accrual or receipt of interest on the 2025 Bonds. See "TAX MATTERS".

The 2025 Bonds will NOT be deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$20,245,000

ONONDAGA COUNTY WATER AUTHORITY

(NEW YORK)

CUSIP BASE: 682760

$3,665,000 General Water System Revenue Bonds, 2025 Series A

(the "2025 Series A Bonds")

Dated: Date of Delivery **Due: December 1, 2025**
June 1, 2026-2055

Year	Amount	Interest Rate	Price or Yield	CSP	Year	Amount	Interest Rate	Price or Yield	CSP
2025	$ 60,000	5.000%	3.100%	LG6	2036	$ 90,000	5.000%	3.690%	LT8
2026	55,000	5.000	2.920	LH4	2037	90,000	5.000	3.800	LU5
2027	55,000	5.000	2.900	LJ0	2038	95,000	5.000	3.980	LV3
2028	60,000	5.000	2.890	LK7	2039	100,000	5.000	4.080	LW1
2029	60,000	5.000	2.890	LL5	2040	105,000	5.000	4.210	LX9
2030	65,000	5.000	2.950	LM3	2041	115,000	5.000	4.320	LY7
2031	70,000	5.000	3.040	LN1	2042	120,000	5.000	4.450	LZ4
2032	70,000	5.000	3.130	LP6	2043	125,000	5.000	4.560	MA8
2033	75,000	5.000	3.210	LQ4	2044	130,000	5.000	4.620	MB6
2034	80,000	5.000	3.370	LR2	2045	135,000	5.000	4.670	MC4
2035	85,000	5.000	3.540	LS0					

$800,000 5.000% Term Bond Due June 1, 2050 to yield 4.820%, CUSIP 682760 MD2
$1,025,000 5.000% Term Bond Due June 1, 2055 to yield 4.890%, CUSIP 682760 ME0

and

$16,580,000 General Water System Revenue Bonds, 2025 Series B

(the "2025 Series B Bonds")

Dated: Date of Delivery **Due: June 1, 2026-2055**

Year	Amount	Interest Rate	Price or Yield	CSP	Year	Amount	Interest Rate	Price or Yield	CSP
2026	$ 245,000	5.000%	2.980%	MF7	2036	$ 400,000	5.000%	3.900%	MR1
2027	255,000	5.000	2.980	MG5	2037	425,000	5.000	4.020	MS9
2028	270,000	5.000	2.980	MH3	2038	445,000	5.000	4.160	MT7
2029	285,000	5.000	2.990	MJ9	2039	470,000	5.000	4.280	MU4
2030	300,000	5.000	3.110	MK6	2040	490,000	5.000	4.390	MV2
2031	315,000	5.000	3.220	ML4	2041	515,000	5.000	4.490	MW0
2032	330,000	5.000	3.330	MM2	2042	545,000	5.000	4.630	MX8
2033	345,000	5.000	3.430	MN0	2043	570,000	5.000	4.730	MY6
2034	365,000	5.000	3.590	MP5	2044	600,000	5.000	4.800	MZ3
2035	385,000	5.000	3.750	MQ3	2045	630,000	5.000	4.840	NA7

$3,680,000 5.000% Term Bond Due June 1, 2050 to yield 5.020%, CUSIP 682760 NB5
$4,715,000 5.000% Term Bond Due June 1, 2055 to yield 5.050%, CUSIP 682760 NC3

(collectively referred to herein as the "2025 Bonds")

The 2025 Series A Bonds and the 2025 Series B Bonds (collectively referred to herein as the "2025 Bonds") will be issued by the Onondaga County Water Authority (the "Authority"), pursuant to the Onondaga County Water Authority Act, as amended, constituting Title 7 of Article 5 of the Public Authorities Law of the State of New York. The 2025 Bonds will be issued for the purposes of (i) paying capital costs of certain improvements to the Water System (ii) funding a reserve and (iii) paying expenses incident to the issuance of the 2025 Bonds. Capitalized terms used in this Official Statement which are not defined herein shall have the same meaning as in "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION" herein.

The 2025 Bonds are general obligations of the Authority and are payable on a parity basis with the Outstanding Bonds of the Authority previously issued under the General Resolution as described herein. All bonds issued under the General Resolution are payable solely from and secured by a pledge of and lien on (i) the Net Revenues and other moneys derived by the Authority from the ownership and operation of its water supply and distribution system, and (ii) the amounts held in certain Funds and Accounts established under the General Resolution. The General Resolution permits the issuance of Additional Bonds on parity with the 2025 Bonds and Outstanding Bonds previously issued under the General Resolution. Any such Additional Bonds, the 2025 Bonds and the Outstanding Bonds previously issued under the General Resolution are hereinafter collectively referred to as the "Bonds". See "SECURITY FOR THE BONDS" herein.

The 2025 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. See "Redemption Prior to Maturity – 2025 Bonds" herein.

The 2025 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the 2025 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the 2025 Bonds. Interest on the 2025 Bonds will be payable in each year on June 1 and December 1 until maturity commencing on December 1, 2025. Principal and interest will be payable by Manufacturers & Traders Trust Company, Buffalo, New York, as Trustee and Paying Agent, to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the 2025 Bonds, as described herein.

THE 2025 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK OR OF ONONDAGA COUNTY, NEW YORK OR OF ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE STATE, THE COUNTY NOR ANY OTHER POLITICAL SUBDIVISION SHALL BE LIABLE THEREON, NOR SHALL THE 2025 BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The 2025 Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval of legality by Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriter by Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters pertaining to the Authority will be passed upon by Robert M. Germain, Esq., Counsel to the Authority. It is anticipated that the 2025 Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about June 17, 2025.

ROOSEVELT & CROSS INCORPORATED

Dated: June 5, 2025

ONONDAGA COUNTY WATER AUTHORITY
200 Northern Concourse
Syracuse, New York 13211
(315) 455-7061

AUTHORITY MEMBERS

Kenneth C. Gardiner, Chairman

Anthony J. Geiss, Jr., Vice Chairman

Douglas R. Wickman, Treasurer

Benedicte H. Doran, Secretary

John C. Dougherty, Member

Executive Director
Jeffrey D. Brown, Esq.

Executive Director of Operations
Geoffrey G. Miller, P.E.

Director of Technical Services
Andrew Weiss, P.E.

Chief Financial Officer
Sheilla Kincaid, CPA

Counsel
Robert M. Germain, Esq.

Consulting Engineers
Barton & Loguidice, P.C.

Municipal Advisor
Fiscal Advisors & Marketing, Inc.

TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

Information contained in this Official Statement has been furnished by the Onondaga County Water Authority and has been obtained from sources which are deemed reliable. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2025 Bonds referred to herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Onondaga County Water Authority since the date hereof. This Official Statement is submitted in connection with the sale of the 2025 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

TABLE OF CONTENTS

Page

INTRODUCTORY STATEMENT 1
THE 2025 BONDS 1
- Description of the 2025 Bonds 2
- Redemption Prior To Maturity – 2025 Series A Bonds 2
- Redemption Prior To Maturity – 2025 Series B Bonds 3
- Notice of Redemption 3
- Book-Entry-Only System 4
- Certificated 2025 Bonds 5

SOURCES AND USES OF FUNDS 5
FINANCED CAPITAL IMPROVEMENTS 6
SECURITY FOR THE BONDS 6
- Pledge Under the General Resolution 6
- Rate Covenant 6
- Additional Bonds 6
- Bond Reserve Fund 7

THE AUTHORITY 8
- Organization and Membership of the Authority 8
- Executive Management 8
- Certain Powers of the Authority 9
- Awards and Recognition 9
- Future Capital Plans and Financing 10
- Recently Completed Major Capital Projects 10
- Current Status of Major Ongoing Projects 10
- Bonded Debt Service 10
- Debt Service Coverage Calculation 11
- Employee Pension Benefits 11
- Other Post-Employment Benefits 11

THE WATER SYSTEM 11
- Service Area 13
- Source of Supply 13

WATER OBTAINED FROM SOURCES OF SUPPLY 13
- Condition of Properties 13
- Adequacy of System 14
- Quality Control 14
- Water Rates 15
- Present Water Sales 16
- Future Water Sales 17
- Billing System 18
- Uncollected Accounts 19

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION 20
LITIGATION AND NEGOTIATION 21
TAX MATTERS 21
CONTINUING DISCLOSURE 22
- Historical Compliance 22

BOND RATING 23
AGREEMENT OF THE STATE 23
LEGALITY OF THE BONDS FOR INVESTMENTS 23
LEGAL MATTERS 23
UNDERWRITING 24
MUNICIPAL ADVISOR 24
FINANCIAL STATEMENTS 24
MISCELLANEOUS 24
BONDED DEBT SERVICE ..... APPENDIX - A
CONTINUING DISCLOSURE UNDERTAKING ..... APPENDIX – B
SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION ..... APPENDIX – C
INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS
OF THE AUTHORITY – Years Ended December 31, 2024 and 2023 ..... APPENDIX - D
FORM OF APPROVING OPINION OF BOND COUNSEL – 2025 SERIES A BONDS ..... APPENDIX – E
FORM OF APPROVING OPINION OF BOND COUNSEL – 2025 SERIES B BONDS ..... APPENDIX - F

FINAL OFFICIAL STATEMENT

$20,245,000

ONONDAGA COUNTY WATER AUTHORITY
(NEW YORK)

$3,665,000 GENERAL WATER SYSTEM REVENUE BONDS, 2025 SERIES A
AND
$16,580,000 GENERAL WATER SYSTEM REVENUE BONDS, 2025 SERIES B

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page and appendices, is to set forth information relating to the Onondaga County Water Authority (the "Authority"), the Authority's water supply and distribution system (the "Water System") and the Authority's $3,665,000 General Water System Revenue Bonds, 2025 Series A (the "2025 Series A Bonds") and the $16,580,000 General Water System Revenue Bonds, 2025 Series B (the "2025 Series B Bonds") (collectively referred to herein as the "2025 Bonds").

The 2025 Bonds are authorized to be issued pursuant to (i) the Onondaga County Water Authority Act, as amended, constituting Title 7 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York (the "Act"), (ii) the Authority's General Water System Revenue Bond Resolution adopted on March 14, 2001 (the "General Resolution"); (iii) the Authority's 2025 Series A Bond Resolution Authorizing General Water System Revenue Bonds, 2025 Series A in an amount not exceeding $3,800,000 adopted on April 23, 2025 (the "2025 Series A Resolution") and (iv) the Authority's 2025 Series B Bond Resolution Authorizing General Water System Revenue Bonds, 2025 Series B in an amount not exceeding $16,800,000 adopted on April 23, 2025 (the "2025 Series B Resolution")

The 2025 Bonds are being issued to provide funds to pay the costs of certain capital improvements to the Authority's Water System and to fund a reserve related thereto and expenses related to the issuance of the 2025 Bonds.

The 2025 Bonds and other Bonds issued, and any Additional Bonds which may be issued in the future, under the General Resolution have a first lien on the Net Revenues and other amounts derived by the Authority from the ownership and operation of the Water System.

As of June 17, 2025, the date of delivery of the 2025 Bonds, there will be Outstanding under the General Resolution in addition to the 2025 Bonds, the following:

$5,295,000 of the Authority's N.Y.S. E.F.C. (New York State Environmental Facilities Corporation) Drinking Water Installment Bonds, 2008A (referred to herein as the "2008 EFC Bonds"), $965,000 General Water System Revenue Bonds, Series 2013A (referred to herein as the "2013 Series A Bonds"), $3,040,000 General Water System Revenue Bonds, 2015 Series A (referred to herein as the "2015 Series A Bonds"), $5,730,000 of the Authority's General Water System Revenue Bonds, 2016 Series A (referred to herein as the "2016 Series A Bonds"), $36,410,000 of the Authority's General Water System Revenue Bonds, 2019 Series A (referred to herein as the "2019 Series A Bonds"), $13,380,000 of the Authority's General Water System Revenue Refunding Bonds, 2021 Series A (referred to herein as the "2021 Series A Bonds", $48,830,000 of the Authority's General Water System Revenue Bonds, 2022 Series A (referred to herein as the "2022 Series A Bonds"), and, collectively, with the 2008 EFC Bonds, the 2013 Series A Bonds, the 2015 Series A Bonds, the 2016 Series A Bonds, the 2019 Series A Bonds, the 2021 Series A Bonds, and the 2022 Series A Bonds, the "Prior Bonds"), all of which are issued on a parity basis under the General Resolution. The General Resolution permits the issuance of Additional Bonds on parity with the 2025 Bonds and the Prior Bonds. Any such Additional Bonds, the 2025 Bonds and the Prior Bonds are hereinafter collectively referred to as the "Bonds".

No future revenues and other amounts derived by the Authority from the ownership and operation of the Water System are subject to any pledge prior to the pledge created in favor of the 2025 Bonds and the Prior Bonds.

THE 2025 BONDS

Description of the 2025 Bonds

The 2025 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the 2025 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the 2025 Bonds. Interest on the 2025 Bonds will be payable in each year on June 1 and December 1 until maturity commencing on December 1, 2025. Principal and interest will be paid by Manufacturers and Traders Trust Company, Buffalo, New York, as Trustee and Paying Agent, to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the 2025 Bonds, as described herein.

The principal of and interest on the 2025 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of the 2025 Bonds shall be payable at the designated office of the Trustee, or, at the option of the registered owner, at the principal corporate trust office of the Paying Agent, upon the presentation and surrender for cancellation of the 2025 Bonds at such office as the same shall become due and payable. Interest on the 2025 Bonds will be paid by check or draft mailed by the Paying Agent to each registered owner in whose name the 2025 Bonds is registered upon the registration books of the Authority to be maintained for that purpose by the Bond Registrar, as of the Record Date (the fifteenth day of the calendar month, whether or not a business day, preceding when the payment date occurs), at the address appearing upon such registration books. Manufacturers and Traders Trust Company is the Trustee, Paying Agent, Bond Registrar and Authenticating Agent for the 2025 Bonds .

Redemption Prior to Maturity – 2025 Series A Bonds

Redemption at Authority's Option

The 2025 Series A Bonds maturing on or after June 1, 2034 are subject to optional redemption prior to maturity, as a whole or in part, on any date on or after June 1, 2033, at the option of the Authority, at par, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

The 2025 Series A Bonds maturing on June 1, 2050 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2046 and on each June 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2046	$145,000
2047	150,000
2048	160,000
2049	170,000
2050*	175,000

The 2025 Series A Bonds maturing on June 1, 2055 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2051 and on each June 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2051	$185,000
2052	195,000
2053	205,000
2054	215,000
2055*	225,000

* Final Maturity.

Redemption Prior to Maturity – 2025 Series B Bonds

Redemption at Authority's Option

The 2025 Series B Bonds maturing on or after June 1, 2029 are subject to optional redemption prior to maturity, as a whole or in part, on any date on or after June 1, 2028, at the option of the Authority, at par, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption*

The 2025 Series B Bonds maturing on June 1, 2050 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2046 and on each June 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2046	$665,000
2047	700,000
2048	735,000
2049	770,000
2050*	810,000

The 2025 Series B Bonds maturing on June 1, 2055 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2051 and on each June 1 thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2051	$850,000
2052	895,000
2053	940,000
2054	990,000
2055*	1,040,000

Notice of Redemption

If the Authority elects to redeem the 2025 Bonds as provided above, the Bond Registrar shall mail postage prepaid, in the name of the Authority, notice of redemption to the registered owners of the 2025 Bonds to be redeemed at the addresses shown on the registration books of the Authority maintained by the Bond Registrar. Such notice of redemption shall be given not less than 30 days and not more than 60 days prior to the redemption date. On the specified redemption date, all 2025 Bonds or portions thereof called for redemption shall cease to bear interest and shall no longer be secured by the General Resolution, provided funds sufficient for their redemption are on deposit at the place of payment at that time. A notice of redemption may provide that it is subject to rescission prior to the redemption date.

If the Authority elects to redeem less than all Outstanding 2025 Bonds, such 2025 Bonds shall be redeemable in inverse order of maturity, or such other order as specified by the Authority in accordance with the General Resolution. If less than all of the 2025 Bonds of like maturity are to be redeemed, the particular 2025 Bonds to be redeemed shall be selected by the Trustee at random in such manner as it shall in its discretion deem appropriate and fair. A 2025 Bond in a denomination exceeding $5,000 may be selected for redemption and may be redeemed in part in one or more units each having a principal amount of $5,000.

* Final Maturity.

Book-Entry-Only System

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

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

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

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

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

Principal and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. See "Certified Bonds" herein.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. See "Certificated Bonds" herein.

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

THE AUTHORITY AND THE UNDERWRITER WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE 2025 BONDS; (C) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE 2025 BONDS; OR (E) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2025 BONDS.

Source: The Depository Trust Company.

Certificated 2025 Bonds

DTC may discontinue providing its services with respect to the 2025 Bonds at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law, or the Authority may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the 2025 Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the 2025 Bonds when due will be payable upon presentation at the office of the Trustee or Paying Agent upon termination of the book-entry-only system. Interest on the 2025 Bonds will be payable in each year on June 1 and December 1 until maturity commencing on December 1, 2025. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Bond Registrar as of the fifteenth day of the calendar month preceding each such interest payment date. The 2025 Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the Bond Registrar for the 2025 Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Series Registrar for Certificate of the Chairman of the Authority authorizing the sale of the 2025 Bonds and fixing the details thereof and in accordance with the Act. The Bond Registrar shall not be obligated to make any such transfer or exchange of the 2025 Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

SOURCES AND USES OF FUNDS

The following is a summary of the estimated sources and uses of the proceeds of the 2025 Bonds:

			2025 Series A Bonds	2025 Series B Bonds
Sources:	Par Amount of the Bonds		$ 3,665,000.00	$ 16,580,000.00
	Net Premium		130,442.65	162,783.10
		Total	$ 3,795,442.65	$ 16,742,783.10
Uses:	Deposit to Construction Fund		$ 3,500,000.00	$ 15,500,000.00
	Deposit to Debt Service Reserve Fund		234,625.00	1,069,000.00
	Underwriter's Discount		15,063.15	58,195.80
	Costs of Issuance and Contingency		45,754.50	115,587.30
		Total	$ 3,795,442.65	$ 16,742,783.10

FINANCED CAPITAL IMPROVEMENTS

The proceeds of the 2025A Bonds will be applied to capital improvements to the Water System including replacement of the Solvay Pumping Station in aggregate principal amount not to exceed $3,800,000.

The proceeds of the 2025B Bonds will be applied to capital improvements to the Water System including improvements to the Lake Ontario Water Treatment Plant Campus in aggregate principal amount not to exceed $16,800,000.

SECURITY FOR THE BONDS

Pledge under the General Resolution

The Bonds are general obligations of the Authority to the payment of which the Authority has specifically pledged (i) the revenues and other moneys of the Authority derived by the Authority from the ownership and operation of the Water System, and (ii) the moneys in certain funds created under the General Resolution, as more fully set forth in the General Resolution. See "APPENDIX - C - SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

Rate Covenant

The Authority has covenanted in the General Resolution to establish, maintain, revise and collect rates and charges with respect to the Water System to provide Revenues which, together with other moneys available therefor, will be sufficient to cover the Net Revenue Requirement as defined in the General Resolution. The General Resolution defines the Net Revenue Requirement to mean an amount equal to the greater of (i) the sum of the Aggregate Debt Service and the Required Deposits for such period, or (ii) 1.25 times the Aggregate Debt Service for such period. See "APPENDIX – C - SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

Additional Bonds

The Authority may issue Additional Bonds for the purpose of (i) financing Costs of Capital Improvements, (ii) providing additional funds for deposit into the Bond Reserve Fund and paying the costs incident to the issuance of such Additional Bonds, or (iii) financing the Costs of the completion of Capital Improvements. All series of such Additional Bonds will be payable from the same sources and secured on a parity with all other series of Bonds.

Set forth below are certain of the conditions applicable to the issuance of Additional Bonds for the purposes described in (i), (ii) and (iii) above:

(1) A certificate of an Authorized Officer of the Authority shall be delivered to the Trustee setting forth (i) the Net Revenues as defined and adjusted pursuant to the General Resolution for any period of twelve (12) consecutive months out of the fifteen (15) calendar months next preceding the authentication and delivery of the Additional Bonds and the Additional Bond Requirement for such 12 calendar months and demonstrating that such Net Revenues equal or exceed the Additional Bond Requirement; (ii) the Reserve Requirement with respect to all Series of Bonds Outstanding immediately after the authentication and delivery of said Series of Additional Bonds; (iii) the Estimated Aggregate Debt Service for the then current calendar year and each of the five calendar years following the then current calendar year; and (iv) the other estimated Required Deposit for the current and the next five calendar years;

(2) A certificate of the Consulting Engineers shall be delivered to the Trustee setting forth, for the then current and the next five calendar years, (i) estimates of Available Revenues giving effect to (a) the construction of any Capital Improvement not yet completed if the cost to complete such Capital Improvement has been provided, or will be provided from the issuance of such Additional Bonds, (b) any adjustment of water rates which shall have been placed in effect subsequent to the beginning of the 12-month period referred to in subparagraph (1) of this Section, as if such water rate adjustment had been in effect from the beginning of such period until the effective date of any subsequent adjustment presumed necessary and (c) any adjustment of water rates which, in the opinion of the Consulting Engineers, would be necessary to comply with the provisions of the General Resolution; (ii) for the years and taking into account the Assumptions specified for the estimates of the Consulting Engineers pursuant to clause (i) above, estimates of the Operating Expenses giving effect to the construction of such Capital Improvement for which such Series of Additional Bonds is being issued, (iii) the estimated total Cost of Construction of such Capital Improvement and (iv) the estimated date of completion of the Capital Improvement;

(3) A certificate of an Authorized Officer of the Authority shall be delivered to the Trustee setting forth (i) the estimated Net Revenues (based on the certificates delivered pursuant to subparagraphs (2) above) for the current and the next five calendar years giving effect to the construction of any not yet completed Capital Improvement if the cost to complete such Capital Improvement has been provided, or will be provided from the issuance of such Additional Bonds, and (ii) the opinion that such estimated Net Revenues for the current and the next five calendar years equal or exceed the Estimated Net Revenue Requirement (based on the certificate delivered pursuant to subparagraph (1) above) for each such year and that estimated Net Revenues in such fifth full calendar year equal or exceed that sum of Estimated Aggregate Debt Service and the Subordinate Obligation Requirement for any particular year which results in the largest such sum for the then current or future year immediately after the authentication and delivery of the Bonds being issued; and

(4) The amount, if any, to be deposited in the Bond Reserve Fund will be sufficient so that the balance in such Fund equals the Reserve Requirement immediately after delivery of such Additional Bonds.

The Additional Bonds of any such Series authorized for a purpose described in clause (iii) in the first paragraph of this Section shall be authenticated and delivered by the Trustee upon receipt by it of:

(1) a certificate signed by an Authorized Officer of the Authority stating that the moneys on deposit in the applicable account of the Construction Fund are sufficient to pay such Costs, and

(2) a certificate signed by the Consulting Engineer stating that the proceeds of such Additional Bonds are sufficient to complete the Capital Improvement.

See "APPENDIX – C – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION".

Bond Reserve Fund

The General Resolution establishes the Bond Reserve Fund (the "Reserve Fund") to be held by the Trustee as security for all Bonds Outstanding under the General Resolution. The General Resolution provides that the Reserve Requirement for any Series of Bonds is the amount required to be deposited and maintained in the Bond Reserve Fund as set forth in the Series Resolution authorizing such Series of Bonds. The 2025 Series A Resolution and the 2025 Series B Resolution authorizes the Reserve Requirement for the 2025 Bonds to be specified by the Bond Series Certificate. The Authority expects to establish the Reserve Requirement incident to the issuance of the 2025 Bonds in an amount equal to approximately $1,303,625.00, with that amount being funded from proceeds of the 2025 Bonds. The Reserve Fund shall be held as a reserve for the payment of the principal of, premium, if any, and interest on all Bonds Outstanding when and if other funds on deposit in the Bond Fund are not sufficient for such purposes.

The Reserve Fund is fully funded when the amount of deposit therein equals the sum of the Reserve Requirements for all Series of Bonds currently outstanding.

As of May 7, 2025, the Reserve Fund Balance for all Bonds outstanding is $8,651,509.81, excluding the Reserve Requirement for the 2025 Bonds.

After the issuance of the 2025 Bonds, the Bond Reserve, including the Reserve Requirement for the 2025 Bonds, is expected to be fully funded in the amount of $9,955,134.81.

The Authority may substitute an insurance policy, surety bond, letter of credit or other form of guarantee for the moneys required to be held in the Reserve Fund as provided in the General Resolution.

THE AUTHORITY

The Authority was created by an Act of the New York State Legislature in 1951 and is a body corporate and politic constituting a public benefit corporation.

Organization and Membership of the Authority

Under the Act, the five members of the Authority, who must be residents of Onondaga County, serve for overlapping terms of three years, or until their successors are appointed and qualified. The members are appointed by the Chairman of the Onondaga County Legislature, subject to confirmation by a majority of the Legislators. Vacancies in the membership of the Authority, occurring otherwise than by expiration of term of office, are filled by appointment by the Onondaga County Legislature for such unexpired terms.

In accordance with the Act, the Chairman is elected annually by the members of the Authority. The other officers are appointed by the Authority, and serve at its pleasure, and consist of a Vice Chairman and a Treasurer, who are required to be members of the Authority, and a Secretary, who may or may not be a member of the Authority.

Member of Authority	Position	Years on Board	Occupation
Kenneth C. Gardiner	Chairman	12	Accounting Firm Partner, Retired
Anthony J. Geiss, Jr	Vice Chairman	3	Engineer, Retired
Douglas R. Wickman	Treasurer	3	Engineer, Retired
Benedicte H. Doran	Secretary	6	Non-Profit Executive
John C. Dougherty	Board Member	4	Chief Scientist

Executive Management

Jeffrey D. Brown, JD/MBA currently serves as the Executive Director of the Authority. He previously served as General Counsel for the Authority. Prior to joining the Authority in 2013, he was a partner with the Mackenzie Hughes law firm where he represented the Onondaga County Water District and numerous other municipal governments. He also previously served as Regional Attorney for the New York State Department of Environmental Conservation, law clerk to former U.S. District Judge Howard Munson and member of the New York State Assembly. Mr. Brown has served in the New York Air National Guard for 25+ years and currently holds the rank of lieutenant colonel with the 174th Attack Wing. He received his Bachelor of Science degree from Cornell University, Juris Doctor from Syracuse University and Master of Business Administration from SUNY Oswego.

Geoffrey G. Miller became the Executive Director of Operations in July of 2021. Previously, he had been Deputy Executive Director of the Authority since 2015. Prior to that time he was Executive Engineer at the Authority since 2006. He also served as a Senior Project Manager with Stearns and Wheler Engineers in Cazenovia, New York. Mr. Miller received a Bachelor of Science Degree from Clarkson University and is a licensed Professional Engineer in the State of New York, a Board Certified Environmental Engineer in the specialty of Water Supply and Wastewater; and a New York State Department of Health Certified Water System Operator.

Sheilla Kincaid, CPA was appointed the Chief Financial Officer at the Authority in December 2023. She joined the Authority with over 25 years of public accounting and governmental accounting experience. She graduated Magna Cum Laude with Honors with a Bachelor of Science in Accounting from Alfred University and has been a NYS Certified Public Accountant since November of 2000.

Andrew J. Weiss was appointed the Director of Technical Services in December of 2023. Prior to that, he was the Executive Engineer at the Authority since 2015. Previous to that time, he was a Project Manager at a global consulting engineering firm specializing in water, wastewater and environmental engineering. Mr. Weiss received his Bachelor of Science degree in Environmental Resource Engineering from SUNY ESF at Syracuse and has 18 years' experience in the industry. He is a licensed Professional Engineer in the State of New York, a New York State Department of Health Certified Water System Operator, and a Board-Certified Environmental Engineer in Water Supply and currently sits on the Board of Directors for NYS American Water Works Association.

Certain Powers of the Authority

Under the Act, the Authority has the power to fix rates and collect charges for the use of its facilities, or services rendered by it or any commodities furnished by it such as to provide revenues sufficient at all times to pay, as the same shall become due, the principal of and interest on the bonds, notes or other obligations of the Authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due the expense of operating and maintaining the properties of the Authority together with proper reserves for depreciation, maintenance and contingencies and all other obligations and indebtedness of the Authority.

No governmental board, agency, corporation or officer has jurisdiction of, or control over, or is required to approve, any water rates or charges for services or facilities of the Authority except the Authority itself. The Act, as amended by Chapter 548 of the Laws of 1957, expressly declares that neither the Public Service Commission nor any other board or commission of like character shall have jurisdiction over the Authority in the management and control of its properties or operations or any power over the regulation of rates fixed or charges collected by the Authority.

Section 1156(7) of the Act requires that any resolution of the Authority authorizing bonds or notes shall contain a covenant that the Authority will (i) at all times maintain rates, fees, rentals and/or other charges sufficient to pay, and (ii) any contracts entered into by the Authority for the sale or distribution of water shall contain rates, fees, rentals or charges sufficient to pay, the cost of operation and maintenance of properties, and the principal of and interest on any obligation issued pursuant to such resolution as the same become due and payable.

Subject to certain limitations set forth in the Act, the Authority may produce, develop, distribute and sell water or water services within or without the territorial limits of the Onondaga County Water Authority District (as defined in Section 1152 of the Act) and it may purchase water from any municipal corporation, town water district, person, association or corporation. The Act also provides that the Authority may develop and provide a sufficient amount of water so as to supply water outside of Onondaga County to any municipality, duly established water district, or privately owned public water supply and distribution system. In recent years the Authority has extended its system into parts of the adjacent Counties of Cayuga, Madison, Oneida and Oswego. Several portions of the system are leased from various municipalities including Onondaga County. The properties and activities of the Authority are exempt from taxes.

Awards and Recognition

The Otisco Lake Water Treatment Plant (Otisco WTP) has continued to maintain its Phase III award status under the American Water Works Association (AWWA) Partnership for Safe Water (PSW) program. The Partnership for Safe Water is comprised of an alliance of the six largest drinking water organizations at the national level, including the United States Environmental Protection Agency. In 2024, the Otisco WTP completed its 27th straight year of compliance with this voluntary program. Also in 2024, the Authority's Ontario Water Treatment Plant received the Partnership for Safe Water Phase IV President's Award for the third straight year while completing its 14th straight year in the program. It should be noted that the Partnership program supports the Authority and other utilities in voluntary efforts to achieve greater control and removal of microbial impurities. The Otisco WTP was the eighth in the nation to be certified under this program. Both treatment plants are examples of how the Authority sets a higher standard for the quality of its water than what is mandated by state and federal regulations.

In April 2024, the New York Section of the American Water Works Association (NYSAWWA) once again awarded the Authority with the statewide safety award. The award is presented to the water utility in New York State that demonstrated outstanding initiative in the areas of safety improvement and injury prevention. The Authority has received this award nine out of the last eleven years!

Finally, perhaps the most significant award for the Authority in 2024 was coming in first place in the NYSAWWA best tasting water competition for all of New York State. This was the second year in a row of receiving this award. In 2023, the award was given for Lake Ontario treated water and in 2024 the award was given for water treated from Otisco Lake. The Best Tasting Drinking Water in New York State competition involves a panel of judges who blind taste test and grade each competing utility's water submission based on taste, odor, color, clarity, mouthfeel, and aftertaste.

Future Capital Plans and Financing

It is anticipated that at a minimum, an additional $40-45 million in bonds may be issued over the course of the next two years to finance the third and final phase of the Lake Ontario Water Treatment Plant Campus upgrade and improvement project that was recently started. Additional bonding may also be necessary to support infrastructure improvements necessary to support the proposed Micron chip manufacturing facility and other projected regional growth. Multi-year bond financing is being used to keep all options for financing open. Additionally, the Authority is currently negotiating a cost reimbursement agreement and a water sale agreement with Micron whereby the company would cover the cost of these improvements. In addition, the adopted FY 2026 State budget includes a $116 million appropriation to assist the Authority with the expenses of its Water System infrastructure projects.

Recently Completed Major Capital Projects

Project	Project Cost	Funding Source
Fairmount Reservoir Improvement	$16,829,246	Bonds
OCDOT Old Liverpool Rd. Paving	2,313,644	Bonds
Salt Springs Tank Construction	2,168,969	Cash
Terminal 36" Emergency Bypass	1,876,531	Bonds
Terminal Piping Repairs	1,665,775	Bonds
8" Ext Dunn Road	1,599,380	Bonds
Cleaning and Lining 2024	1,462,012	Bonds
Cleaning and Lining 2023	1,330,619	Cash
Volney 1 Tank Painting Design	1,280,836	Cash
8" Main Replacement Dwight Park & Van Vlec	735,089	Bonds
Volney Airport Tank Painting C	724,037	Cash
Volney Airport Tank Painting D	632,687	Cash
Raw Water Transmission Main In	549,006	Cash

Current Status of Major Ongoing Projects

Project	Project Cost	Funding Source
Lake Ontario WTP Imp Construction	$39,728,044	Bonds
Tug Hill PS Improvements	1,455,178	Cash
Farrell PS Improvements	939,231	Grant & Cash
LOWTP Clearwell Replacement Design	846,880	Bonds
8" Ext Beach Rd Phase 2	599,927	Cash
10" Ext Horseshoe Island Sec 3	557,643	Cash
Otisco Lake Intake Chemical Feed	512,800	Cash
Warners Tank Replacement	489,322	Cash
8" Ext Newport Road Phase 2	453,032	Cash
Ball valve pit renovations - Ontario	296,655	Cash
LOWTP Clearwell Site Prep	285,632	Bond
Solvay PS Replacement Design	206,147	Cash
Eastern PS MCC Replacement	201,267	Cash

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – A” to this Official Statement.

Debt Service Coverage Calculation

	2020	2021	2022	2023	2024	Budgeted 2025
OPERATING REVENUE	$ 49,444,436	$50,454,003	$ 54,540,667	$ 56,517,911	$ 64,208,765	$ 63,391,920
OPERATING EXPENSE [(1)]	28,662,673	29,928,305	31,786,896	33,583,548	36,677,285	39,525,582
INCOME FROM OPERATIONS	20,781,763	20,525,698	22,753,771	22,934,363	27,531,480	23,866,338
DEBT SERVICE						
Debt Service	$ 7,595,345	$ 7,679,295	$ 10,016,882	$ 9,990,296	$ 10,091,751	$ 10,037,307
Debt Service Coverage Ratio	2.74	2.67	2.27	2.30	2.73	2.38

(1) Excludes Non-Cash Expenses (Depreciation, Amortization and OPEB expense and GASB 68 pension, does include pension payment) for the purpose of calculating debt service coverage.

Employee Pension Benefits

The Authority participates in the New York State and Local Employees' Retirement System (ERS) which is referred to as the New York State and Local Retirement System (the "System"). Information regarding to the System and the Authority's ERS contributions may be found on pages 39-45 in "APPENDIX – D" attached hereto.

Other Post-Employment Benefits

In June 2015, the Governmental Accounting Standards Board issued GASB Statement 75 ("GASB 75") which supersedes and eliminates GASB 45. GASB 75 established new standards for recognizing and measuring Other Post-Employment Benefits ("OPEB") liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 was required to be implemented by all municipalities and school districts in the fiscal year beginning after June 15, 2017. Actuarial valuation is required every two years for GASB 75. The Authority's first actuarial valuation under GASB 75 was completed for the fiscal year ending December 31, 2018.

The components of the Authority's annual OPEB cost, the amount actuarially contributed to the plan, changes in the Authority's net OPEB obligation and funding status for the fiscal year ending December 31, 2024 may be found on pages 46-52 in "APPENDIX – D" attached hereto.

THE WATER SYSTEM

On December 29, 1955, the Authority acquired through condemnation certain water works properties and other assets of the New York Water Service Corporation. This acquisition was financed through the sale of $12,600,000 Water Revenue Bonds, Series A dated December 1, 1955. Additional capital improvements to the Water System were financed by a subsequent sale, in 1958, of $2,630,000 Water Revenue Bonds, Additional Series A, and in 1987, of $7,000,000 General Water System Revenue Bonds, 1987 Series A, refunding a portion of an earlier $14,000,000 Variable Rate Demand Notes, 1984 Series A. The foregoing bonds have all been retired.

Currently, the outstanding debt for the Authority is comprised of the unpaid balances of the seven issues listed below:

2008 EFC Bonds issued in the amount of $14,226,510, $5,295,000 of which is outstanding.

2013 Series A Bonds issued in the amount of $8,390,000, $965,000 of which is outstanding.

2015 Series A Bonds issued in the amount of $5,200,000, $3,040,000 of which is outstanding.

2016 Series A Bonds issued in the amount of $12,320,000, $5,730,000 of which is outstanding.

2019 Series A Bonds issued in the amount of $41,235,000, $36,410,000 of which is outstanding.

2021 Series A Bonds issued in the amount of $16,700,000, $14,205,000 of which is outstanding.

2022 Series A Bonds issued in the amount of $48,830,000, $45,580,000 of which is outstanding.

Service Area

The Water System supplies water for domestic, commercial and industrial uses and for fire protection in part or all of 35 towns/cities and 15 villages in Onondaga County (outside the City of Syracuse), and in parts of the counties of Oswego, Madison, Oneida and Cayuga.

The area served in Onondaga County includes major portions of the Towns of Camillus, Cicero, Geddes and Salina, as well as parts of the Towns of Clay, DeWitt, Lysander, Manlius, Marcellus, Onondaga, Lafayette, Pompey, Elbridge, Van Buren, Otisco, Spafford, and Skaneateles. Additionally, the Authority serves in Onondaga County the Villages of Camillus, Fayetteville, Liverpool, Manlius, Minoa, North Syracuse, Baldwinsville, East Syracuse, Marcellus, and Solvay. In Oswego County the Authority serves the Villages of Central Square and Phoenix and the Towns of Hasting, West Monroe, Constantia, Hannibal, Granby, Minetto, Oswego, Volney and Schroeppel. The Authority also provides intermittent service in Oswego County to the City of Fulton and the Town of Scriba. In Madison County the Authority serves the Villages of Canastota and Chittenango and parts of the Towns of Sullivan, Lenox and Lincoln. In Oneida County, the Authority serves the Village of Sylvan Beach and parts of the Towns of Vienna, Verona and Annsville. In Cayuga County, the Authority serves part of the Town of Sterling.

As of December 31, 2024, the Authority is providing water services directly to 98,053 residential accounts, 6,832 commercial accounts, 48 industrial accounts, and 21 wholesale accounts. The estimated population of the residential units (including wholesale residential customers) served was 500,000. For all of 2024, the Authority added a total of 417 accounts (392 metered services).

The 15 largest industrial customers within these areas, served directly by the Water System, in amount of usage are:

Customer	2024 Consumption (in Gallons)	% of Industrial Sales	% of All Sales
Smurfit Westrock	807,080,000	39.21%	7.67%
Anheuser Busch	475,212,000	23.09%	4.52%
Clinton Ditch Co-op	144,970,000	7.04%	1.38%
Lotte Biologicx	76,730,000	3.54%	0.69%
Carr Street Co-Gen	73,650,000	3.58%	0.70%
Crucible Industries LLC [(1)]	72,790,000	3.54%	0.69%
Giovanni Food Company	53,150,000	2.58%	0.51%
Covanta Onondaga LP	39,320,000	1.91%	0.37%
Agrana Fruit US Inc	35,870,000	1.74%	0.34%
Queensboro Farms	33,900,000	1.65%	0.32%
Chemtrade Solutions Inc	32,970,000	1.60%	0.31%
Community General	30,310,000	1.47%	0.29%
Frazer & Jones Co	29,940,000	1.45%	0.28%
Lockheed Martin	23,270,000	1.13%	0.22%
VDRNC LLC	21,110,000	1.03%	0.20%
TOTAL TOP 15 SALES	1,950,272,000	94.55%	18.51%
TOTAL INDUSTRIAL SALES	2,058,428,000		
TOTAL ALL SALES	10,516,078,000		

[(1)] Crucible Industries LLC closed in March 2025 and subsequently sold off the mill's steel making equipment, ceased business operations and laid off its 170 employees. According to recent news reports, Lauter Metal Technologies LLC, of Penn Yan, New York purchased the remaining assets and intends to purchase the mill in a separate transaction and operate the mill. Additional details relating to the new operation and the number of employees to be hired is not known at this time.

Source of Supply

For 2024, 47.2% of the water supply of the Water System was drawn from the Authority's source at Otisco Lake, 49.6% was provided by the Lake Ontario supply and 3.2% was purchased from the City of Syracuse's Skaneateles Lake supply. The Authority directly manages over 95% of its available water source which provided 96.8% of the Authority's 2024 water demand.

The following tabulation shows, for recent years, the average daily quantity of water from the various sources of supply.

WATER OBTAINED FROM SOURCES OF SUPPLY
(Average Gallons Per Day)

YEAR	OTISCO LAKE	LAKE ONTARIO	CITY OF SYRACUSE SOURCES	TOTAL
2007	16,671,945	23,305,208	562,342	40,599,057
2008	16,516,595	21,568,024	453,729	38,545,505
2009	15,994,000	19,595,000	1,226,000 (1)	36,815,000
2010	16,778,016	19,203,734	1,306,120	37,287,870
2011	17,283,745	18,538,652	1,410,433	37,232,830
2012	17,246,609	19,816,303	1,163,298	38,226,210
2013	16,951,128	18,173,547	1,005,002	36,134,410
2014	17,543,150	18,637,823	1,125,978	36,859,446
2015	18,495,274	19,304,753	1,108,937	38,913,712
2016	17,774,549	19,300,844	1,123,209	38,202,724
2017	17,036,277	18,166,282	1,295,019	36,497,578
2018	17,497,860	19,115,310	1,200,088	37,817,471
2019	17,345,151	18,395,288	1,003,693	36,747,967
2020	16,974,342	17,929,378	1,020,857	35,924,577
2021	16,834,455	17,287,756	972,945	35,095,156
2022	17,047,288	18,003,471	1,061,077	36,111,836
2023	17,499,956	17,699,361	1,121,109	36,320,426
2024	17,142,992	17,987,203	1,177,129	36,307,324

(1) In 2009, the City of Syracuse, the Metropolitan Water Board (MWB was the wholesale operator of parts of the Water System prior to the Authority assuming operations in 2017) and the Authority agreed to modify their respective responsibilities for the operation and maintenance of certain regional water facilities (the Southern Branch system), with the Authority assuming responsibility for the operation and maintenance and the parties agreeing the Authority would purchase water directly from the City rather than from MWB (who had purchased the water from the City under the prior arrangements). As a result, the amount of water purchased from MWB decreased and the amount purchased from the City increased by an equal amount, but the source of the water had not changed.

Condition of Properties

Inspections of the visible physical plant of the Water System show it generally to be in good operating condition and well maintained. All structures are of substantial construction. The chemical properties of Otisco Lake Reservoir water are such that corrosion and tuberculation of underground piping is minimal, and many pipes in the ground for over 75 years have almost the same carrying capacities today as when new. Water System water losses are low, indicating a tight system with proper maintenance and control of leakage. The Water System has not realized any damage from any severe storms or flooding.

Facility condition assessments are continually updated and documentation maintained in a computerized asset management system. Completed updates for the Authority's Risk and Resilience Assessment as well as the Emergency Response Plan. Both plans are continuously maintained and updated on a regular basis.

The Operations Department (which includes Facilities Maintenance) drained, cleaned and inspected the interior of nine water storage tanks and conducted drone inspections of the exteriors of six water storage tanks and visual inspections of all other water storage tanks during 2024.

Of the Authority's 14,146 hydrants, 14,079 (99.5%) were inspected at least once in 2024. Hydrant inspections were completed by field personnel utilizing tablets that downloaded inspection data into the Authority's GIS and asset management systems.

Adequacy of System

Since the acquisition of the Water System by the Authority in December 1955, improvements have been made to keep pace with demands. The Water System has adequate capacity to meet the peak demands of the Water System. The Authority's Capital Reinvestment Program is designed to address problem areas in a prioritized manner as identified on an ongoing basis.

Quality Control

The Authority has been at the forefront of the industry being proactive in taking steps to improve and maintain the quality of the water above the state and federal mandates. The Authority has received numerous awards attesting to the exceptional quality of its water.

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Water Rates

The Authority has increased rates from time to time in order to keep pace with rising costs and meet the requirements set forth in the General Resolution. In 2001, the Authority Board adopted a policy whereby future rate increases will be reviewed on an annual basis.

Rate increases since 2002 through and including 2025 are shown in the following table:

Year	Residential / Commercial	Wholesale	Industrial	Private/Public Fire Protection
2025	$15.68 / EDU + 5.8% Commodity Rate	$15.68 / EDU + 5.8% Commodity Rate	$15.68 / EDU + 5.8% Commodity Rate	5.8% / 5.8%
2024	$11.64 / EDU+ 7% Commodity Rate	$11.64 / EDU+ 7% Commodity Rate	$11.64 / EDU+ 7% Commodity Rate	7% / 7%
2023	$10.80 / EDU + 7% Commodity Rate	$10.80 / EDU + 7% Commodity Rate	$10.80 / EDU + 7% Commodity Rate	7% / 7%
2022	$9.00 / EDU + 6% Commodity Rate	$9.00 / EDU + 7% Commodity Rate	$9.00 / EDU + 7% Commodity Rate	6% / 3%
2021	$6.00 / EDU + $0.15/1,000 gal	$6.00 / EDU + $0.17/1,000 gal	$6.00 / EDU + $0.13/1,000 gal	2.00%
2020	$8.40 / EDU + $0.145/1,000 gal	$8.40 / EDU + $0.14/1,000 gal	$8.40 / EDU + $0.095/1,000 gal	2.00%
2019	$12.00 / EDU	$12.00 / EDU	$12.00 / EDU	0.00%
2018	0.00%	0.00%	0.00%	0.00%
2017	$4.00 / EDU	$4.00 / EDU	$4.00 / EDU	0.00%
2016	$4.00 / EDU + $0.08/1,000 gal	$4.00 / EDU + $0.08/1,000 gal	$4.00 / EDU + $0.08/1,000 gal	5.00%
2015	$12.00 / EDU + $0.025 / 1,000 gal	$12.00 / EDU + $0.025 / 1,000 gal	$12.00 / EDU + $0.025 / 1,000 gal	0.00%
2014	$8.00 / EDU	$8.00 / EDU	$8.00 / EDU	0.00%
2013	2.00%	2.00%	2.00%	0.00%
2012	2.47%	2.31%	2.38%	0.00%
2011	9.00%	9.00%	9.00%	0.00%
2010	12.00%	10.00%	10.00%	3.25%
2009	15.00%	15.00%	9.90%	3.25%
2008	7.70%	7.70%	6.70%	3.25%
2007	9.80%	9.80%	6.75%	4.00%
2006	6.00%	6.00%	4.00%	4.00%
2005	8.00%	8.00%	5.00%	5.00%
2004	15.00%	15.00%	3.00%	3.00%
2003	2.00%	2.00%	2.00%	2.00%
2002	2.00%	2.00%	2.00%	2.00%

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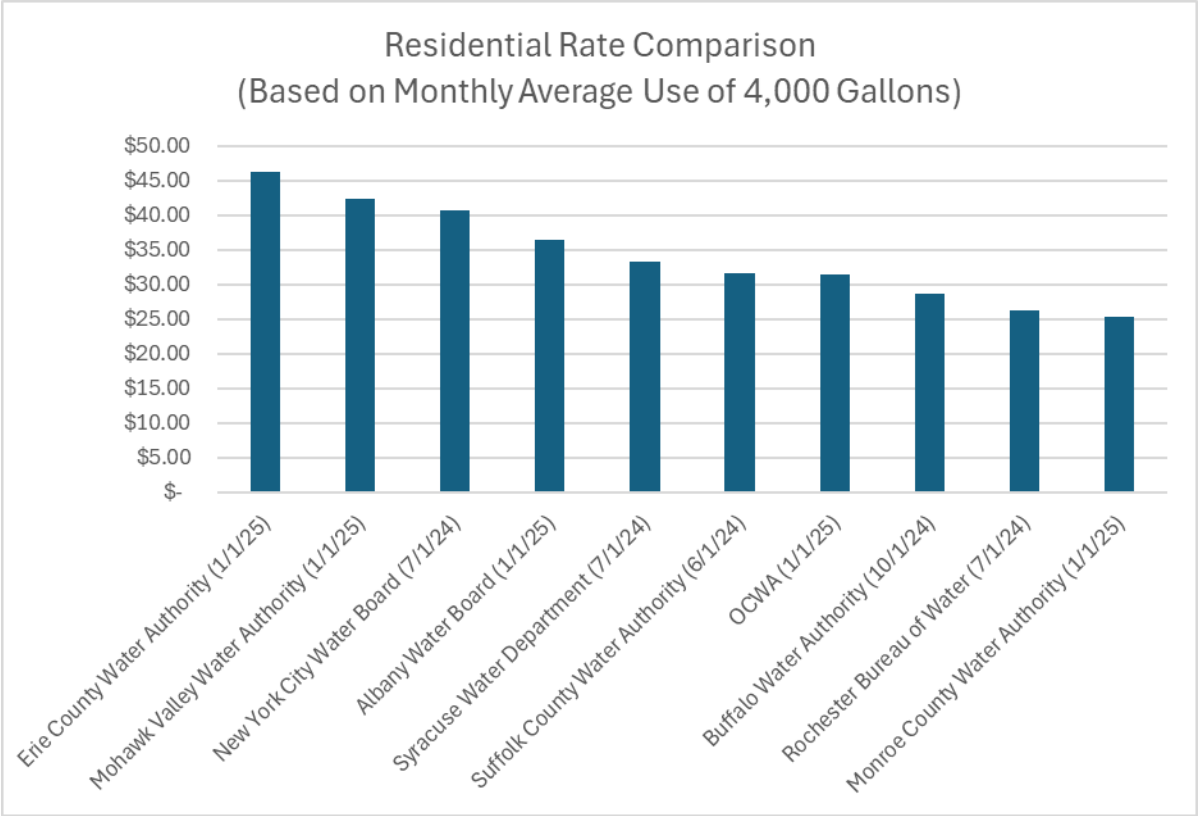
The following graph depicts the Authority's monthly water rates compared to other public water providers in New York State.



Present Water Sales

The metropolitan Syracuse area, which the Authority services, is well established as a major industrial, commercial and distribution center. Ample electrical power is available, and transportation facilities include a major railroad, major airlines, the New York State Barge Canal, the New York Thruway and Interstate Routes 81, 481 and 690. The area (which includes Onondaga County and other surrounding communities) has a diverse economic backbone of manufacturing and industrial facilities, educational institutions, and healthcare facilities.

The Authority has seen a steady increase in the number of its customers. It has increased customer base through assuming operations of existing village and town water systems, operating newly constructed town water systems and through a moderate increase of new customers within its existing water service area. The Authority's annual growth in its customer base has averaged 1.3% since 2005 and accelerated somewhat during 2008 and 2009 and again in 2013 due to acquisition of existing village and town water systems coupled with the construction of new town water systems. During the most recent three years system growth has dropped to less than 0.5% per year.

The Authority also maintains a pro-active maintenance department and leak detection department which allows the Authority to maintain high quality service and continue to operate the system in a sound economical manner. The Authority also continues its efforts to remain competitive through initiatives such as streamlining operations through increased automation and use of technology advancements.

Water demand is illustrated by a comparison of water sales, revenues and physical plant of the Water System in 1995, 2005, 2015, 2020 and 2024 as shown in the following table:

ITEM	1995	2005	2015	2020	2024
Average Metered Water Sales	39.13 MGD	37.38 MGD	31.30 MGD	29.73 MGD	29.04 MGD
Operating Revenue	$17,546,000	$25,357,872	$43,814,483	$49,444,438	$61,918,544
Miles of Mains Owned & Leased	1,333	1,651	2,021	2,154	2,215
Active Accounts	69,445	85,318	101,409	104,494	104,947
Fire Hydrants	7,765	9,817	12,991	13,512	14,146

Average daily quantity of water sales and yearly totals of metered water sales by the Water System during the twelve months ended December 31, 2024 were as follows:

CLASSIFICATION	AVERAGE DAILY SALES (1000 gallons)	YEARLY TOTALS (1000 gallons)
Residential	12,065	4,403,774
Commercial	4,976	1,816,103
Industrial	5,640	2,058,428
Wholesale	6,354	2,319,125
TOTAL	29,035	10,597,430

WATER METERED & BILLED
(in Million Gallons)

	2018	2019	2020	2021	2022	2023	2024
Residential & Commercial	6,501	6,576	6,605	6,477	6,322	6,640	6,220
Industrials	2,573	2,453	2,149	2,148	2,172	2,028	2,058
Wholesale	2,259	2,252	2,107	2,148	2,255	2,316	2,319
Total	11,333	11,372	10,862	10,773	10,749	10,985	10,597

Future Water Sales

The number of residential and commercial accounts are expected to show continued, modest increases. However, a major investment in a microchip manufacturing facility in Onondaga County has been announced (see below) and discussions have been ongoing with the company about supplying large amounts of water to the facility. When this facility is built, we anticipate significant growth in water sales. Local highway facilities and a present program of extensive interstate and arterial route construction in and around the City of Syracuse assist this growth in sales. The Authority also continues to expand into new areas formerly served by private wells or small, outdated municipal water systems in Onondaga, Oswego, Madison, Oneida and Cayuga Counties. This growth in customer accounts is offset by the push nationally for water conservation which has caused water use to decline.

Micron Technologies, a global leader in the manufacturer of semiconductors and computer memory chips, has selected Clay, New York to be the location of its next large manufacturing facility. Micron is presently in the design and permitting phase of its project development. Micron intends to construct and begin operating four separate computer chip fabrication facilities at its proposed facility over the next 20+ years. Micron is still developing its plans for the amount of water it will need to operate the facility. The amount of water needed depends upon the final design of the fabrication units,

internal water recycle and conservation measures, and amount of reuse of reclaimed wastewater generated from the facility and surrounding area. The Onondaga County Department of Water Environment Protection, the entity that operates wastewater facilities in Onondaga County, is working on a plan for reclaiming some of the wastewater and returning it to Micron. As designs develop and get refined, the Authority will have a better understanding of the needs for water, but it is anticipated that the needs will be significant and will require significant improvements to our Lake Ontario facilities and other infrastructure serving the Micron site.

The Authority is currently limited to an average of 20 million gallons per day (mgd) from Otisco Lake, while the Lake Ontario system is capable of producing 60 mgd and can deliver 45 million gallons per day to Onondaga County. An additional 3 million gallons per day is available for purchase from the City of Syracuse. Ultimately, the combined system delivery capacity is 68 mgd to Onondaga County and beyond, with more than 95% under the management of the Authority.

Billing System

All of the Authority's services are metered to the customer except some emergency fire services. All residential customers have Touch Read remote reading meters or radio read meters; the input of which is fed in the Authority's computer system for information and automatic billing purposes. Payments of bills are read by a Burroughs SmartSource Remittance Processing System and credited directly to the customer's account. Authority members, executive management, department heads and supervisors of the Authority receive computer-generated reports monthly regarding all of the Authority operations and compare actual operating costs to budgeted amounts.

All of the Authority's accounting systems are computerized. Bills are issued to residential and commercial customers on a quarterly cycle. Large accounts are billed on a monthly basis. Fire protection charges are billed semi-annually. The Authority utilizes work management, asset management and human resource management systems that are fully integrated. The systems generate real-time updates and have monthly financial reporting capabilities. Each software system is regularly upgraded as new versions become available, and when justified. In late 2016, the Authority implemented a new electronic bill presentment and payment processing system. Electronic payments now represent 52% of all customer payments. The Authority is currently working on an upgrade of the inventory and job tracking software.

Unless a moratorium is put in place by New York State, the Authority shuts off water service to customers that are over 60 days delinquent. Residential and commercial customers are subject to a deposit.

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Uncollected Accounts

The uncollected accounts for 2006 through 2024 are as follows:

Year	Total ($)	Percent of Bills Issued (%)
2024	$35,197	0.06%
2023	16,421	0.02%
2022	25,166	0.05%
2021	24,844	0.05%
2020	31,458	0.07%
2019	12,827	0.03%
2018	31,866	0.07%
2017	18,487	0.04%
2016	31,511	0.08%
2015	17,356	0.04%
2014	31,362	0.08%
2013	20,199	0.05%
2012	16,169	0.04%
2011	38,868	0.10%
2010	11,913	0.03%
2009	193,305 (1)	0.64%
2008	28,694	0.10%
2007	21,684	0.08%
2006	20,432	0.09%

(1) Approximately $147,000 of the increase is due to four accounts (Northeast Biofuels - $17,000, Tim Devine - $42,000, P&C - $12,000 and Crucible Metals - $76,000).

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The following table summarizes the Authority's actual revenues and operating expenses for fiscal years 2020-2024 and the Authority's budgeted revenues and operating expenses for fiscal year 2025.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budgeted
OPERATING REVENUE						
Charges for Services	$48,252,190	$49,113,325	$53,176,458	$55,011,307	$60,464,805	$61,864,473
Penalties	473,315	612,892	646,463	780,370	773,381	813,976
Other	718,931	727,786	717,746	726,234	680,355	713,471
Total Operating Revenue	$49,444,436	$50,454,003	$54,540,667	$56,517,911	$61,918,541	$63,391,920
OPERATING EXPENSES						
Source of Supply	$1,156,059	$1,193,840	$1,359,834	$1,370,094	$1,568,767	$1,552,762
Transmission and Distribution	21,243,863	22,408,763	23,960,074	24,791,318	26,476,474	30,307,277
Collection	1,250,768	1,463,789	1,207,972	1,310,106	1,412,565	1,588,584
Administration	10,731,425	6,998,961	5,246,645	7,089,287	7,174,927	8,656,959
Depreciation and Amortization	7,196,429	7,837,569	7,830,061	8,321,484	8,928,321	11,307,588
Total Operating Expense	$41,578,544	$39,902,922	$39,604,586	$42,882,289	$45,561,054	$53,413,170
INCOME FROM OPERATIONS	7,865,892	10,551,081	14,936,081	13,635,622	16,357,490	9,978,750
OTHER INCOME (EXPENSE)						
Interest from Investments Held by Trustee	254,089	24,959	1,055,201	3,789,512	3,342,505	1,503,000
Gain (Loss) on Disposal of Fixed Assets	19,077	346,652	203,584	220,594	2,290,221	-
Grant Income	-	-	1,510,208	2,316,508	-	-
Legal Settlement	-	-	1,300,000	-	-	-
Net Insurance Proceeds from Fire	-	-	2,162,925	-	-	-
Debt Issuance Costs	1,500	(180,000)	(266,563)	-	-	-
Realized Loss on Investments	-	-	(82,186)	(1,195)	-	-
Interest Expense	(3,819,117)	(3,608,782)	(4,433,453)	(4,439,474)	(4,109,218)	(4,341,552)
Net Other (Expense) Income	(3,544,451)	(3,417,171)	1,449,716	1,885,945	1,523,508	(2,838,552)
Net Income Before Capital Contributions	4,321,441	7,133,910	16,385,797	15,521,567	17,880,998	7,140,198
Capital Contributions	1,220,244	1,510,288	1,232,115	1,651,578	1,347,452	1,460,000
CHANGE IN NET POSITION	5,541,685	8,644,198	17,617,912	17,173,145	19,228,450	8,600,198
NET POSITION						
Balance Beginning of Year, Restated	$200,818,397	$206,360,082	$215,004,280	$232,622,192	$249,795,337	$269,023,787
Balance, End of Year	$206,360,082	$215,004,280	$232,622,192	$249,795,337	$269,023,787	$277,623,985

Source: Authority records.

LITIGATION AND NEGOTIATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court (either state or federal) restraining or enjoining the issuance or delivery of the 2025 Bonds, or questioning (i) the existence of the Authority or the title to the office of its present members or officers, (ii) the proceedings under which the 2025 Bonds are to be issued, (iii) the validity of the 2025 Bonds or the exclusion of the interest thereon from federal income taxation, or (iv) the power of the Authority to collect and pledge net revenues, in accordance with the terms of the Resolution, to pay the 2025 Bonds.

Certain Indian tribes have asserted claims under the Indian Nonintercourse Act of 1790, which have created uncertainty as to title to millions of acres of land generally in the area of the thirteen original states. Portions of the Authority's transmission mains and portions of the leased water distribution facilities of the Authority lie within the area claimed by the Oneida Indian Nation of New York in two separate actions, as well as an action brought by the Onondaga Indian Nation. The Authority is not a named defendant in any of the actions.

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax under the Code, however interest on the 2025 Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various requirements which must be met in order that interest on the 2025 Bonds will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the 2025 Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2025 Bonds to be includable in gross income for purposes of federal income tax from the date of issuance of the 2025 Bonds. The Authority has covenanted to comply with the requirements of the Code and has made representations addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes compliance with such covenants as well as the accuracy of such representations made by the Authority.

The 2025 Series B Bonds maturing on June 1 in each of the years 2050 and 2055 have been initially offered to the public at prices less than the amount payable with respect to such Bonds at maturity (the "Discount Bonds"). The difference between the stated principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters of wholesalers) at which price a substantial amount of Discount Bonds of the same maturity is sold constitutes original issue discount which (to the extent allocable to the owners of the Discount Bonds) is excluded from gross income for federal income tax purposes to the same extent as interest on the 2025 Bonds. Further, original issue discount with respect to the Discount Bonds accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

The 2025 Series A Bonds maturing on December 1, 2025 and June 1 in the years 2026 through 2045, both inclusive, and in each of the years 2050 and 2055 and also the 2025 Series B Bonds maturing on June 1 in the years 2026 through 2045, both inclusive, have been initially offered to the public at prices greater than the amount payable with respect to such Bonds at maturity (the "Premium Bonds"). As a result of requirements under the Code relating to tax cost reduction associated with the amortization of bond premium, under certain circumstances the initial owner of a Premium Bond may realize taxable gain upon disposition thereof even though sold or redeemed for an amount less than or equal to such owner's original acquisition cost. The amortization requirements may also result in the reduction of the amount of stated interest which an owner of a Premium Bond is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Certain requirements and procedures contained or referred to in the Resolution, the Arbitrage Certificate and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of bond counsel other than Trespasz Law Offices, LLP.

Prospective purchasers of the 2025 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Interest on the 2025 Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the 2025 Bonds and will be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the 2025 Bonds, if other than the registered owner).

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2025 Bonds under Federal or state law or otherwise prevent beneficial owners of the 2025 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, actions (whether currently proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2025 Bonds.

Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding the foregoing matters.

In the opinion of Bond Counsel, interest on the 2025 Bonds is exempt under existing statutes, from personal income taxes of the State of New York and its political subdivisions, as applicable. See "APPENDIX – E" and "APPENDIX – F" attached hereto.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Authority will enter into a Continuing Disclosure Undertaking with respect to the 2025 Bonds, the description of which is attached hereto as "APPENDIX – B."

Historical Compliance

The Authority is in compliance with SEC Rule 15c2-12 within the past five years.

The Authority adopted and has in place a Federal Securities Law Post-Issuance Compliance Policy to implement practices, procedures and systems designed to identify on a timely basis facts relevant to maintaining and demonstrating compliance with requirements that must be satisfied subsequent to the issuance of its bonds under the provisions of the Authority's continuing disclosure undertakings in satisfaction of SEC Rule 15c2-12.

BOND RATING

Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "Aa1" to the 2025 Bonds.

No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the views of such organization and an explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653. Generally a rating agency bases its ratings on the information and material furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered, suspended or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the 2025 Bonds.

AGREEMENT OF THE STATE

The State of New York pledges and agrees in the Act that it will not limit or alter the rights vested by the Act in the Authority to establish and collect such rates, rentals and other charges as may be convenient or necessary to produce sufficient revenue to fulfill the terms of any agreements made with the holders of the Bonds, or in any way impair the rights and remedies of Bondholders until the Bonds together with the interest thereon are fully met and discharged.

LEGALITY OF THE BONDS FOR INVESTMENTS

The Act provides that the bonds or notes of the Authority are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and saving associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and all other persons whatsoever, except as thereinafter provided, who are now or may hereafter be authorized to invest in bonds or other obligations of the State of New York, may properly and legally invest funds including capital in their control or belonging to them. Such bonds or notes, however, shall not be eligible for the investment of funds including capital, of trusts, estates or investment of funds including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees and other individual fiduciaries.

The bonds or notes of the Authority are also, by the Act, made securities which may be deposited with and may be received by all public officers and bodies of the State of New York and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the State of New York is now or may hereafter be authorized.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the 2025 Bonds by the Authority are subject to the approval of Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters pertaining to the Authority will be passed upon by Robert M. Germain, Esq., Counsel to the Authority.

UNDERWRITING

The 2025 Series A Bonds are being purchased, subject to certain conditions, for reoffering by Roosevelt & Cross Incorporated (the "Underwriter") at an aggregate purchase price for the 2025 Series A Bonds of $3,780,379.50, being the par amount of the 2025 Series A Bonds plus an original premium of $130,442.65, less the underwriter's discount of $15,063.15.

The 2025 Series B Bonds are being purchased, subject to certain conditions, for reoffering by the Underwriter at an aggregate purchase price for the 2025 Series B Bonds of $16,684,587.30, being the par amount of the 2025 Series B Bonds plus a net original premium of $162,783.10, less the underwriter's discount of $58,195.80.

The Purchase Contract provides that, subject to certain conditions precedent, the Underwriter will purchase all of the 2025 Bonds if any 2025 Bonds are purchased.

The Underwriter is initially offering the 2025 Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the 2025 Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Authority on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the 2025 Bonds. The advice on the plan of financing and the structuring of the 2025 Bonds was based on materials provided by the Authority and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Authority or the information set forth in this Official Statement or any other information available to the Authority with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Authority to the Municipal Advisor are partially contingent on the successful closing of the 2025 Bonds.

FINANCIAL STATEMENTS

The financial statements of the Authority for the two years ended December 31, 2024 and December 31, 2023, together with the report thereon of Dermody, Burke & Brown, CPAs, LLC, are included in "APPENDIX – D" to this Official Statement.

MISCELLANEOUS

The references herein to the General Resolution, 2025 Series A Resolution, 2025 Series B Resolution, the Act, and the 2025 Bonds, respectively, and to any other contract or document referred to herein, are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made thereto for full and complete statements of such provisions.

The information contained in this Official Statement has been authorized for use in connection with the offering of the 2025 Bonds by the Authority. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the 2025 Bonds.

The execution and delivery of this Official Statement by the Authority have been authorized under the 2025 Series A Resolution and 2025 Series B Resolution.

ONONDAGA COUNTY WATER AUTHORITY

/s/ Kenneth C. Gardiner
Chairman

ONONDAGA COUNTY WATER AUTHORITY, NEW YORK

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	*Total Outstanding Debt Service**	*General Water System Revenue Bonds 2025 Series A*			*General Water System Revenue Bonds 2025 Series B*			*Total Bonded Debt Service**
		Principal	*Interest*	*Debt Service*	*Principal*	*Interest*	*Debt Service*	
2025	$ 10,037,307	$ 60,000	$ 83,481	$ 143,481	$ -	$ 377,656	$ 377,656	$ 10,558,443
2026	9,043,987	55,000	178,875	233,875	245,000	822,875	1,067,875	10,345,737
2027	9,058,452	55,000	176,125	231,125	255,000	810,375	1,065,375	10,354,952
2028	8,823,852	60,000	173,250	233,250	270,000	797,250	1,067,250	10,124,352
2029	8,764,074	60,000	170,250	230,250	285,000	783,375	1,068,375	10,062,699
2030	6,551,564	65,000	167,125	232,125	300,000	768,750	1,068,750	7,852,439
2031	6,553,826	70,000	163,750	233,750	315,000	753,375	1,068,375	7,855,951
2032	6,552,614	70,000	160,250	230,250	330,000	737,250	1,067,250	7,850,114
2033	6,551,576	75,000	156,625	231,625	345,000	720,375	1,065,375	7,848,576
2034	6,552,101	80,000	152,750	232,750	365,000	702,625	1,067,625	7,852,476
2035	6,557,089	85,000	148,625	233,625	385,000	683,875	1,068,875	7,859,589
2036	6,211,020	90,000	144,250	234,250	400,000	664,250	1,064,250	7,509,520
2037	6,219,970	90,000	139,750	229,750	425,000	643,625	1,068,625	7,518,345
2038	8,241,520	95,000	135,125	230,125	445,000	621,875	1,066,875	9,538,520
2039	5,039,470	100,000	130,250	230,250	470,000	599,000	1,069,000	6,338,720
2040	5,040,520	105,000	125,125	230,125	490,000	575,000	1,065,000	6,335,645
2041	5,039,020	115,000	119,625	234,625	515,000	549,875	1,064,875	6,338,520
2042	5,038,920	120,000	113,750	233,750	545,000	523,375	1,068,375	6,341,045
2043	5,041,500	125,000	107,625	232,625	570,000	495,500	1,065,500	6,339,625
2044	5,040,780	130,000	101,250	231,250	600,000	466,250	1,066,250	6,338,280
2045	2,431,730	135,000	94,625	229,625	630,000	435,500	1,065,500	3,726,855
2046	2,427,530	145,000	87,625	232,625	665,000	403,125	1,068,125	3,728,280
2047	2,432,250	150,000	80,250	230,250	700,000	369,000	1,069,000	3,731,500
2048	2,428,500	160,000	72,500	232,500	735,000	333,125	1,068,125	3,729,125
2049	2,428,500	170,000	64,250	234,250	770,000	295,500	1,065,500	3,728,250
2050	2,432,125	175,000	55,625	230,625	810,000	256,000	1,066,000	3,728,750
2051	2,429,250	185,000	46,625	231,625	850,000	214,500	1,064,500	3,725,375
2052	-	195,000	37,125	232,125	895,000	170,875	1,065,875	1,298,000
2053	-	205,000	27,125	232,125	940,000	125,000	1,065,000	1,297,125
2054	-	215,000	16,625	231,625	990,000	76,750	1,066,750	1,298,375
2055	-	225,000	5,625	230,625	1,040,000	26,000	1,066,000	1,296,625
Total:	**$ 152,969,047**	**$ 3,665,000**	**$ 3,435,856**	**$ 7,100,856**	**$ 16,580,000**	**$ 15,801,906**	**$ 32,381,906**	**$ 192,451,808**

* Represents total debt issued by the Onondaga County Water Authority, as well as debt issued through the New York State Environmental Facilities Corporation

APPENDIX - B

CONTINUING DISCLOSURE UNDERTAKING

In order to assist the Underwriter in complying with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, the Authority has covenanted, for the sole benefit of the Holders (and, to the extent provided in Section 7.03 of the General Resolution, the beneficial owners) of the Outstanding 2025 Bonds and subject (except to the extent otherwise provided in said Section 7.03) to the remedial provisions of the Resolution, that:

The Authority shall provide:

1. Within 120 days after the end of each Fiscal Year, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the SEC to receive reports pursuant to the rule, (i) financial information and operating data for the prior Fiscal Year, including: its audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) material historical quantitative data on the Authority's revenues, expenditures, financial operations, indebtedness, and the debt service coverage for the most recent full Fiscal Year for each Series of Bonds.

2. Notice of the occurrence of any of the following events with respect to the Bonds (each an "Event Notice"), in a timely manner not in excess of ten (10) business days after the occurrence of the event:

(a) principal and interest payment delinquencies
(b) non-payment related defaults, if material
(c) unscheduled draws on debt service reserves reflecting financial difficulties
(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements 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 status of the Bonds, or other material events affecting the tax status of the Bonds
(g) modifications to rights of Bondholders, if material
(h) bond calls, if material and tender offers
(i) defeasances
(j) release, substitution, or sale of property securing repayment of the Bonds, if material
(k) rating changes
(l) bankruptcy, insolvency, receivership or similar event of the Authority
(m) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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
(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 Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect Bondholders, 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 Authority, any of which reflect financial difficulties.

With respect to event (d) the Authority does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental

authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above if the Authority determines that any such other event is material with respect to the Bonds; but the Authority does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

3. In a timely manner, to the MSRB or any other facility designated or authorized by the SEC to receive Reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statements, if any, on or before the date specified.

(b) The Annual Information and the Event Notices, if any, will be filed with the MSRB and its EMMA system for municipal securities disclosures.

(c) The Authority does not undertake to provide such notice with respect to (1) credit enhancement if (A) the enhancement is added after the primary offering of the Bonds, (B) the Authority does not apply for or participate in obtaining the enhancement and (C) the enhancement is not described in the applicable official statement of the Authority; (2) a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in such official statement, (B) the only open issue is which Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the Holders as required under the terms of the Resolution and (D) public notice of the redemption is given pursuant to Release No. 23856 of the SEC under the 1934 Act, even if the originally scheduled amounts may be reduced by prior optional redemptions or purchases; or (3) tax exemption other than pursuant to Section 103 of the Code.

(d) In addition to the Trustee's and Holder's remedies specified in Article VIII of the General Resolution, any beneficial owner of the Bonds of a Series described in Section 7.03 of the General Resolution may bring a proceeding to enforce the undertaking set forth in said Section without acting in concert if (1) such owner shall have filed with the Authority (A) evidence of beneficial ownership and (B) written notice of, and request to cure, the alleged breach, (2) the Authority shall have failed to comply within a reasonable time, and (3) such beneficial owner stipulates that (A) no challenge is made to the adequacy of any information provided in accordance with the undertaking and (B) no remedy is sought other than substantial performance of the undertaking. To the extent permitted by law, each beneficial owner agrees that all proceedings shall be instituted only for the equal benefit of all such owners of the Outstanding Bonds benefited by the same or a substantially similar undertaking.

(e) For the purposes of Section 7.03 of the General Resolution, a beneficial owner of a security includes a person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares investment power which includes the power to dispose, or to direct the disposition of, such security, except that a person who in the ordinary course of business is a pledgee of securities under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged securities until the pledgee has taken all formal steps to declare a default and determines that the power to dispose or to direct the disposition of such pledged securities will be exercised, provided that;

1. the pledge agreement is bona fide;
2. the pledgee is:
(a) a broker or dealer registered under Section 15 of the 1934 Act;
(b) a bank as defined in Section 3(a)(6) of the 1934 Act;
(c) an insurance company as defined in Section 3(a)(19) of the 1934 Act;
(d) an investment company registered under Section 8 of the Investment Company Act of 1940;
(e) an investment adviser registered under Section 203 of the Investment Advisers Act of 1940;
(f) an employee benefit plan, or pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or an endowment fund;
(g) a parent holding company, provided the aggregate amount held directly by the parent,

and directly and indirectly by its subsidiaries which are not persons specified in items (A) through (F) of this clause (2) does not exceed 1% of the securities of the subject class; or

(h) a group, provided that all the members are persons specified in items (a) through (g) of this clause (2); and

3. the pledge agreement, prior to default, does not grant to the pledgee the power to dispose or direct the disposition of the pledged securities, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended subject to Regulation T (12 CFR 220.1 to 220.8) and in which the pledgee is a broker or dealer registered under Section 15 of the 1934 Act.

(a) Any Supplemental Resolution amending this undertaking may only be entered into:

(1) if all or any part of the Rule, as interpreted by the staff of the SEC at the date hereof, ceases to be in effect for any reason and the Authority elects that this undertaking shall be deemed terminated or amended (as the case may be) accordingly; or

(2) if, (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the authority, or type of business conducted; (b) the undertaking, as amended, would have complied with the requirements of the Rule at the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (c) the undertaking, as amended, would have complied with the requirements of the Rule at the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (d) the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the staff of the SEC to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided.

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The General Resolution, as amended and supplemented, contains various covenants and security provisions, certain of which are summarized below. The summary does not purport to be a complete statement of the terms of the General Resolution and accordingly is qualified by reference thereto and is subject to the full and complete text thereof. Certain provisions of the General Resolution relative to the terms of the Bonds, requirements for the issuance of Additional Bonds and various security covenants are summarized elsewhere in this Official Statement. Copies of the General Resolution the 2025 Series A Resolution and the 2025 Series B Resolution may be obtained from the Authority or the Trustee. Capitalized terms used in this Official Statement which are not defined herein shall have the same meanings as in the General Resolution.

Definitions (Section 1.01)

"Accrued Debt Service" means as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid for such Series and that portion of the Principal Installments for such Series next due which would have accrued to the end of such calendar month if deemed to accrue monthly from a date one year prior to its due date;

"Act" means the Onondaga County Water Authority Act (being Chapter 675 of the Laws of New York, 1951, as amended, and constituting Title 7 of Article 5 of the Public Authorities Law);

"Additional Bond Requirement" means with respect to the authentication and delivery of one or more Series of Additional Bonds or Refunding Bonds an amount equal to the greater of (A) the sum of (i) the Aggregate Debt Service, for the 12 month period set forth in the certificate of an Authorized Officer of the Authority, delivered in connection with such Additional Bonds or Refunding Bonds, with respect to the Bonds Outstanding immediately prior to such authentication and delivery of the Additional Bonds or Refunding Bonds, (ii) the Maximum Annual Debt Service on such Additional Bonds or Refunding Bonds, (iii) maximum annual Debt Service with respect to any Subordinate Obligations Outstanding, and (iv) Required Deposits for the aforesaid 12 month period; or (B) 1.25 times the Aggregate Debt Service. In the event such certificate of an Authorized Officer of the Authority is delivered in connection with the issuance of Refunding Bonds, the Additional Bond Requirement shall be computed as if any Bonds being refunded by such Refunding Bonds were not outstanding during such 12-month period. For the purposes of this Definition, Debt Service shall include the interest, if any, to be paid from Bond proceeds deposited in the Bond Fund;

"Additional Bonds" means the bonds of the Authority authorized, authenticated and delivered pursuant to Section 2.06 of the General Resolution;

"Aggregate Debt Service" means, for any period of twelve consecutive calendar months and as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series;

"Authorized Investments" means and includes any of the following investments that at the time are legal for the investment of the Authority's moneys:

(i) Defeasance Obligations;

(ii) Direct obligations of, or obligations guaranteed as to timely payment of principal and interest by Federal Home Loan Mortgage Corporation, Fannie Mae or the Federal Farm Credit System;

(iii) Demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank, payable on demand or on a specified date no more than three months after the date of issuance thereof, if such deposits or instruments are rated F1 by Fitch (if rated by Fitch), A-1+ by S&P and P-1 by Moody's;

(iv) General obligations of, or obligations guaranteed by, any state of the United States or the District of Columbia receiving one of the two highest long-term unsecured debt rating categories available for such securities by Fitch (if rated by Fitch), Moody's and S&P;

(v) Commercial or finance company paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than three months after the date of issuance thereof) that is rated F1 by Fitch (if rated by Fitch), A-1+ by S&P and P-1 by Moody's;

(vi) Repurchase obligations with respect to any security described in clause (i) or (ii) above entered into with a primary dealer, depository institution or trust company (acting as principal) rated F1 by Fitch (if rated by Fitch), A-1+ by S&P and P-1 by Moody's (if payable on demand or on a specified date no more than three months after the date of issuance thereof) or in one of the two highest long-term rating categories by Fitch (if rated by Fitch), S&P and Moody's or collateralized by securities described in clause (i) or (ii) above with any registered

broker/dealer or with any domestic commercial bank whose long-term debt obligations are rated "investment grade" by each of Fitch (if rated by Fitch), S&P and Moody's, provided that (1) a specified written agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a member of the Federal Deposit Insurance Corporation that has combined surplus and undivided profits of not less than $25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has a term of thirty days or less, or the collateral securities are required to be valued on behalf of the Authority no less frequently than monthly and the Trustee notified in writing of the results thereof, if any deficiency in the required collateral percentage is not restored within five Business Days of such valuation, the Trustee is to liquidate the collateral securities and (4) the fair market value of the collateral securities in relation to the amount of the obligation, including principal and interest, is equal to at least 104% or, if the collateral securities are described in clause (ii) above, at least 105%;

(vii) Securities bearing interest or sold at a discount (payable on demand or on a specified date no more than three months after the date of issuance thereof) that are issued by any corporation incorporated under the laws of the United States of America or any state thereof and rated F1 by Fitch (if rated by Fitch), P-1 by Moody's and A-1+ by S&P at the time of such investment or contractual commitment providing for such investment; provided, however, that securities issued by any such corporation will not be Authorized Investments to the extent that investment therein would cause the then outstanding principal amount of securities issued by such corporation that are then held to exceed 20% of the aggregate principal amount of all Authorized Investments then held;

(viii) Units of taxable money market funds which funds are regulated investment companies and seek to maintain a constant net asset value per share and have been rated in one of the two highest categories by Moody's and at least AAAm or AAAm-G by S&P, including if so rated any such fund which the Trustee of an affiliate of the Trustee serves as an investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee charges and collects fees and expenses (not exceeding current income) from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to the Resolution, and (c) services performed for such funds and pursuant to the Resolution may converge at any time (the Authority specifically authorizes the Trustee or an affiliate of the Trustee to charge and collect all fees and expenses from such funds for services rendered to such funds, in addition to any fees and expenses the Trustee may charge and collect for services rendered pursuant to the Resolution);

(ix) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements rated, or with any financial institution or corporation whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, at the time such agreement or contract is entered into, in one of the two highest long-term rating categories by Fitch (if rated by Fitch), Moody's and S&P if the Authority has an option to terminate such agreement in the event that either such rating is downgraded below AA- by Fitch (if rated by Fitch), Aa3 by Moody's or AA- by S&P, or if not so rated, then collateralized by securities described in clause (i) or (ii) above with any registered broker/dealer or with any domestic commercial bank whose long-term debt obligations are rated "investment grade by each of Fitch (if rated by Fitch), S&P and Moody's, provided that (1) a specific written agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank or (b) a member of the Federal Deposit Insurance Corporation that has combined surplus and undivided profits of not less than $25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) the agreement has a term of thirty days or less, or the collateral securities are to be valued on behalf of the Authority no less frequently than monthly and the Trustee notified in writing of the results thereunder and if any deficiency in the required collateral percentage is not restored within five Business Days of such valuation, the Trustee is to liquidate the collateral securities and (4) the fair market value of the collateral securities in relation to the amount of the obligation, including principal and interest, is equal to at least 104% or, if the collateral securities are described n (ii) above, at least 105%; and

(x) Other obligations, securities, agreements or contracts that are non-callable and that are acceptable to the provider of the Credit Facility, if any;

provided, however, that no Authorized Investment may (a) except for Defeasance Obligations, evidence the right to receive only interest with respect to the obligations underlying such instrument or (b) be purchased at a price greater than par if such instrument may be prepaid or called at a price less than its purchase price prior to its stated maturity.

"Available Revenues" means the Revenues;

"Bond" or "Bonds" means any of the bonds of the Authority authenticated and delivered under and pursuant to the General Resolution or a Series Resolution;

"Bond Series Certificate" means a certificate of the Authority fixing terms, conditions and other details of Bonds of an applicable Series in accordance with the delegation of power to do so, if any, under the General Resolution or any Series Resolution;

"Capital Improvement" means all new or additional property, real, personal and mixed (including separate and distinct plants, systems and properties), and permanent extensions, improvements, betterments, renewals and replacements to or otherwise included within or part of the Water System, both real, personal and mixed (including equipment and appliances) acquired or constructed by or on behalf of the Authority;

"Code" means the Internal Revenue Code of 1986 and the regulations of the Department of the Treasury promulgated thereunder as well as on the applicable regulations promulgated under the Internal Revenue Code of 1954, as amended;

"Costs" or "Cost of Construction", when used with reference to a Capital Improvement, means the erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation or rehabilitation of the Water System or a part thereof, the inspection and supervision thereof, the engineering, architectural, legal, fiscal, economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto; the cost of the acquisition of all property; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources; the cost of engineering and architectural surveys, plans and specifications; the cost of consultants' and legal services; the cost of lease guarantee or bond insurance, other expenses necessary, reasonably related or incidental to the construction of a Capital Improvement and the financing of the construction thereof, including the cost of credit facilities, the amounts authorized in the General Resolution to be paid into any reserve or other special fund from the proceeds of Bonds and the financing of the placing of any Capital Improvement in operation, including reimbursement to any municipality, state agency, the State, the United States of America, or any other person for expenditures that would be costs of such Capital Improvement hereunder and all claims arising from any of the foregoing;

"Debt Service" means, for any period, as of any date of calculation and with respect to any Series an amount equal to the sum of (i) interest accruing during such period on such Series of Bonds, except to the extent that such interest is to be paid from Bond proceeds deposited in the Bond Fund and (ii) that portion of each Principal Installment for such Series deemed to accrue daily in equal amounts from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) prior to its due date, or from the date of issuance of the Bonds of such Series, whichever is later, such interest and Principal Installments to be calculated on the assumption that Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding by reason, but only by reason of the payment of each Principal Installment on its due date;

"Defeasance Obligations" means:

(i) Non-callable direct obligations of the United States of America, non-callable and non-prepayable direct federal agency obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by the United States of America, non-callable direct obligations of the United States of America which have been stripped by the United States Treasury itself or by any Federal Reserve Bank (not including "CATS," "TIGRS" and "TRS" unless the Authority obtains Rating Confirmation with respect thereto) and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form, and shall exclude investments in mutual funds and unit investment trusts;

(ii) Non-callable obligations timely maturing and bearing interest (but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof;

(iii) Bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (i) or (ii) which fund may be applied only to the payment when due of such bonds or other obligations, and (c) which are rated AAA by Fitch (if rated by Fitch), AAA by S&P and Aaa by Moody's;

"Estimated Aggregate Debt Service" means for any calendar year and as of any date of calculation, the sum of the amounts of Debt Service for such year with respect to all Series of Bonds then Outstanding; provided, however, that in computing such Estimated Aggregate Debt Service, any Variable Interest Rate Bonds shall be deemed to bear at all times, to the maturity date hereof, the Estimated Average Interest Rate applicable thereto;

"Estimated Average Interest Rate" means with respect to any Variable Interest Rate Bonds the interest rate borne by Bonds of like maturity and equal credit rating, as estimated by the Authority on the date of authorization of such Bonds;

"Fiduciary" means the Trustee, any Depositary, the Bond Registrar, any Authenticating Agent and any Paying Agent, or any or all of them as may be appropriate;

"General Resolution" means the General Water System Revenue Bond Resolution of the Authority adopted March 14, 2001, as from time to time amended and supplemented;

"Maximum Annual Debt Service" means the maximum amount of Estimated Aggregate Debt Service for the then current year or any future year;

"Net Revenue Requirement" means, with respect to any period of time, an amount equal to the greater of (i) the sum of the Aggregate Debt Service and the Required Deposits for such period, or (ii) 1.25 times the Aggregate Debt Service for such period;

"Net Revenues" means, for any period of time, the Available Revenues during such period less all Operating Expenses for such period;

"Operating Expenses" means the Authority's expenses for operation and maintenance of the Water System and shall include administrative expenses, insurance premiums, legal and engineering expenses, any payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds, refunds of customers' deposits, interest on customers' deposits and any other expenses required to be paid by the Authority under the provisions of the Resolution or by law or permitted by standard practices for public utility systems similar to the property and business of the Authority and applicable in the circumstances, and the expenses, liabilities and compensation of the Trustee and Paying Agent required to be paid under the Resolution, all to the extent properly attributable to the Water System including payment of taxes or other governmental charges required by law, if any;

"Option Bonds" means Bonds which by their terms may be tendered by and at the option of the holder thereof for purchase from the holder prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the holder thereof;

"Outstanding", means (a) when used with reference to Subordinate Obligations, "Outstanding" as such term is defined in the resolution, indenture or other instrument of the Authority authorizing the issuance of such Subordinate Obligations or not otherwise paid or deemed to be paid in accordance with the terms of such Subordinate Obligations; and (b) when used with reference to Bonds (or a Series of Bonds), as of any date, all Bonds (or all Bonds of such Series), theretofore or thereupon being authenticated and delivered under the General Resolution; except:

(1) Any Bonds, cancelled by the Trustee, at or prior to such date;

(2) Bonds (or portions of Bonds), for payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with accrued interest to the date of maturity or redemption date, shall be held in trust under the General Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date); provided that if such Bonds (or portions of Bonds), are to be redeemed, notice of such redemption shall have been given as provided in the General Resolution or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(3) Bonds, in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Sections 3.04, 3.05, 3.07, 3.08, 4.06 or 12.06 of the General Resolution;

(4) Bonds deemed to have been paid as provided in subsection (b) of Section 15.01 of the General Resolution; and

(5) Option Bonds deemed tendered in accordance with the provision of the Series Resolution authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in such Series Resolution;

"Principal Installment" means, as of any particular date of calculation and with respect to any Series, an amount of money equal to (i) the principal amount of Bonds of such Series Outstanding which mature on a single future date, for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in Section 5.04 of

the General Resolution) of the Resolution of any Sinking Fund Installments due on a certain future date for Bonds of such Series Outstanding, plus the sinking fund redemption premiums, if any, which may be applicable upon redemption of such Bonds on such future date or (iii) if such future date coincides as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any;

"Redemption Price" means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the General Resolution and, unless the context indicates to the contrary, includes the Sinking Fund Redemption Price;

"Renewal and Replacement Fund" means the fund so designated which is created and established by Section 5.02 of the General Resolution;

"Required Deposits" means, for any period of time, (i) amounts payable into the Bond Reserve Fund, the Subordinated Obligation Fund and the Renewal and Replacement Fund, in accordance with the General Resolution and (ii) amounts required to be included in the Annual Budget in accordance with subsection (e) of Section 7.10 of the General Resolution;

"Reserve Requirement" means with respect to any Series of Bonds) the amount required to be deposited and maintained in the Bond Reserve Fund as set forth in the Series Resolution authorizing such Series of Bonds;

"Resolution" means the General Resolution as from time to time amended and supplemented;

"Revenues" means all revenues, rates, fees, charges, rents and other income and receipts, in each case derived by or for the account of the Authority from the operation and ownership of the Water System;

"Series" means all Bonds authenticated and delivered on original issuance and identified pursuant to the Series Resolution authorizing such Bonds as a separate Series of Bonds;

"Series Resolution" means a resolution of the Authority authorizing the issuance of a Series of Bonds and adopted by the Authority pursuant to Article X of the General Resolution;

"Subordinate Obligation Requirement" means with respect to any period of time, the amount required to be deposited into the Subordinate Obligation Fund pursuant to the resolutions, indentures or other instruments of the Authority adopted by the Authority in accordance with section 5.09 of the General Resolution and providing for all payments with respect to Subordinate Obligations;

"Variable Interest Rate" shall mean a variable interest rate to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds. The method of computing such variable interest rate shall be specified in the Series Resolution authorizing such Series of Bonds; provided that, such Variable Interest Rate shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Resolution; and

"Water System" means the source of water supply and the water supply and distribution system of the Authority, including the plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in lands and water rights, rights of way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, and any other property, real, personal, or mixed, incidental to and included in such source of supply and such system or parts thereof, and any improvements, extensions and betterments, now or hereafter constructed, acquired or made by the Authority.

Resolution to Constitute Contract (Section 1.04)

The provisions of the Resolution constitute a contract of the Authority with the holders of the Bonds and are deemed to be and constitutes a contract between the Authority and the holders from time to time of the Bonds. The pledge made in the Resolution and the covenants and agreements to be performed on behalf of the Authority are for the equal benefit, protection and security of the holders of any and all of said Bonds. All of the Bonds, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution.

Authorization of Bonds (Section 2.01)

The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may be limited by law.

The issuance of Bonds of a Series shall be authorized pursuant to a Series Resolution adopted pursuant to the General Resolution. Each Series Resolution shall, subject to the express limitations of the General Resolution, specify (i) the authorized principal amount of such Series; (ii) the purpose or purposes for which such Series is being issued, which shall be to finance the cost of Capital Improvements or completion of Capital Improvements, provide additional funds for deposit to the Reserve Fund or refund Bonds or Subordinate Obligations; (iii) the date, maturity dates and amounts of each maturity, the Sinking Fund Installment payment dates, if any, the amount of each Sinking Fund Installment, if applicable, and the first and all subsequent interest payment dates of the Bonds of such Series or the manner of determining the same; (iv) the interest rate or rates of the Bonds of such Series or the manner of determining such rate or rates and the interest payment dates therefor, and in the case of Variable Interest Rate Bonds, the Maximum Interest Rate for such Bonds, and the provisions, if any, as to the calculation or change of Variable Interest Rates; (v) the authorized denomination or denominations of and the manner of dating, numbering and lettering the Bonds of such Series, provided, that all such Bonds shall be in denominations of $5,000 or any integral multiple thereof; (vi) the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, of the Bonds of such Series and the place or places of payment of the principal or Redemption Price, if any, of and interest on the Bonds of such Series; (vii) direction for the application and disbursement of the proceeds of the Bonds of such Series, (viii) provisions for the sale of the Bonds of such Series; (ix) a description of the Capital Improvement, if any, to be financed or refinanced by the Bonds of such Series; (x) the form of the Bonds of such Series and the form of the Trustee's certificate of authentication, which forms shall be, respectively, substantially in the forms set forth in the Resolution, with such variations, omissions and insertions as are required or permitted by the Resolution; (xi) with regard to Option Bonds, provisions regarding tender and payment thereof; and (xii) any other provisions deemed advisable by the Authority, in lieu of or in substitution for the provisions of the Resolution, which may include variations of the form of Bonds to be issued under the Series Resolution and such modifications as may be necessary to provide for the issuance of Bonds without certificates and evidenced in book entry form.

All the Bonds of each Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to the Resolution.

Refunding Bonds (Section 2.07)

One or more Series of Refunding Bonds may be issued at any time (i) to refund Outstanding Bonds of one or more Series, or (ii) to refund one or more maturities within a Series or any Bonds of one or more maturities within one or more Series, or (iii) to refund any Outstanding Subordinate Obligations. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the Provisions of the Series Resolution authorizing such Bonds. Refunding Bonds may be issued for the purpose described in clause (iii) above if the Authority meets the test described in Section 2.06 of the General Resolution. Refunding Bonds may be issued for any of the purposes described in clauses (i) and (ii) above if the sum of Estimated Aggregate Debt Service after giving effect to the issuance of such Refunding Bonds does not exceed Estimated Aggregate Debt Service immediately prior to the date of authentication and delivery of such Refunding Bonds by 5%.

Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 of the General Resolution) of:

(1) Instructions to the Trustee, satisfactory to it, to give due notice or redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to certain provisions of Section 15.1 of the General Resolution;

(2) If the Bonds to be refunded are not by their terms subject to the redemption or will not be redeemed within the next succeeding 60 days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 15.1 of the General Resolution to the holders of the Bonds being refunded; and

(3) Either (i) moneys in an amount sufficient, as provided in the General Resolution, to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the benefit of and assigned to the respective holders of the Bonds to be refunded, or (ii) Defeasance Obligations and any moneys, in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection (b) of Section 15.01 of the General Resolution, which Defeasance Obligations and moneys

shall be held in trust and used only as provided in said subsection (b).

(4) Such further documents and moneys as are required by the provisions of any Series Resolution adopted pursuant to Article X of the General Resolution.

The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied, simultaneously with the delivery of such Bonds, for the purposes of making deposits in such Funds and Accounts under the General Resolution as shall be provided by the Series Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Series Resolution.

Form of Bonds, Exchange and Registration (Sections 3.01, 3.04 and 3.05)

The Bonds of each Series shall be issued only in fully registered form without coupons unless otherwise authorized by a Series Resolution. The Bonds of each Series shall be substantially in the form set forth in the General Resolution or as may be otherwise provided in the Series Resolution authorizing such Series. Any Series Resolution may contain such additional provisions regarding registration, discharge and transfer of Bonds of such Series as are not inconsistent with the Resolution.

The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts. The principal and Redemption Price of any Bond shall be payable upon surrender thereof at such offices as provided for in the applicable Series Resolution. Interest on any Bond shall be payable by check or draft mailed to the holder of such Bond, unless some other method of payment shall be provided in the applicable Series Resolution, in whose name that Bond is registered at the close of business on the Record Date for such interest.

Unless otherwise provided in a Series Resolution in respect of any Series of Bonds, the holder of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination of the same aggregate principal amount, Series and maturity as the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged for a new Bond or Bonds upon the request of the holder thereof in person or by his attorney duly authorized in writing, upon surrender of such Bond or Bonds at the principal office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney duly authorized in writing and upon payment of any charges which the Bond Registrar may make as provided in the Resolution.

The Bond Registrar in respect of each Series of Bonds shall act as registrar and transfer agent for all Bonds of such Series. The Authority shall cause to be kept at an office of the Bond Registrar for a Series of Bonds a Bond Register in which, subject to such reasonable regulations as it may prescribe, the Authority shall provide for the registration of the Bonds of such Series and for the registration of transfers of such Bonds. The Authority shall cause the Bond Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept.

The Pledge Effected by the Resolution (Section 5.01)

Under the Resolution there are pledged for the payment of the principal or Redemption Price of, and interest on the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, (i) the proceeds of sale of the Bonds, (ii) all Net Revenues and (iii) all Funds, other than the Subordinate Obligation Fund and the Rebate Fund, each established by the Resolution. Such proceeds of the sale of the Bonds, the Net Revenues and the other moneys and securities thereby pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

Establishment of Funds (Section 5.02)

The General Resolution creates the following funds:

Funds to be Held by the Authority

(a) General Revenue Fund
(b) Renewal and Replacement Fund
(c) General Authority Fund
(d) Subordinate Obligation Fund
(e) Construction Fund

Funds to be Held by the Trustee

(a) Bond Fund
(b) Bond Reserve Fund
(c) Rebate Fund

Disposition of Revenues (Section 5.03)

From and after the time of delivery by the Trustee of the first Bond authenticated and delivered under the Resolution, all Available Revenues shall be collected by the Authority and deposited, as soon as practicable, into and credited to the General Revenue Fund.

The Authority shall promptly deposit all Available Revenue, upon receipt thereof, to the credit of the General Revenue Fund. Promptly after each such deposit to the General Revenue Fund, the Authority shall (a) pay Operating Expenses out of the General Revenue Fund, and retain in the General Revenue Fund reasonable and necessary amounts for working capital and reserves not to exceed 20% of the amount appropriated for Operating Expenses by the Operating Budget, and (b) apply or transfer to the Trustee or any Depositary, as the case may be, on the 20th day of each month the balance of moneys in the General Revenue Fund in accordance with a certificate of an Authorized Officer of the Authority, specifying the deposits to be made, in the following order of priority:

(1) To the Bond Fund, if and to the extent required so that the balance in the Bond Fund shall equal the Accrued Debt Service for all Bonds Outstanding on said date;

(2) To the Bond Reserve Fund, if and to the extent required so that the balance in said Fund shall equal the Reserve Requirement for all Bonds Outstanding on said date (and to the provider of any surety bond or an insurance policy for the benefit of the holders of Bonds or a letter of credit or other form of guarantee therefor, any amount disbursed thereunder);

(3) To the Renewal and Replacement Fund, a sum equal to one-twelfth of the amount provided in the Annual Budget of the Authority to be deposited in said Fund during the then current calendar year, provided that if any such monthly allocation to the Renewal and Replacement Fund shall be less than the required amount, the amount of the next succeeding monthly payment shall be increased by the amount of such deficiency;

(4) To the Subordinate Obligation Fund, the amount, if any, equal to all Subordinate Obligation Requirements theretofor accrued and unpaid and not met from any other source and to accrue and become payable during the succeeding calendar month and not met from any other source;

(5) To the General Authority Fund, any remaining balance of such moneys withdrawn from the General Revenue Fund.

Subordinate Obligations (Section 5.08)

The Authority may, at any time or from time to time, issue evidences of indebtedness payable out of, and which may be secured by a pledge of, such amounts in the Subordinate Obligation Fund or the General Authority Fund as may from time to time be available for the purpose of payment thereof. The Authority may, by resolution, provide for various priorities in the liens and pledges securing Subordinate Obligations, and nothing in the Resolution shall be construed so as to require that the payment of, or pledges securing, Subordinate Obligations be on parity.

The Authority may also, at any time or from time to time, issue Subordinate Obligations to refund any Subordinate Obligations issued as provided in the Resolution or to refund Outstanding Bonds of one or more Series or one or more maturities within a Series. Such Subordinate Obligations issued for refunding purposes may be payable out of, and may be secured by a pledge of, such amounts in the Subordinate Obligation Fund or General Authority Fund as may from time to time be available therefor.

Any issue of Subordinate Obligations may have such rank or priority with respect to any other issue as may be provided in the resolution, indenture or other instrument securing such issue of Subordinate Obligations and may contain such other provisions as are not in conflict with the provisions of the Resolution.

Valuation of Funds and Accounts (Section 5.11)

The Trustee shall, as of the close of business on the last day of each month, compute in the manner set forth in the General Resolution the value of the moneys and Authorized Investments in the Bond Fund and the Bond Reserve Fund and shall as promptly as practicable thereafter notify the Authority as to the result of such computation and the amount of deficiency or surplus in such Fund or Account as of such date.

The Depositary shall, as of the close of business on the last day of each month, compute in the manner set forth in Section 6.04 of the General Resolution the value of the moneys and Authorized Investments in the Renewal and Replacement Fund, the General Authority Fund and the Subordinate Obligation Fund, and shall as promptly as practicable thereafter notify

the Authority as to the result of such computation and the amount of any deficiency or surplus in such Funds as of such date.

Rebate Fund (Section 5.12)

(a) The Authority shall deposit or cause to be deposited the Rebate Requirement (as defined in the Rebate Agreement) into the Rebate Fund at the times and in the manner set forth in the Rebate Agreement.

(b) The Authority and the Trustee agree that there shall be rebated to the Internal Revenue Service (or such other agency of the United States as may be prescribed pursuant to Section 148(f) of the Code) all moneys held in the Rebate Fund and required to be rebated in accordance with the Rebate Agreement.

Investment of Funds (Sections 6.01 through 6.03, 5.05)

All moneys held by the Trustee under the Resolution shall be deposited with the Trustee or with one or more Depositaries in trust for the Trustee. All moneys held by the Authority under the Resolution shall be deposited with one or more Depositaries in the name of the Authority.

All moneys held by any Depositary may be placed in demand or interest bearing time deposits, as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use when needed.

All moneys held by the Trustee or any Depositary shall be continuously and fully insured, or to the extent not insured secured for the benefit of the Authority and the Bondholders, either (a) by lodging with the Trustee as collateral security, Defeasance Obligations having a market value (exclusive of accrued interest) not less than the amount of such moneys, or (b) in such other manner as may then be required by applicable Federal or state laws and regulations to provide security for the deposit of trust funds or to grant a preference to the depositor thereof; provided, however, that it shall not be necessary for the Fiduciaries to give security for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee or any Depositary to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

Moneys held in the Bond Fund and the Bond Reserve Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in Authorized Investments which mature no later than necessary to provide moneys when needed for payments to be made from such Funds, but no moneys in the Bond Reserve Fund shall be invested in any Authorized Investment maturing later than the final maturity date of the applicable Series of Bonds. Moneys in the General Revenue Fund and the General Authority Fund may be invested and reinvested by the Authority in Authorized Investments which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. Moneys in the General Authority Fund may be invested by the Authority in Authorized Investments which mature within three years from the date of purchase thereof, but no later than necessary to provide moneys when needed for payments from such Fund. Amounts in the Renewal and Replacement Fund may be invested by the Authority in Authorized Investments which mature no later than necessary to provide moneys when needed for payments from such Fund, but in no event later than two years from the date of purchase thereof. The Authority may however specifically direct the investment, subject to the provisions of the Resolution, of any or all moneys in such Funds and if it does so direct, the Trustee or Depositary shall forthwith comply with such direction.

Whenever the amounts on deposit in the Bond Reserve Fund shall exceed the Reserve Requirement, the amounts of such excess shall be paid by the Trustee into the General Revenue Fund. Net interest earned or gain realized on any moneys or investments in all other Funds and Accounts shall be retained therein and applied as provided in Section 5.05 of the General Resolution.

Notwithstanding anything in the Resolution to the contrary, investments in all Funds and Accounts shall be subject to the provisions of Section 5.12 of the General Resolution.

Indebtedness and Liens (Section 7.08)

So long as the Bonds of any Series shall be Outstanding, the Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Subordinated Obligations, which are payable from or secured by a pledge of the Revenues or of the moneys, securities or funds held or set aside by the Authority or by the Trustee under the Resolution, and shall not create or cause to be created any lien or charge on the available Revenues or such moneys, securities or funds ranking prior to or on a parity with the lien and pledge created by the Resolution and with any applicable Series Resolution; provided, however, that nothing contained in the Resolution shall prevent the Authority from entering into or issuing (i) evidences of Indebtedness payable from, or secured by the pledge of Available Revenues to be derived on and after such date as the pledge of Net Revenues provided in the Resolution shall be discharged and satisfied as provided in Section 15.01 of the General Resolution, or (ii) all such indebtedness and any pledge securing the same as shall be, and shall be expressed to

be, subordinate in all respects to the Bonds and the pledge created by the Resolution.

Annual Budget (Section 7.10)

The Authority covenants as follows:

(a) Not less than forty (40) days before the beginning of any calendar year the Authority shall prepare and file with the Trustee a preliminary budget of Operating Expenses and reserves therefor for the ensuing year. The Authority shall comply with any reasonable request of the Trustee as to the classifications in which such budget shall be prepared, particularly with respect to the divisions into which such budget shall be divided. Each such budget and each Annual Budget shall include, in addition to appropriations for all anticipated Operating Expenses and reserves therefor, provision for Renewal and Replacement Payments in at least the amount required by subsection (e) of this Section. Such preliminary budget and any Annual Budget may set forth such additional material as the Authority may determine and shall contain a certificate of the Consulting Engineers approving such preliminary budget or such Annual Budget, as the case may be.

(b) Except as provided in subsection (d), on or before the 15th day of each such calendar year, the Authority shall finally adopt the Annual Budget for such year. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current calendar year. Copies of the Annual Budget and any of amended Annual Budget shall be promptly filed with the Trustee, for inspection by Bondholders.

(c) If in any amended Annual Budget for any calendar year, the total Operating Expenses stated exceed 110% of the Total Operating Expenses stated in the Annual Budget for such year as filed with the Trustee, such amended Annual Budget shall not be effective or supersede any prior budget until the Authority shall have prepared a report in reasonable detail as to the reasonableness and necessity thereof, and filed copies of such report with the Trustee.

(d) If for any reason the Authority shall not have adopted the Annual Budget before the 15th day of any calendar year, the budget for the preceding calendar year shall be deemed to be in effect for such calendar year until the Annual Budget for such year is adopted. For any purpose of computation, the budget for the preceding year shall be deemed to have been adopted for any calendar year until the Annual Budget for such year shall be adopted and a copy thereof filed with the Trustee.

(e) Every preliminary budget, Annual Budget and amended Annual Budget shall be accompanied by a report of the Consulting Engineers setting forth in reasonable detail amounts required for major restoration, repair, replacement or reconstruction of the Water System and major or extraordinary repairs, renewals or replacements of the Water System for the period to be covered by such budget and projecting the amounts required for such purposes for the next five calendar years. A copy of each such report shall be filed and maintained in the records of the Authority and the Trustee. No preliminary budget, Annual Budget or amended Annual Budget shall provide for Renewal and Replacement Payments in amounts less than the amount specified in the said Consulting Engineers' report as required for the aforesaid purposes for the period to be covered by such budget.

Limitations on Operating Expenses (Section 7.12)

The Authority shall not pay Operating Expenses in any year in excess of the reasonable and necessary amount thereof, and shall not expend any amount for Operating Expenses for such year in excess of the amounts provided therefor in the Annual Budget as originally adopted or as amended. Nothing in this Section contained shall limit the amount which the Authority may expend for Operating Expenses in any year provided any amounts expended therefor in excess of such Annual Budget shall be received by the Authority from a source other than Revenues and the Authority shall not make or receive any reimbursement therefor out of Revenues.

Operation and Maintenance of the Water System (Section 7.13)

The Authority shall at all times operate or cause to be operated the Water System properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Water System may be properly and advantageously conducted.

Rates and Charges (Section 7.14)

The Authority shall at all times fix, charge and collect reasonable rates and other charges for each class of service rendered and facilities furnished by the Water System at rates not less than those set forth in any schedule of rates and other charges then in effect and will from time to time amend or adjust such rates so that the revenues of the Water System shall always be sufficient to provide for the payment of interest upon and the principal of the Outstanding Bonds, as and when the same become due and payable; to maintain the funds and accounts established in the Resolution; to provide for the payment

of expenses of administration and operation and maintenance of the Water System which may be necessary to preserve the same in good repair and working order; and to provide funds for the construction of such improvements, additions and extensions to the Water System as may be necessary or desirable.

Without limiting the generality of the foregoing, the Authority shall at all times fix, charge and collect such rates and other charges as shall be required in order that in each year Net Revenues shall at least equal the Net Revenue Requirement for each year.

The Authority shall review the adequacy of fees, rates and charges at least annually. If such annual review indicates that the rates, fees and charges are, or will be, insufficient to meet the requirements of subparagraphs (a) and (b) of this Section, the Authority shall promptly take the necessary action to cure or avoid any such deficiency.

The Authority shall shut off water service to any user for non-payment of water bills and charges after said bills and charges are delinquent for a period of sixty (60) days.

The Authority shall not furnish free service to any person, firm, association, corporation (whether municipal or private), political subdivision or public or governmental agency, provided, however, that the continuation of a free service required by contract or franchise validly in force on March 28, 2001 (the date of issue of the 2001 Series A Bonds which have been refunded with the 2010 Series A Bonds) shall not be deemed a breach of this covenant.

Any service rendered or facility furnished by the Authority to any person, firm, association, corporation (whether municipal or private), political subdivision or public or governmental agency shall be charged at the same rate and in the same manner as any other consumer, within the same classification, is or would be charged for a similar service or facility, provided, however, that the continuation of a service or facility at a rate or in a manner required by a contract or franchise validly in force on March 28, 2001 (the date of issue of the 2001 Series A Bonds, which have been refunded with the 2010 Series A Bonds) shall not be deemed a breach of this covenant.

The failure in any calendar year to comply with the covenant in the second paragraph of this Section shall not constitute an Event of Default if the Authority takes timely action pursuant to the third paragraph of this Section.

Insurance and Reconstruction (Section 7.15 and 7.16)

The Authority shall at all times maintain to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform to applicable standards or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required:

(1) Multi-risk insurance on the facilities of the Water System which are of an insurable nature and of the character usually insured by utilities operating similar facilities, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the Consulting Engineers certify to be necessary or advisable to provide against such loss or damage and to protect the interests of the Authority and the Bondholders;

(2) Use and occupancy insurance covering loss of Revenues by reason of necessary interruption, total or partial, in the use of the Water System due to loss or damage of any part thereof on which the Authority maintains such multi-risk insurance, in such amounts as the Consulting Engineers certify will provide income during the period of interruption equal to the amount of the loss of Net Revenues, computed on the basis of Net Revenues for the corresponding period during the preceding calendar year, attributable to such loss or damage;

(3) Public liability insurance covering injuries to persons and property in such amount as the Consulting Engineers certify as adequate to insure the Authority against claims arising out of the construction, maintenance, reconstruction or operation of the facilities of the Water System;

(4) During the construction or reconstruction of any portion of the facilities of the Water System, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, provided that the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Authority by contractors; and

(5) Any additional or other insurance required by law or which the Consulting Engineers certify is necessary or advisable to protect the interest of the Authority and the Bondholders.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Authority.

Certifications by the Consulting Engineers made pursuant to this Section shall be in writing and filed with the Authority and the Trustee. The Authority shall file with the Trustee annually, within 100 days after the close of each calendar year, a certificate of an Authorized Officer (i) describing in reasonable detail the insurance then in effect pursuant to this Section and that the Authority has complied in all respects with the requirements of this Section, and (ii) stating whether

during such year any portion of the Water System has been damaged or destroyed, and, if so, the amount of insurance proceeds covering such loss or damage and the Authority's reasonable and necessary costs of construction or replacement thereof.

The proceeds of any water insurance paid on account of damage or destruction of any portion of the Water System, and the proceeds of any use or occupancy insurance shall be applied as follows:

(a) If any useful portion of the Water System shall be damaged or destroyed, the Authority shall, as expeditiously as possible, continuously and diligently prosecute the reconstruction or replacement thereof. The proceeds of any insurance on account of such damage or destruction, other than use and occupancy insurance shall, to the extent necessary, be applied to the cost of such reconstruction or replacement. The proceeds of any insurance not so applied within 18 months after receipt shall be paid to the Trustee for deposit to the credit of the General Revenue Fund.

(b) If the proceeds of insurance authorized by this Section to be applied to the reconstruction or replacement of any portion of the Water System are insufficient for such purpose, the deficiency may be supplied out of moneys in the Renewal and Replacement Fund to the extent, as shown by a certificate of the Consulting Engineers filed with the Trustee, not needed to be reserved for the purposes of such Fund.

(c) The proceeds of insurance against physical loss of or damage to any Capital Improvement, or of contractors' performance bonds with respect to any Capital Improvement, received during the period of construction thereof, shall be paid to the Authority and applied toward the payment of the costs of such Capital Improvement.

Accounts and Reports (Section 7.17)

The Authority shall keep proper books, records and accounts (separate from all other books, records and accounts) in which complete and correct entries shall be made of its transactions relating to the Water System, the Funds established by the Resolution, and which, together with all other books and papers of the Authority, including insurance policies, shall at all times be subject to the inspection of the Trustee and the Holders of not less than 25% in principal amount of any Series of Bonds then Outstanding or their representatives duly authorized in writing. The Authority further covenants that it will keep an accurate record of the total cost of construction of the Water System, of the Available Revenues collected and of the application of such Available Revenues.

The Authority shall annually submit to the Governor, to the State Comptroller and to the State Legislature a detailed report pursuant to the provisions of the Public Authorities Law.

Tax Covenants (Section 7.18)

The Authority shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Authority to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code.

The Authority shall not permit at any time or times any proceeds of any Series of Bonds or any other funds of the Authority to be used, directly or indirectly, in a manner which would result in the exclusion of the interest on any Bond from the treatment afforded by Section 103 of the Code and shall refrain from taking any action which would result in the exclusion of the interest of any Bond from the treatment afforded by Section 103 of the Code.

Anything contained in the two preceding paragraphs to the contrary notwithstanding, the Authority reserves the right to issue one or more Series of Additional Bonds the interest on which is includable in the gross income of the recipient thereof for Federal income tax purposes, provided that the issuance of such Series does not adversely affect the federal tax exemption of the interest on any Series of Bonds, or any Subordinate Obligations.

Events of Default and Remedies (Sections 8.01 through 8.06)

If one or more of the following events (in the General Resolution called "Events of Default") shall happen:

(a) With respect to the applicable Series of Bonds if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Bond of such Series, or the payment of the purchase price of any Option Bonds when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) With respect to the applicable Series of Bonds if a default shall occur in the due and punctual payment of any installment of interest on any Bond of such Series;

(c) If a default shall occur in the performance or observance by the Authority of any other of the covenants, agreements or conditions in the Resolution, the applicable Series Resolution or in the Bonds of any

Series contained, and such default shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 25% in principal amount of the Bonds of such Series Outstanding;

(d) If the Authority shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State;

(e) If any part of the Water System shall be damaged or destroyed to the extent of impairing its efficient operation and adversely affecting the Revenues and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same shall be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any reason);

(f) If a judgment for the payment of money in excess of $500,000 shall be rendered against the Authority as the result of the construction, improvement, ownership, control or operation of the Water System, and any such judgment shall not be discharged within 90 days after the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; or

(g) If an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Water System, or any part thereof, of the rates or other revenues therefrom in an amount in excess of $500,000; or if such order or decree entered without the consent or acquiescence of the Authority shall not be vacated or discharged or stayed within 90 days after the entry thereof;

If an Event of Default shall happen and shall not have been remedied, then the Trustee may, and upon the written request of the holders of not less than 25% of all Series of Bonds then Outstanding shall, proceed to enforce by such proceedings at law or in equity as it deems most effectual the rights of Bondholders, and either the Trustee (by notice in writing to the Authority), or the holders of not less than 25% in principal amount of the Bonds Outstanding (by notice in writing to the Authority and the Trustee), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable.

The Authority covenants that if an Event of Default (as defined in the General Resolution) shall have happened and shall not have been remedied, the books of record and account of the Authority and all other records related to the Water System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys, and the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under the Resolution for such period as shall be stated in such demand, and upon demand of the Trustee, the Authority shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund or account under the Resolution, and (ii) all Revenues as promptly as practicable after receipt thereof.

If and whenever all defaults under the Resolution or the Bonds shall be cured or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, and funds then remaining unexpended in the hands of the Trustee (except moneys, securities, funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

If an Event of Default shall happen and shall not have been remedied, then the Trustee, by its agents and attorneys, may proceed, and upon written request of the holders of not less than 25% in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law.

Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the holders of a majority in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Resolution and to preserve or protect its interests and the interests of the Bondholders.

No remedy conferred upon or reserved to the Trustee or the Bondholders by the Resolution is intended to be exclusive of any other remedy, but each remedy is cumulative and in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

Trustee to Exercise Powers of Statutory Trustee (Section 8.08)

The Trustee is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 1168 of the Act and the right of the Bondholders to appoint a trustee pursuant to Section 1168 of the Act is abrogated in accordance with the provisions of Section 1156(3)(j) of the Act.

Notices of Default and Insufficiency of Revenues (Section 8.09)

The Trustee shall promptly mail to holders of Bonds written notice of the occurrence of any Event of Default of which the Trustee has knowledge.

Trustee; Paying Agents and Depositaries (Sections 9.01, 9.02, 9.03, 9.08, 9.09 and 9.10)

The General Resolution requires the appointment by the Authority of a Trustee, one or more Paying Agents and one or more Depositaries (which may include the Trustee). The Trustee may at any time resign on 60 days written notice to the Authority and may be removed at any time by the holders of a majority in principal amount of the Bonds then Outstanding. Any successor Trustee must be a bank or trust company organized under the laws of any state of the United States of America or national banking association, and have capital stock and surplus aggregating at least $100,000,000.

Series Resolutions; Powers of Amendments (Sections 10.01, 10.02 and 12.02)

The Authority may adopt at any time or from time to time a Series Resolution to authorize the issue of a specific Series of Bonds, as described above under the subheading "Authorization of Bonds". A copy of each Series Resolution, together with a copy of the General Resolution, shall be filed with the Trustee, and when filed shall be accompanied by Counsel's Opinion stating that such Series Resolution has been duly and lawfully adopted, is authorized and permitted under the General Resolution and is valid and binding upon the Authority.

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the holders of the Bonds thereunder, in any particular, may be made by Supplemental Resolution of the Authority, with the written consent of the holders of at least two thirds in principal amount of the Bonds affected by the modification or amendment, and Outstanding at the time such consent is given, and in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of one hundred per centum (100%) in principal amount of the Bonds of the particular maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. A Bond shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of such Bonds. The Trustee may in its discretion determine whether or not the rights of the Holders of Bonds of any particular maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Authority and all Holders of Bonds.

Defeasance (Section 15.01)

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds of a Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, and all other sums payable by the Authority pursuant to the Resolution and the applicable Series Resolution, at the times and in the manner stipulated therein and in the Resolution and applicable Series Resolution, then the pledge of any Revenues, and other moneys and securities pledged under the Resolution and applicable Series Resolution and all covenants, agreements and other obligations of the Authority to such Bondholders, shall thereupon be release, discharged and satisfied. In such event, the Trustee, upon request of the Authority, shall cause an accounting and all other sums payable by the Authority, pursuant to the Resolution and the applicable Series Resolution to be prepared and filed with the Authority, and shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys and securities held by them pursuant to the Resolution and applicable Series Resolution which are not required for the payment of Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Outstanding Bonds of a

particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution and applicable Series Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and applicable Series Resolution, and all covenants, agreements and obligations of the Authority to the holders of such Bonds shall thereupon be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee and/or the Paying Agents at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. Any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if the Authority shall have delivered to or deposited with the Trustee (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts, and on specified dates no later than the respective due dates, of their Principal Installments, (ii) irrevocable instructions to mail to the holders thereof notice of redemption in accordance with the Resolution of any Bonds so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of or the principal of and the interest on which, when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (iv) if any of said Bonds are not to be redeemed within the next succeeding 60 days, irrevocable instructions to publish, as soon as practicable in an Authorized Newspaper, at least twice at an interval of not less than seven days between publications, a notice to the holders of such Bonds that the deposit of moneys referred to in clause (iii) hereof has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable of said Bonds. Any notice of redemption published pursuant to the immediate preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing marks of each such Bond. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations shall be withdrawn or used for any purpose other than payment of such principal or Redemption Price for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds. Payments of interest on any such Defeasance Obligations shall be withdrawn and used for the purpose of payment of any principal, Redemption Price or interest to the full extent necessary to accomplish such purpose. To the extent that payments of interest on any such Defeasance Obligations are not needed for such purpose, such payments may be applied, and may be pledged by the Authority, to secure the payment of any bonds or other obligations of the Authority whose proceeds shall have been used, in whole or in part, to acquire such Defeasance Obligations. Any cash received from any such interest payments not needed for any of the said purposes shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge.

Amounts deposited with the Trustee for the payment of Principal Installments of and interest on any bonds deemed to be paid pursuant to the Resolution, if so directed by the Authority, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the 60th day preceding the redemption date of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount of Redemption Price established pursuant to the preceding paragraph, plus accrued interest thereon, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys required to be held for the payment of all other Bonds deemed to be paid pursuant to this section.

The Authority may purchase with any available funds any Bonds determined to be paid pursuant to this section in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the Authority on or prior to the 60th day preceding the redemption date. On or prior to the 60th day preceding the redemption date the Authority shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Authority on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Authority the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

Option Bonds shall be deemed to have been paid within the meaning and effect expressed in the first paragraph of this section only if, in addition to satisfying the requirements thereof, the requirements of the Series Resolution authorizing the issuance of such Option Bonds have been satisfied.

Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, within the meaning and effect expressed in the first paragraph of this section only if, in addition to satisfying the requirements thereof, the requirements of the Series Resolution authorizing the issuance of such Variable Interest Rate Bonds shall have been satisfied.

Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed on a date which is one day prior to the date on which such moneys would otherwise escheat to the state in which such Fiduciary is located shall be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto; provided, however, that before making any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspapers, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than ten nor more than twenty days after the date of the first publication of such notice, the balance of such money then unclaimed will be returned to the Authority.

Independent Auditor's Report and Audited Financial Statements of the Authority

Years Ended December 31, 2024 and 2023

Such Financial Statements And Opinions Were Prepared As Of The Date Thereof And Have Not Been Reviewed And/Or Updated In Connection With The Preparation And Dissemination Of This Official Statement.

FINANCIAL STATEMENTS

December 31, 2024 and 2023

Table of Contents

ONONDAGA COUNTY WATER AUTHORITY

INDEPENDENT AUDITORS' REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) 4

AUDITED FINANCIAL STATEMENTS 20

- STATEMENTS OF NET POSITION 20
- STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION 22
- STATEMENTS OF CASH FLOWS 23
- NOTES TO FINANCIAL STATEMENTS 25

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) 55

- SCHEDULE OF CHANGES IN AUTHORITY'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS 55
- SCHEDULE OF AUTHORITY'S CONTRIBUTIONS 56
- SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY 57

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 58

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES 60

Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS
ONONDAGA COUNTY WATER AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ONONDAGA COUNTY WATER AUTHORITY** (the Authority), which comprise the statements of net position as of December 31, 2024 and 2023, and the related statements of revenues, expenses and change in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 4 to 19 and 55 to 57, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

March 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended December 31, 2024

Introduction

Onondaga County Water Authority's (OCWA or Authority) Management's Discussion and Analysis for the fiscal year ended December 31, 2024, provides an introduction to the major activities that had an effect on the operations of the Authority and it also addresses the financial performance and status of OCWA. The information contained within the Management's Discussion and Analysis (MD&A) should be used and considered in conjunction with all of the information contained within the 2024 financial report, which follows this analysis.

Financial Overview

Net Income Before Capital Contributions increased by $2,359,431 in 2024 compared to 2023. A substantial increase in operating revenues was the main driver of this increase. Additionally, decreases in pension ($535,465) and OPEB ($331,130) expenses positively contributed $866,595 to that amount. The annual adjustments to both OPEB and pension are non-cash. Non-operating income in the form of gain on disposal of fixed assets ($2,069,627) also positively impacted net income. Two major offsets to increased net income were a reduction in grant income of $2,316,508 compared to 2023 and a decrease in interest from investment of $447,007.

Total 2024 revenues increased by $4,706,745 (7.5%) compared to 2023. Water revenue increased by $5,453,501 (9.9%) over the previous year.

The rate increases that OCWA implemented on January 1, 2024 and the year over year changes in the number of gallons billed (both increases and decreases) had significant effects on the various categories of water revenue.

Each water revenue type will be more fully examined below in the Review of Revenues section.

On the expense side, total expenses increased by $2,347,314 (5%). The Authority's operating expenses (less depreciation and amortization) for 2024 increased by $1,736,948 (4.4%).

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Financial Overview – Continued

The largest changes from 2023 are the following three expense components:

- OPEB expense, as determined by actuarial calculation of OCWA's GASB 75 entries, decreased by $331,130 (51.9%) over the 2023 total.

- Pension expense, as determined by the NYS Retirement System's GASB 68 calculation, was $535,465 (15.9%) less than the 2023 amount.

- There were also significant increases in purchased water ($211,767) and supplies ($264,409).

These items and other changes in various expenses are discussed more fully in the Review of Expenses section.

Using This Annual Report

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. Because OCWA is treated as a Proprietary Fund for auditing purposes, it has in the past and will continue to use the accrual basis of accounting. The accrual basis of accounting provides both short-term and long-term information about the Authority's overall financial status.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

The remainder of this MD&A highlights the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Summary of Statements of Net Position

TABLE 1

	2023	2024
ASSETS		
Cash and Cash Equivalents	$ 38,604,191	$ 41,735,585
Accounts Receivable	14,031,862	17,697,745
Materials, Supplies and Prepaid Expenses	6,327,999	5,943,316
Restricted Assets	45,062,711	24,804,712
Intangible Assets, Net	17,466,607	18,927,409
Plant and Water Rights, Net	306,964,607	332,980,919
TOTAL ASSETS	$ 428,457,977	$ 442,089,686
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	$ 220,707	$ 130,553
Other Post-Employment Benefits	2,761,545	1,778,389
Pension Related - ERS	7,476,704	6,772,564
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 10,458,956	$ 8,681,506
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 3,739,298	$ 4,431,940
Liabilities Payable from Restricted Assets	4,010,831	4,603,960
Bonds Payable	129,061,450	122,363,938
Post-Employment Benefits Other than Pension	29,248,250	29,857,208
Due to NYS Retirement System	9,122,124	6,291,946
TOTAL LIABILITIES	$ 175,181,953	$ 167,548,992
DEFERRED INFLOWS OF RESOURCES		
Other Post-Employment Benefits	$ 13,461,991	$ 10,900,651
Pension Related - ERS	428,351	3,282,268
Deferred Amount on Refunding	49,301	15,494
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 13,939,643	$ 14,198,413
NET POSITION		
Net Investment in Capital Assets	$ 207,881,481	$ 220,209,536
Restricted	7,684,248	7,492,716
Unrestricted	34,229,608	41,321,535
TOTAL NET POSITION	$ 249,795,337	$ 269,023,787

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Summary of Statements of Net Position – Continued

Total Assets increased by $13,631,709 in 2024 as a result of the following:

- Cash and Cash Equivalents increased by $3,131,394 (8.1%) primarily due to an increase in the General Fund of $1,950,092 along with an increase of $432,642 in the Revenue Fund. The increase in the General Fund is related to the funds generated by 2024 operating results.

- Accounts Receivable increased by $3,665,883 (26.1%). The two largest components comprising accounts receivable for water sales are accounts receivable for water that has been billed to customers which decreased by $194,278 and the estimated revenue that has been accrued but not yet billed on accounts which increased by $1,629,941. The allowance of uncollectable accounts decreased by $48,000. Additionally, special deposits increased by $2,188,487 as it included a receivable for a land sale of $2,262,000.

- Materials, Supplies and Prepaid Expenses decreased by $384,683 (6.1%) compared to 2023 levels. The largest parts of this variance are the $130,644 increase in prepaid insurance, a $143,466 increase in prepaid service contracts, and an $800,583 decrease in inventory. There also is a $210,659 credit for the remaining fire costs.

- Restricted Assets decreased by $20,257,999 (45.0%) in 2024 primarily due to spending of construction funds. The construction funds account decreased by $20,329,422 in 2024.

- Intangible Assets, Net increased by $1,460,802 (8.4%) in 2024. This is primarily due to the addition of $2,321,416 in intangible assets partially offset by a $860,614 increase in amortization.

- Plant and Water Rights increased due to additional capital projects either completed or in progress at the end of 2024. A detailed outline of the additions is located just after Table 4 "Capital Assets at Year End" later in this analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Summary of Statements of Net Position – Continued

Deferred Outflows of Resources decreased by $1,777,450 in 2024 as a result of the following:

- Deferred Amount on Refunding decreased by $90,154. Deferred Amount on Refunding is the difference between the reacquisition price and the net carrying amount of the old debt for two bond issues that were advance refunded. It is being recognized as a component of interest expense over the remaining life of the old debt. The amount recognized as a component of interest expense in 2024 was $90,154.

- Deferred Outflow to Other Post-Employment Benefits decreased by $983,156 in 2024. This information is based on calculations performed by OCWA's actuary that allow for the creation of GASB 75 entries.

- Deferred Contributions to Pension Plan decreased by $704,140 based on information provided by the NYS and Local Retirement System to enable the calculation of required GASB 68 entries.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Summary of Statements of Net Position – Continued

Total liabilities decreased by $7,632,961 in 2024 as a result of the following:

- Accounts Payable and Accrued Liabilities increased by $692,642 (18.5%) in 2024 due primarily to an increase in the number of purchases received but not invoiced in 2024 of $712,957.

- Liabilities Payable from Restricted Assets increased by $593,129 (14.8%) as compared to 2023 due to several factors. The retainage for the Construction funds increased $833,309. In addition, payables from Renewal and Replacement funds increased $193,522 and Arbitrage Payable increased $44,551.

- Bonds Payable balance decreased by $6,697,512. This decrease was due to annual principal payments totaling $5,935,000 and amortization of bond premiums in the amount of $762,512 during 2024.

- GASB Statement No. 75 establishes guidance for the financial reporting of OPEB. It does not require that the unfunded liability actually be funded, only that the Authority account for the unfunded liability. The financial statements at December 31, 2024 include a liability in the amount of $29,857,208 that was determined by OCWA's actuary and represents the Authority's unfunded liability. This is an increase of $608,958 over the 2023 amount.

- The amount due to the NYS and Local Retirement System decreased by $2,830,178. This represents the Authority's share of the total net pension liability based on information provided by the System on an annual basis. This decrease is related to market returns and changes in the discount rate.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Summary of Statements of Net Position – Continued

Deferred Inflows of Resources increased by $258,770 over the end of 2023 as a result of the following:

- Deferred Inflows from Other Post-Employment Benefits decreased to $10,900,651 at the end of 2024 from $13,461,991 at the end of 2023. This is information based on calculations performed by OCWA's actuary that allow for the creation of GASB 75 entries.

- Deferred Inflows from Pension Plan increased to $3,282,268 at the end of 2024 from $428,351 at the end of 2023. This is based on information provided by the NYS and Local Retirement System and enables the calculation of required GASB 68 entries. This significant increase is primarily due to changes in future assumptions.

- Deferred Amounts on Refunding decreased to $15,494 at the end of 2024 from $49,301 at the end of 2023. Deferred Amounts on Refunding is the difference between the reacquisition price and the net carrying amount of the old debt for two bond issues that were advance refunded.

Net Position is the difference between all the other elements of the statement. That is assets plus deferred outflows, less liabilities, less deferred inflows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended December 31, 2024

Review of Revenues

TABLE 2

	2023	2024
Residential / Commercial Sales	$ 42,679,444	$ 47,180,881
Industrial Sales	5,166,778	5,555,091
Municipal (Water Utility) Sales	5,462,345	5,882,316
Fire Protection	1,702,740	1,846,520
Miscellaneous Revenue	1,506,604	1,453,736
Interest from Investments Held in Trust	3,789,512	3,342,505
Gain on Disposal of Fixed Assets	220,594	2,290,221
Grant Income	2,316,508	0
TOTAL REVENUES	$ 62,844,525	$ 67,551,270

Total Revenues increased by $4,706,745 (7.5%) in 2024 as compared to 2023. That amount is comprised of the following:

- On January 1, 2024, OCWA implemented a Base System Fee increase of $0.97 per month for each equivalent dwelling unit (EDU) for all customer classes except fire protection. In addition, commodity rates were increased by 7% for all rate classes. Fees for both Private and Public Fire Protection were increased by 7%. The increases, which were determined during the budget process in late 2023, were based on the projected requirements for 2024 and considered changes that were expected at the time to have an effect on 2024 operations.

- Total Water Revenues for 2024 increased by $5,453,501 (9.9%) over the previous year as a result of changes to the various water revenue categories described below.

- Residential sales increased by $3,338,002 (10.3%) in 2024 as compared to 2023. One reason that residential revenue increased by more than the amount of the implemented rate increases is that estimated revenue accrued but not yet billed on accounts in December 2024 increased by $2,176,445 over the amount that was accrued in 2023. This positively affected both residential and commercial revenue which are billed quarterly.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Review of Revenues – Continued

- Commercial sales increased by $1,163,435 (11.5%) in 2024 as compared to 2023. As with residential revenue, the increase in the estimated revenue accrued but not yet billed on accounts in December of 2024 positively affected commercial revenue.

- Industrial sales increased by $388,313 (7.5%) as compared to the 2023 amounts. Industrial consumption increased from 2,031 MG in 2023 to 2052 MG in 2024. The increase of 27.4 MG equates to a 1.3% increase in the number of gallons billed.

- Municipal sales increased by $419,971 (7.7%), as compared to the 2023 amount. The combination of base system fee and commodity rate increases account for this increase. Additionally, the rates for the largest municipal customer were raised significantly in September of 2023. Overall, municipal consumption decreased from 2,317 MG in 2023 to 2,264 MG in 2024. The decrease of 53.1 MG equates to a 2.3% reduction in the number of gallons billed.

- Miscellaneous Revenue decreased by $52,868 (3.5%) over the 2023 amount. Penalties decreased by $6,989 (.9%) and miscellaneous sales increased by $33,272 (4.3%) in 2024. These were partially offset by a $10,328 (1.5%) increase in cost of miscellaneous sales.

- Interest from Investments Held in Trust decreased by $447,007 (11.8%) over 2023 due to yields on money markets, treasury bills and other investments being slightly lower during 2024 than during 2023 and lower investment balances.

- Grant Income decreased by $2,316,508 over the 2023 amount. No grant income in 2024. In 2023, the Authority received $2,316,508 for a NYS Department of State restructuring grant.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Review of Expenses

TABLE 3

	2023	2024
Operations	$ 16,671,518	$ 17,199,364
Purchased Water	1,370,094	1,568,767
General and Administrative	8,363,162	8,650,774
Less: Burden Applied	(1,273,875)	(1,475,847)
Depreciation	8,658,452	9,268,818
Bond Premium Amortization	(762,511)	(762,511)
Water District Amortization	425,543	422,014
Maintenance	9,429,906	10,689,675
Realized Loss on Investments	1,195	0
Interest Expense	4,439,474	4,109,218
TOTAL EXPENSES	$ 47,322,958	$ 49,670,272

Total expenses for 2024 increased by $2,347,314 (4.9%) compared to fiscal year 2023. There were significant increases in contractor expense ($372,483), professional services ($302,110) and depreciation ($604,662). There were significant decreases in OPEB expense ($331,130), pension expense ($535,465), and transportation expenses ($172,377). The above items and others are discussed below.

Labor Changes Impacting Operations, Maintenance, and General and Administrative Expenses

Labor expenses in operations, maintenance and general and administrative accounts increased by $1,043,885 (8.1%) during 2024 compared to 2023 amounts. Wage rates increased by 2.75% for CSEA and non-union personnel. Teamsters wage rates were increased by 4.75%. Another reason that labor expenses increased by the amount noted is that salaries for overtime increased $219,522 over 2023. This was offset by an average of eleven budgeted permanent positions being unfilled throughout 2024 in addition to labor charged to capital projects increasing by $107,536 (9.9%).

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Review of Expenses – Continued

Notable Expense Changes (Other Than Labor)

Some of the larger decreases in expenses from 2023 to 2024 include the following:

- OPEB expense decreased by $331,130 (51.9%) in 2024. The 2024 expense of $969,226 was one of the amounts determined by OCWA's actuary that comprise the GASB 75 entries for the year.

- Pension expense decreased by $535,465 (15.9%) in 2024 as compared to 2023 based on the GASB 68 calculations provided by the NYS and Local Retirement System. The NYSLRS calculates pension expense and other information on an annual basis and provides it to the Authority for inclusion in financials. OCWA's annual contribution for 2024 was $351,997 (20.2%) more than in 2023. The annual contribution is the amount remitted to NYS for the current year expense. The pension expense amount noted above includes a long-term analysis of liability.

- Transportation expenses decreased by $172,377 (13.1%). Gas and diesel fuel costs decreased by $207,377 in 2024. This was offset by all other transportation costs (maintenance and repairs, etc.) increasing by $35,000 for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Review of Expenses – Continued

Notable Expense Changes (Other Than Labor) – Continued

Significant expense increases from 2023 to 2024 include the following:

- Purchased water expense increased by $198,673 (14.5%) in 2024. This is due to consumption increasing by more than 20% in 2024 as compared to 2023. Purchased water is the amount of water purchased by OCWA from a neighboring water system to service different areas of the distribution system. Charges to municipalities for this water are included in operating revenues.

- Contractor expenses increased by $372,483 (14.4%) in 2024 compared to 2023. This change was made up of various increases, including OCWA's increased use of a contractor for right-of-way clearing/tree removal ($111,150), and use of contractors for software implementation ($85,076).

- Professional Services expense increased by $302,110 in 2024. This was primarily due to an increase in legal expenses of $270,529 and an additional rate study expense of $49,700.

- As required by the Metropolitan Water Board (MWB) consolidation agreement with Onondaga County, OCWA pays the County an annual amount needed to balance the budgeted appropriations made by the County on behalf of the MWB. These legacy costs, which are the net of costs still incurred by the County for such items as debt service, employee benefits and interdepartmental charges over and above amounts collected for ad valorem taxes and appropriated fund balance applied was $519,038 (46.2%) more in 2024 than in 2023.

- Depreciation increased by $610,366 (7.0%) in 2024 compared to 2023 figures. This reflects the fact that OCWA's water plant in service increased by $31.7 million in 2023 as well as $18.2 million in 2024. Fixed assets are depreciated over their estimated useful lives. In addition, improvements made by OCWA to Onondaga County owned facilities as part of MWB consolidation agreement were set up as intangible assets as ownership of those facilities remains with the County. These intangible assets are amortized over the term of the agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Capital Assets at Year End (Net of Depreciation)

TABLE 4

	Governmental Activities		Total Percent Change
	2023	2024	2023-2024
Water Plant in Service	$ 400,861,916	$ 419,076,776	4.54%
Water Rights - Source	5,250,000	5,250,000	0.00%
Construction Work-in-Progress (I&E)	29,198,970	44,659,103	52.95%
Water District	23,169,890	23,169,890	0.00%
Pre-Survey and Investigation	255,733	320,546	25.34%
Jobbing in Progress	183,343	209,134	14.07%
Allowance for Depreciation	(129,840,981)	(137,168,253)	5.64%
Accumulated Amortization/Water Districts	(16,864,264)	(17,286,277)	2.50%
Residual Amortization/Water Rights	(5,250,000)	(5,250,000)	0.00%
Total	$ 306,964,607	$ 332,980,919	8.48%

Increase to Water Plant in Service Highlights

- Cleaning and Lining Water Main – $2,515,890
- OCDOT Old Liverpool Road – $2,312,780
- Terminal Piping Repairs – $1,665,665
- 8" Extension Dunn Road – $1,591,038
- Volney Tank Painting Design – $1,280,385
- Volney Airport Tank Painting – $1,356,547
- 8" Main Replacement Dwight Park & Van Vleck – $709,361
- Water meters in the amount of $1,824,070, as part of an ongoing meter replacement project
- 8" Extension Brookview Lane – $596,551
- 8" Extension Plaxdale Road – $533,055

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Capital Assets at Year End (Net of Depreciation) – Continued

Construction Work-In-Progress Highlights

Construction Work-In-Progress increased by $15,460,133 during 2024, from $29,198,970 at the beginning of the year, to $44,659,103 at year end. Of that amount, $42,236,079 is related to the following four projects:

- Lake Ontario WTP Improvements Construction – $39,606,060
- Tug Hill Pump Station Improvements – $1,321,088
- LOWTP Clearwell Replacement Design – $796,952
- 8" Main Extension Beach Road – $511,979

Pre-Survey and Investigation Highlights

Pre-survey and investigation captures costs related to studies undertaken to evaluate potential additions and improvements to the OCWA system. The total increased by $64,813 in 2024 as a result of the costs added to projects during the year being more than those removed either by being transferred to a project that will be capitalized or being charged to expense.

Jobbing in Progress

Jobbing in progress captures costs associated with activities for which an individual or developer will pay for the job in full. The installation of new hydrants and large services within certain areas of OCWA's system are examples of this. A deposit for the job is taken. When the project is completed, the Authority either bills the developer if the actual cost is more than the deposit or refunds a portion of the deposit if the cost is less. "Job Orders" are also used to capture costs associated with repairing or replacing assets, generally hydrants and services, which are hit or otherwise damaged. The Authority then bills the individual or the individual's insurance for the repair cost. The account is also used to track the cost of contract operations and/or maintenance agreements with various water systems.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Long-Term Debt Administration

The Authority has six General Water System Revenue Bond issues and one E.F.C. Drinking Water Bond issue outstanding with a remaining principal totaling $111,225,000 as of December 31, 2024.

Pursuant to the relevant Bond Resolutions, all revenues collected by the Authority are pledged to the payment of principal and interest on the bonds. All such revenues are deposited in the name of a trustee for allocation to funds set up in accordance with the Bond Resolutions.

Series Bonds	Bonds Outstanding as of December 31, 2024
2022 Series A Bonds	$ 45,580,000
2021 Series A Bonds	14,205,000
2019 Series A Bonds	36,410,000
2016 Series A Bonds	5,730,000
2015 Series Bonds	3,040,000
2013 Series Bonds	965,000
2008 E.F.C. Bonds	5,295,000
Total	$ 111,225,000

OCWA Bond Rating

On December 21, 2021, Moody's Investors Service assigned a Aa2 rating to OCWA's General Water System Revenue Bonds, Series 2022A and maintained the Aa2 rating on OCWA's previously rated debt.

OCWA Budget Process

Each year the Authority's department managers prepare comprehensive draft budgets, one for operations and maintenance and one for capital projects. The executive staff combines the budgets and prepares a recommendation for the Authority's Board to review in early October. The Board, in turn, conducts a budget workshop with executive management and a final recommendation is made for approval by the Board at its October meeting. Pursuant to New York State's Public Authorities Accountability Act, OCWA's annual budget process must be completed by the end of October. Copies of the approved budget are then forwarded to elected officials at the County and State levels in accordance with PAAA guidelines.

Executive management also prepares a 20-year capital budget and a 20-year operations and maintenance budget for the Authority. Both budgets include a list of assumptions that are used to prepare the long-range projections and are approved annually by the OCWA Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended December 31, 2024

Looking Forward

The improvements at the Lake Ontario Water Treatment Plant which include work on the water filtration systems, replacement of major equipment and upgrading of the control systems are expected to be completed in early 2025. These improvements are being funded by OCWA's 2022 revenue bond issue.

Another major project moving forward in 2025 is the Farrell Pump Station upgrade. OCWA will be installing two new 800 horsepower vertical turbine water pumps and medium voltage drives. This work will restore the station to its original design capacity of over 66 million gallons per day. In addition, outdated hydraulic actuation systems will be replaced with modern and efficient check valves and surge relief systems.

On January 1, 2025, OCWA implemented the following rate increases:

Residential/ Commercial	Wholesale	Industrial	Private/Public Fire Protection
$15.68 / EDU + 5.8% Commodity Rate	$15.68 / EDU + 5.8% Commodity Rate	$15.68 / EDU + 5.8% Commodity Rate	5.8% / 5.8%

Request for Information

This analysis is presented as a broad overview of the financial condition of the Onondaga County Water Authority. Questions related to the analysis or the Authority in general should be sent to the Executive Director, Onondaga County Water Authority, PO Box 4949, Syracuse, New York 13221-4949. Questions can also be directed to the Executive Director via the Authority's web site at www.ocwa.org.

STATEMENTS OF NET POSITION
December 31, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	$ 41,735,585	$ 38,604,191
Accounts Receivable - Customers (Less Allowance for Doubtful Accounts of $52,000 and $100,000 in 2024 and 2023, Respectively)	15,376,226	13,892,563
Accounts Receivable - Other	2,321,519	139,299
Materials, Supplies and Prepaid Expenses	5,943,316	6,327,999
Total Current Assets	65,376,646	58,964,052
RESTRICTED ASSETS		
Customer Deposits	1,143,297	1,484,533
Bond Fund	3,844,447	3,823,120
Renewal and Replacement Fund	1,712,082	1,307,872
Bond Reserve Fund	8,627,390	8,640,268
Construction Fund	9,477,496	29,806,918
Total Restricted Assets	24,804,712	45,062,711
INTANGIBLE ASSETS, NET	18,927,409	17,466,607
PLANT AND WATER RIGHTS, NET	332,980,919	306,964,607
TOTAL ASSETS	442,089,686	428,457,977
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	130,553	220,707
Other Post-Employment Benefits	1,778,389	2,761,545
Pension Related - ERS	6,772,564	7,476,704
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,681,506	10,458,956

See notes to financial statements.

LIABILITIES AND NET POSITION

	2024	2023
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	4,431,940	3,739,298
Total Current Liabilities	4,431,940	3,739,298
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Accounts Payable	2,458,155	1,386,773
Customer Deposits	1,161,989	1,575,912
Bonds Payable, Portion Due Within One Year	6,210,000	5,935,000
Accrued Interest on Bonds Payable	983,816	1,048,146
Total Liabilities Payable from Restricted Assets	10,813,960	9,945,831
LONG-TERM DEBT		
Bonds Payable	116,153,938	123,126,450
Post-Employment Benefits Other Than Pension	29,857,208	29,248,250
Net Pension Liability - ERS	6,291,946	9,122,124
Total Long-Term Debt	152,303,092	161,496,824
TOTAL LIABILITIES	167,548,992	175,181,953
DEFERRED INFLOWS OF RESOURCES		
Other Post-Employment Benefits	10,900,651	13,461,991
Pension Related - ERS	3,282,268	428,351
Deferred Amounts on Refunding	15,494	49,301
TOTAL DEFERRED INFLOWS OF RESOURCES	14,198,413	13,939,643
NET POSITION		
Net Investment in Capital Assets	220,209,536	207,881,481
Restricted	7,492,716	7,684,248
Unrestricted	41,321,535	34,229,608
TOTAL NET POSITION	$ 269,023,787	$ 249,795,337

See notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUE		
Charges for Services	$ 60,464,808	$ 55,011,307
Penalties	773,381	780,370
Other	680,355	726,234
Total Operating Revenue	61,918,544	56,517,911
OPERATING EXPENSE		
Source of Supply	1,568,767	1,370,094
Transmission and Distribution	26,476,474	24,791,318
Collection	1,412,565	1,310,106
Administration	7,174,927	7,089,287
Depreciation and Amortization	8,928,321	8,321,484
Total Operating Expense	45,561,054	42,882,289
INCOME FROM OPERATIONS	16,357,490	13,635,622
OTHER INCOME (EXPENSE)		
Interest from Investments Held by Trustee	3,342,505	3,789,512
Gain on Disposal of Fixed Assets	2,290,221	220,594
Grant Income	0	2,316,508
Realized Loss on Investments	0	(1,195)
Interest Expense	(4,109,218)	(4,439,474)
Net Other Income	1,523,508	1,885,945
Net Income Before Capital Contributions	17,880,998	15,521,567
Capital Contributions	1,347,452	1,651,578
CHANGE IN NET POSITION	19,228,450	17,173,145
NET POSITION		
Balance, Beginning of Year	249,795,337	232,622,192
Balance, End of Year	$ 269,023,787	$ 249,795,337

See notes to financial statements.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 58,252,662	$ 57,779,194
Cash Payments for Goods and Services	(20,947,632)	(22,194,182)
Cash Payments to Employees	(13,842,072)	(12,798,955)
Net Cash Provided By Operating Activities	23,462,958	22,786,057
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Customer Deposits Received	1,327,985	1,496,797
Refunding of Customer Deposits	(1,741,909)	(1,241,888)
Net Cash Provided By (Used In) Noncapital Financing Activities	(413,924)	254,909
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	2,811,811	504,916
Cash Received from Contributed Capital	1,347,449	1,651,579
Payments for Capital Acquisitions	(37,689,532)	(32,541,626)
Grant Income	0	2,316,508
Arbitrage Rebate	(44,551)	(132,962)
Principal Payments	(5,935,000)	(5,680,000)
Interest Paid	(4,008,321)	(4,250,164)
Net Cash Provided By Capital and Related Financing Activities	(43,518,144)	(38,131,749)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	3,342,505	3,788,317
Net Cash Provided By Investing Activities	3,342,505	3,788,317
Net Change in Cash	(17,126,605)	(11,302,466)
Cash, Beginning of Year	83,666,902	94,969,368
Cash, End of Year	$ 66,540,297	$ 83,666,902

See notes to financial statements.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from Operations	$ 16,357,490	$ 13,635,622
Adjustments to Reconcile Income from Operations to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	8,928,321	8,321,484
Change in Allowance for Doubtful Accounts	(48,000)	10,000
(Increase) Decrease in Operating Assets:		
Accounts Receivable - Customers	(1,435,663)	1,284,346
Accounts Receivable - Other	(2,182,220)	(33,065)
Materials, Supplies, and Prepaid Expenses	384,683	(1,747,577)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	1,699,694	337,978
Post-Employment Benefits Other Than Pension	608,958	(5,606,550)
Pension Related Deferrals and Liabilities	(850,305)	6,583,819
Net Cash Provided By Operating Activities	$ 23,462,958	$ 22,786,057

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – NATURE OF OPERATIONS

Onondaga County Water Authority (the "Authority") is a public benefit corporation created by New York State and engaged in construction, maintenance and operation of a water supply and distribution system for the benefit of the people of Onondaga County and surrounding municipalities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

In accordance with GASB standards, the accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. As required by GASB standards, the transactions of the Authority are accounted for on a flow of economic resources measurement focus and accrual basis of accounting.

Basis of Presentation

GASB requires the classification of net position into three components defined as follows:

- *Net Investment in Capital Assets* are the amounts expended by the Authority for the acquisition of capital assets, net of accumulated depreciation and related debt.

- *Restricted Net Position* – This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This component consists of the remaining net assets, which can be further categorized as designated or undesignated. Designated assets are not governed by statute or contract but are committed for specific purposes pursuant to Authority policy and/or Board directives. Designated assets include funds and assets committed to working capital.

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report separate sections for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will therefore not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflow amounts on refunding of water revenue bonds, other post-employment benefits, as well as amounts relating to the New York State Employees' Retirement System in this category.

In addition to liabilities, the statements of net position will sometimes report separate sections for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period and will therefore not be recognized as an inflow of resources (revenue) until then. The Authority reports deferred inflow amounts on other post-employment benefits, deferred inflow amounts on refunding of water revenue bonds, as well as amounts relating to the New York State Employees' Retirement System in this category.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority has adopted the direct method of reporting net cash flows from operating activities and considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Assets Held by Trustee

Assets held in trust in accordance with the General Water System Revenue Bonds Trust Indentures and the Environmental Facilities Corporation's Drinking Water Installment Bond Indentures are included in Restricted Assets on the statements of net position (see Note 5).

Assets held by the Trustee consist of cash, money market funds, U.S. Treasury Bills and fixed income United States Government securities. The Authority reports these items at fair value based on quoted market prices.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Authority analyzes accounts receivable on a monthly basis and adjusts the allowance for doubtful accounts as is necessary. Accounts receivable are written off against the allowance for doubtful accounts as they are deemed uncollectible.

Accrued unbilled revenues (included in accounts receivable on the statements of net position) represent revenue earned in the current year but not billed to customers until future dates, usually within three months, and is an estimate made by management.

Materials, Supplies and Prepaid Expenses

Materials and supplies, consisting mainly of valves, pipe and hydrants are stated at cost and are determined using a weighted average cost method. Prepaid expenses consist of prepaid insurance and service contracts.

Bond Premium

Amortization of bond premium is on the straight-line basis over the life of the bonds and amounted to $762,511 for both years ended December 31, 2024 and 2023.

Plant and Water Rights

Capital assets are carried at cost. Improvements, renewals and significant repairs that extend the life of the asset are capitalized, other repairs and maintenance costs are expensed as incurred. The capitalized cost of additions to property and equipment includes construction costs such as labor and materials. The Authority's capitalization threshold is $5,000. The Authority does not capitalize interest.

Depreciation is provided on the straight-line basis using the various lives for each asset which range between 5 and 100 years, with one-half year's depreciation taken in the year of acquisition and disposal. When assets are retired or otherwise disposed of, the related assets and accumulated depreciation is written off and any unrelated gains or losses are recorded.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Plant and Water Rights – Continued

The Authority recognizes a lease liability and an intangible right-to-use lease asset for all long term leases. Leases of a year or less are not capitalized. The Authority's lease capitalization threshold is $25,000. At both December 31, 2024 and 2023, there were no long-term leases over the capitalization threshold.

Subscription-Based Information Technology Arrangement

The Authority is a subscriber for a noncancellable subscription of information technology services. The Authority recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the statements of net position for long-term subscriptions. Subscriptions with a term of a year or less are not added to the statements of net position. The Authority also only adds subscriptions over $25,000 to the statements of net position. At December 31, 2024, there were no long-term subscriptions over the capitalization threshold.

Contributed Capital

Contributed capital represents amounts, which have been received from customers for betterments or additions to water plants. The Authority accounts for such contributions as such in its statements of revenues, expenses and change in net position.

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Employees' Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported in the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the statutes governing the System. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Other Post-Employment Benefits

The Authority provides certain health care benefits to its retired employees in accordance with the provisions of employment contracts (see Note 7).

Revenue Recognition

The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Water service revenues are recognized based on actual customer water usage, including estimates for unbilled periods. Other operating revenues are recognized when service has been rendered and collection is reasonably assured. The Authority's operating expenses include operations and maintenance expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Income Tax Status

As a public benefit corporation, the Authority is exempt from federal and state income taxes, as well as state and local property and sales taxes.

Use of Estimates

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

Subsequent Events

The Authority has evaluated subsequent events through March 19, 2025, the date the financial statements were available to be issued, and identified the following additional disclosure.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Cash held by the Authority at December 31, 2024 consists of the following:

	Carrying Value	Bank Balance
Cash Held:		
Cash on Hand	$ 500	$ 0
Bank Accounts	1,799,918	2,484,400
Total Cash Held	$ 1,800,418	$ 2,484,400

Cash held by the Authority at December 31, 2023 consists of the following:

	Carrying Value	Bank Balance
Cash Held:		
Cash on Hand	$ 500	$ 0
Bank Accounts	1,701,026	2,017,079
Total Cash Held	$ 1,701,526	$ 2,017,079

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposits are secured by $500,000 from the Federal Depository Insurance Corporation plus $1,984,400 of pledged collateral at December 31, 2024. For the Authority, all pledged collateral and all investments are classified in the highest category by being held in bank trust departments in the Authority's name.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

Funds held by the Authority are administered in accordance with the Authority's investment guidelines pursuant to Section 2925 of the New York State Public Authorities Law. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities.

Statutes authorize the Authority to invest in defeasance obligations, obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated F-1 by Fitch, A-1+ by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, among other things. At the present time the investments are primarily in cash, money market funds, obligations of the U.S. Treasury and fixed income funds.

Total marketable securities by type as of December 31 are as follows:

	2024	2023
Investments:		
Cash	$ 329,812	$ 207,914
Money Market Funds	35,414,284	22,433,302
U.S. Treasury Bills	3,350,774	21,210,435
Fixed Income	25,645,009	38,113,725
Total Investments	$ 64,739,879	$ 81,965,376

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Cash, money market funds, U.S. Treasury bills and fixed income funds are considered Level 1 investments.

The Authority's recurring fair value measurements of its U.S. Treasury bills and fixed income as of December 31, 2024 and 2023, are valued using quoted market prices (Level 1 inputs).

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4 – PLANT AND WATER RIGHTS

Activity for plant and water rights and changes in accumulated depreciation for the year ended December 31, 2024 is as follows:

	December 31, 2023	Additions	Retirements / Reclassifications	December 31, 2024
Land	$ 953,047	$ 0	$ 143,427	$ 809,620
Dams, Buildings and Other Structures	117,530,716	3,408,733	0	120,939,449
Pumping and Purification Equipment	3,310,781	0	0	3,310,781
Mains, Meter, Services and Other Distribution Facilities	225,194,939	14,123,358	416,175	238,902,122
Filtration Plant	25,998,759	0	0	25,998,759
Automobiles, Trucks and Other Equipment	27,873,674	2,285,318	1,042,948	29,116,044
Water Districts	23,169,890	0	0	23,169,890
	424,031,806	19,817,409	1,602,550	442,246,665
Construction-in-Progress	29,638,047	25,060,084	9,509,347	45,188,784
Water Rights	5,250,000	0	0	5,250,000
Total Plant and Water Rights	458,919,853	44,877,493	11,111,897	492,685,449
Less: Accumulated Depreciation and Amortization	151,955,246	8,830,215	1,080,931	159,704,530
Net Plant and Water Rights	$ 306,964,607	$ 36,047,278	$ 10,030,966	$ 332,980,919

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4 – PLANT AND WATER RIGHTS – Continued

Activity for plant and water rights and changes in accumulated depreciation for the year ended December 31, 2023 is as follows:

	December 31, 2022	Additions	Retirements / Reclassifications	December 31, 2023
Land	$ 953,981	$ 0	$ 934	$ 953,047
Dams, Buildings and Other Structures	97,368,177	20,162,539	0	117,530,716
Pumping and Purification Equipment	3,289,485	21,296	0	3,310,781
Mains, Meter, Services and Other Distribution Facilities	214,835,797	10,528,224	169,082	225,194,939
Filtration Plant	25,950,893	47,866	0	25,998,759
Automobiles, Trucks and Other Equipment	26,784,584	2,296,585	1,207,495	27,873,674
Water Districts	23,169,890	0	0	23,169,890
	392,352,807	33,056,510	1,377,511	424,031,806
Construction-in-Progress	32,558,656	24,391,594	27,312,203	29,638,047
Water Rights	5,250,000	0	0	5,250,000
Total Plant and Water Rights	430,161,463	57,448,104	28,689,714	458,919,853
Less: Accumulated Depreciation and Amortization	144,943,305	8,324,311	1,312,370	151,955,246
Net Plant and Water Rights	$ 285,218,158	$ 49,123,793	$ 27,377,344	$ 306,964,607

Depreciation and amortization charged to expense at December 31, 2024 and 2023 was $8,928,321 and $8,321,484, respectively, which includes amortization of leased water districts (see Note 5).

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – LONG-TERM DEBT

Water Revenue Bonds Payable

In March 2013, April 2015, December 2016, November 2019, March 2021 and January 2022, the Authority issued $8,390,000, $5,200,000, $12,320,000, $41,235,000, $16,700,000 and $48,830,000, respectively, in General Water System Revenue Bonds, 2013, 2015, 2016, 2019, 2021 and 2022 Series A pursuant to a Trust Indenture which pledges all revenues collected by the Authority to the payment of the principal and interest on the bonds. All such revenues are deposited in the name of the trustee for allocation to funds in accordance with the provisions of the Trust Indenture.

Bonds outstanding at December 31, 2024 and 2023 amounted to $105,930,000 and $111,140,000, respectively. The bonds mature serially in varying annual amounts through 2051, with interest ranging from 1.00% and 5.00%, payable semi-annually. The 2013 bonds maturing on or after September 15, 2025, the 2015 bonds maturing on or after September 15, 2035, the 2016 bonds maturing on or after September 15, 2028, the 2019 bonds maturing on or after September 15, 2044, the 2021 bonds maturing on or after June 15, 2038 and the 2022 bonds maturing on or after September 2051 are redeemable, at the option of the Authority, prior to maturity in the inverse order of their maturity at par, plus accrued interest thereon to the redemption date.

On March 5, 2013, the Authority issued $8,390,000 in General Water System Revenue Bonds, Series 2013A to partially advance refund outstanding General Water System Revenue Bonds, 2005A. The Series 2013A bonds bear interest rates ranging from 2.0% to 4.5% and have a final maturity date of September 15, 2025. The net proceeds (after payment of $97,987 in underwriting fees and other issuance costs) and $399,492 of existing reserve funds for the 2005A Series bonds were used to purchase State and Local Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, $8,390,000 of the 2005A Series bonds are considered to be defeased and the liability has been removed from the accounts. The outstanding principal for the unrefunded portion of the 2005A Series bonds matured on September 15, 2015.

The advance partial refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $870,452. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged as a component of interest expense through the year 2025. The Authority completed the refunding to reduce its total debt service payments over the next thirteen years by $962,963 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $621,709. At December 31, 2024 and 2023, $51,881 and $121,056, respectively, of the deferred amount on refunding was included in deferred outflows on the statements of net position.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – LONG-TERM DEBT – Continued

Water Revenue Bonds Payable – Continued

On December 1, 2016, the Authority issued $12,320,000 in General Water System Revenue Bonds, Series 2016A to partially advance refund outstanding General Water System Revenue Bonds, 2011A. The Series 2016A bonds bear interest rates ranging from 2.0% to 5.0% and have a final maturity date of September 15, 2028. The net proceeds (after payment of $158,403 in underwriting fees and other issuance costs) and $660,595 of existing reserve funds for the 2011A Series bonds were used to purchase State and Local Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, $13,495,000 of the 2011A Series bonds are considered to be defeased and the liability has been removed from the accounts. The outstanding principal for the unrefunded portion of the 2011A Series bonds matured on September 15, 2018.

The advance partial refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $248,253. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged as a component of interest expense through the year 2028. The Authority completed the refunding to reduce its total debt service payments over the next twelve years by $2,604,450 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,459,445. At December 31, 2024 and 2023, $78,672 and $99,651, respectively, of the deferred amount on refunding was included in deferred outflows on the statements of net position.

On March 17, 2021, the Authority issued $16,700,000 in General Water System Revenue Bonds, Series 2021A to partially advance refund outstanding General Water System Revenue Bonds, 2010A and Environmental Facilities Corporation Revenue Bonds, Series 2009. The Series 2021A bonds bear interest rates ranging from 3.0% to 4.0% and have a final maturity date of June 15, 2038. The net proceeds (after payment of $180,000 in underwriting fees and other issuance costs) and $24,323 of existing reserve funds for the 2010A Series bonds and $524,595 of existing reserve fund for the 2009 EFC bonds were used to purchase State and Local Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, $820,000 of the 2010A Series bonds and $18,920,000 of the 2009 EFC bonds are considered to be defeased and the liability has been removed from the accounts. The outstanding principal for the unrefunded portion of the 2009 EFC bonds matured on June 15, 2021.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – LONG-TERM DEBT – Continued

Water Revenue Bonds Payable – Continued

The advance partial refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $140,859. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being charged as a component of interest expense through the year 2025. The Authority completed the refunding to reduce its total debt service payments over the next sixteen years by $6,923,282 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $5,607,837. At December 31, 2024 and 2023, $15,484 and $49,301, respectively, of the deferred amount on refunding was included in deferred inflows on the statements of net position.

Environmental Facilities Corporation Revenue Bonds ("E.F.C. Drinking Water Installment Bonds")

The State of New York has established a State Drinking Water Program, which includes a state drinking water revolving fund (the "Revolving Fund") to be used for purposes of the Safe Drinking Water Act. The New York State Environmental Facilities Corporation (the "Corporation") is responsible for administering the Revolving Fund and providing financial assistance from the Revolving Fund. The Corporation issues bonds to provide loans from the Revolving Fund to private water companies, political subdivisions and public benefit corporations of the State of New York. The Authority has been issued a portion of the total bond proceeds in the amounts stated in the table below to finance safe drinking water projects.

In 2008, the Authority received bond proceeds in the amount of $14,226,510 from the Environmental Facilities Corporation's 2008 Series A Drinking Water Installment Bond Offering. The bonds have a final maturity date of October 1, 2029 and bear interest at a rate of 4.27%. The interest cost of these bonds is subsidized by the State of New York drinking water revolving fund. In 2022, the interest was refinanced to 2.2%.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – LONG-TERM DEBT – Continued

Environmental Facilities Corporation Revenue Bonds ("E.F.C. Drinking Water Installment Bonds") – Continued

Debt service over the remaining term of the bonds is summarized as follows:

	Principal on Bonds	Interest Payable	Total Debt Service
2025	$ 6,210,000	$ 3,827,307	$ 10,037,307
2026	5,445,000	3,598,987	9,043,987
2027	5,655,000	3,403,452	9,058,452
2028	5,645,000	3,178,852	8,823,852
2029	5,810,000	2,954,074	8,764,074
2030 - 2034	20,800,000	11,961,681	32,761,681
2035 - 2039	24,760,000	7,509,069	32,269,069
2040 - 2044	21,465,000	3,735,740	25,200,740
2045 - 2049	10,750,000	1,398,510	12,148,510
2050 - 2052	4,685,000	178,375	4,863,375
	111,225,000	$ 41,746,047	$ 152,971,047
Less: Current Portion	6,210,000		
Add: Premium on Long-Term Debt	11,138,938		
Bonds Payable - Long-Term	$ 116,153,938		

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – LONG-TERM DEBT – Continued

Environmental Facilities Corporation Revenue Bonds ("E.F.C. Drinking Water Installment Bonds") – Continued

Changes in long-term liabilities in 2024 are as follows:

	December 31, 2023	Additions	Reductions	December 31, 2024
Bonds Payable:				
Water Revenue Bonds	$ 111,140,000	$ 0	$ 5,210,000	$ 105,930,000
E.F.C. Drinking Water Installment Bonds	6,020,000	0	725,000	5,295,000
Total Bonds Payable	$ 117,160,000	$ 0	$ 5,935,000	$ 111,225,000

Changes in long-term liabilities in 2023 are as follows:

	December 31, 2022	Additions	Reductions	December 31, 2023
Bonds Payable:				
Water Revenue Bonds	$ 116,115,000	$ 0	$ 4,975,000	$ 111,140,000
E.F.C. Drinking Water Installment Bonds	6,725,000	0	705,000	6,020,000
Total Bonds Payable	$ 122,840,000	$ 0	$ 5,680,000	$ 117,160,000

Leases

The Authority leases certain water facilities under lease obligations. Water districts included in capital assets amounted to $23,169,890 for both years ending December 31, 2024 and 2023. Accumulated amortization related to these water districts was $17,286,277 and $16,864,264 for the years ending December 31, 2024 and 2023, respectively.

Amortization expense related to water districts under leases was $422,014 and $425,543 for the years ended December 31, 2024 and 2023, respectively.

At December 31, 2024, all outstanding obligations related to leases had been satisfied in full.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM

Plan Description

The Authority participates in the New York State and Local Employees' Retirement System (ERS) which is referred to as New York State and Local Retirement System (the System). This is a cost sharing multiple employer defined benefit retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or by writing to the New York State and Local Employees' Retirement System, Alfred E. Smith State Office Building, State Street, Albany, New York 12244.

Contributions

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	Annual Contributions
2024	$ 2,096,194
2023	$ 1,744,197
2022	$ 1,542,493

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2024 and 2023, the Authority reported a liability of $6,291,946 and $9,122,124, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024 and March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2024 and 2023, the Authority's proportion was .0427% and .0425%, respectively.

At December 31, 2024, the Authority reported deferred outflows/inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences Between Expected and Actual Experience	$ 2,026,631	$ 171,565
Changes of Assumptions	2,378,843	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,073,582
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	270,896	37,121
Authority Contributions Subsequent to the Measurement Date	2,096,194	0
Total	$ 6,772,564	$ 3,282,268

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – Continued

At December 31, 2023, the Authority reported deferred outflows/inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences Between Expected and Actual Experience	$ 971,578	$ 256,184
Changes of Assumptions	4,430,292	48,963
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	53,592
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	330,637	69,612
Authority Contributions Subsequent to the Measurement Date	1,744,197	0
Total	$ 7,476,704	$ 428,351

Authority contributions subsequent to the measurement date of $2,096,194, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$ (1,082,770)
2026	1,278,727
2027	1,858,305
2028	(660,160)
Total	$ 1,394,102

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – Continued

Deferred outflows of resources of $1,744,197 at December 31, 2023 resulting from the Authority's contributions subsequent to the measurement date, were recognized as a reduction of the net pension liability in the year ended December 31, 2024.

The Authority recorded pension expense for the years ending December 31, 2024 and 2023 in the amounts of $2,824,085 and $3,359,550, respectively.

Actuarial Assumptions

The total pension asset at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023 with update procedures used to roll forward the total pension liability to March 31, 2024. The total pension liability for the March 31, 2023 measurement date was determined using an actuarial valuation as of April 1, 2022, with update procedures to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

	2024	2023
Inflation Rate	2.9%	2.9%
Salary Increases	4.4%	4.4%
Investment Rate of Return (Net of Investment Expense, Including Inflation)	5.9%	5.9%
Cost of Living Adjustments	1.5%	1.5%

Annuitant mortality rates are based on April 1, 2015 to March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – Continued

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 and 2023 are summarized below:

Asset Class	Expected Real Rate of Return	
	2024	2023
Domestic Equities	4.0%	4.3%
International Equities	6.7%	6.9%
Real Estate	4.6%	4.6%
Private Equity/Alternative Investments	7.3%	7.5%
Opportunistic Portfolio	5.3%	5.4%
Real Assets	5.8%	5.8%
Cash	0.3%	0.0%
Fixed Income	1.5%	1.5%
Credit	5.4%	5.4%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% at both December 31, 2024 and 2023. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's December 31, 2024 proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease 4.90%	Current Discount 5.90%	1% Increase 6.90%
Authority's Proportionate Share of the Net Pension (Asset) Liability	$ 19,782,521	$ 6,291,946	$ (4,975,483)

The following presents the Authority's December 31, 2023 proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease 4.90%	Current Discount 5.90%	1% Increase 6.90%
Authority's Proportionate Share of the Net Pension (Asset) Liability	$ 22,044,262	$ 9,122,124	$ (1,675,825)

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – EMPLOYEE RETIREMENT SYSTEM – Continued

Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – Continued

Pension Plan Fiduciary Net Position

The components of the current year net pension (asset) liability of the employers as of March 31, 2024 and 2023 were as follows:

	(Dollars in Thousands)	
	2024	**2023**
Employer Total Pension Liability	$ 240,696,851	$ 232,627,259
Plan Net Position	(225,972,801)	(211,183,223)
Employer Net Pension (Asset) Liability	$ 14,724,050	$ 21,444,036
Ratio of Plan Net Position to the Employers' Total Pension (Asset) Liability	93.9%	90.8%

Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. As required by Federal regulations, these plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The Authority does not make contributions to this plan.

The Authority has no fiduciary relationship with the trust. In accordance with the provisions of the Statement of Governmental Accounting Standards No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the plan assets are not reported in the Authority's financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description – The Authority provides continuation of health insurance coverage under a single-employer defined benefit healthcare plan to its employees that retire under the New York State Employee Retirement Systems at the same time they end their service to the Authority. Based on the provisions of the employment contract negotiated between the Authority and its employee groups, the retiree and his or her beneficiaries, receive this coverage for the life of the retiree. Healthcare benefits for non-bargaining employees are similar to those of union employees. For family coverage the retirees share amounts to 50% of the difference between the family and individual coverage. Spousal benefits continue until the death of the retiree. Surviving spouses are permitted to continue coverage after the death of the retiree, but are responsible for 100% of the premium. The Authority does not issue a publicly available financial report for the plan.

Funding Policy – The obligations of the plan are established by action of the Authority pursuant to applicable collective bargaining and employment agreements which will be renegotiated at various times in the future. The Authority, per its contracts with employee units, will pay the full premium costs for the individual health insurance coverage provided by NYSHIP – Empire Plan for an employee of the Authority at retirement and until the employee attains age 65, provided the employee is eligible for retirement and has been employed with the Authority for at least ten consecutive years prior to the date of retirement. After the employee attains the age of 65, the Authority will pay the full premium costs for individual health insurance coverage provided by Medicare Supplemental Plan F and prescription coverage provided by Simply Prescriptions. Teamster employees retiring on or after July 1, 2010 and CSEA employees retiring on or after January 1, 2012 shall be required to pay 10% of the premium cost.

For family coverage the retirees share amounts to 50% of the difference between the family and individual coverage until the age of 65. After the age of 65, the Authority will no longer pay any premium costs of the spouse. Surviving spouses are permitted to continue coverage after the death of the retiree, but are responsible for 100% of the premium. The Authority currently pays for post-employment health care benefits on a pay-as-you-go basis.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

General Information about the OPEB Plan – Continued

Employees Covered by Benefit Terms – At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	2024	2023
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	78	78
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0	0
Active Employees	171	171
Total	249	249

Total OPEB Liability

The Authority's total OPEB liability of $29,857,208 as of December 31, 2024 was measured as of June 30, 2024 and determined by an actuarial valuation as of June 30, 2023.

The Authority's total OPEB liability of $29,248,250 as of December 31, 2023 was measured as of June 30, 2023 and determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2024	2023
Inflation Rate	2.70%	2.70%
Salary Increases	3.00%	3.00%
Discount Rate	3.93%	3.65%
Healthcare Cost Trends Rates	6.40%	6.40%

The discount rate was based on Bond Buyer Weekly 20-Bond Go Index as of June 30, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

Total OPEB Liability – Continued

Mortality – Actives for December 31, 2024: Sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Mortality – Retirees for December 31, 2024: Sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Mortality – Actives for December 31, 2023: Sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Mortality – Retirees for December 31, 2023: Sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Changes in Total OPEB Liability

	2024	2023
Balance at January 1	$ 29,248,250	$ 34,854,800
Changes for the Year:		
Service Cost	1,047,725	1,165,167
Interest	1,092,723	1,259,817
Differences Between Expected and Actual Experience	0	(6,405,828)
Changes on Assumptions and Other Inputs	(814,773)	(761,876)
Benefit Payments	(716,717)	(863,830)
Net Changes	608,958	(5,606,550)
Balance at December 31	$ 29,857,208	$ 29,248,250

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023 to 3.93% in 2024.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

Changes in Total OPEB Liability – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority as of December 31, 2024, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	$ 34,835,055	$ 29,857,208	$ 25,856,781

The following presents the total OPEB liability of the Authority as of December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	$ 34,312,166	$ 29,248,250	$ 25,193,671

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

Changes in Total OPEB Liability – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority as of December 31, 2024, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 25,189,431	$ 29,857,208	$ 35,856,133

The following presents the total OPEB liability of the Authority as of December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 24,754,049	$ 29,248,250	$ 35,026,145

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

OPEB Expense and Deferred Outflows of Resources

For the year ended December 31, 2024, the Authority recognized OPEB expense of $(229,629). At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 0	$ 5,096,893
Changes of Assumptions or Other Inputs	1,319,855	5,803,758
Employer Contributions Subsequent to Measurement Date	458,534	0
Total	$ 1,778,389	$ 10,900,651

For the year ended December 31, 2023, the Authority recognized OPEB expense of $(71,212). At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 0	$ 6,408,148
Changes of Assumptions or Other Inputs	2,403,186	7,053,843
Employer Contributions Subsequent to Measurement Date	358,359	0
Total	$ 2,761,545	$ 13,461,991

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

OPEB Expense and Deferred Outflows of Resources – Continued

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

2025	$ (2,094,609)
2026	(2,852,633)
2027	(2,602,008)
2028	(1,214,989)
2029	(745,868)
2030 and Thereafter	(70,689)

NOTE 8 – SERVICE CONCESSION ARRANGEMENT FOR WATER TREATMENT PLANT – MWB

Beginning January 1, 2017, the operations of Onondaga County Metropolitan Water Board were consolidated into the OCWA system. The MWB's main function is to treat and wholesale water from Lake Ontario to three customers, one being OCWA.

The terms of the consolidation agreement require OCWA to assume operation of and maintain the MWB system for a 30-year operations period which includes running a water treatment plant, five pump stations, one chlorine booster facility and five water storage tanks. In addition, OCWA is expected to design, build and finance a major upgrade of the 50-year-old Lake Ontario water treatment plant over the next three to four years, which is estimated to be a $70 million project.

OCWA will be entitled to all water revenues during the 30-year operations period. At the end of the arrangement, operation of the Lake Ontario water treatment plant will be transferred to Onondaga County. OCWA entered into this agreement to reduce its costs historically paid for purchased water from MWB.

As of December 31, 2024 and 2023, OCWA incurred costs of $18,207,780 and $16,344,278 in connection with various upgrades which are reported as intangible assets and construction in progress. As with other upgrades to the MWB system, when the upgrade to the Lake Ontario water treatment plant has been constructed and placed in service, OCWA will recognize an intangible asset for its right to access and operate the plant for the remainder of the 30-year service concession arrangement. As of December 31, 2024 and 2023, $22,221,539 and $19,900,123 was recognized as intangible assets, respectively. Amortization on the intangible asset was $3,294,130 and $2,433,516 for 2024 and 2023, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 9 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended December 31, 2024, the Authority adopted the following GASB statements. The adoption of these GASB statements did not have a significant impact on the Authority.

GASB Statement No. 99, *"Omnibus 2022"* was issued in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Authority is required to adopt the provisions of this Statement over a period of issuance of the statement to the year ended December 31, 2024.

GASB Statement No. 100, *"Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62"*, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Authority is required to adopt the provisions of this Statement for the year ending December 31, 2024.

GASB Statement No. 101, *"Compensated Absences"*, was issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority is required to adopt the provisions of this Statement for the year ending December 31, 2024.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 – RECENT AND UPCOMING PRONOUNCEMENTS

GASB Statement No. 102, *"Credit Risk Disclosures"*, was issued in May 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Authority is required to adopt the provisions of this Statement for the year ending December 31, 2025.

GASB Statement No. 103, *"Financial Reporting Model Improvements"*, was issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses management's discussion and analysis, unusual or infrequent items, major component unit information, and budgetary comparison information. The Authority is required to adopt the provisions of this Statement for the year ending December 31, 2026.

GASB Statement No. 104, *"Disclosure of Certain Capital Assets"*, was issued in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. The Authority is required to adopt the provisions of this Statement for the year ending December 31, 2026.

The Authority's management is in the process of evaluating the impact of these statements on its future financial statements.

SCHEDULE OF CHANGES IN AUTHORITY'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

Year Ended December 31, 2024

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability									
Service Cost	$ 1,047,725	$ 1,165,167	$ 1,800,525	$ 1,802,456	$ 1,412,489	$ 1,119,777	$ 1,250,056	$ 1,236,431	$ 956,419
Interest	1,092,723	1,259,817	926,549	965,345	1,217,472	1,259,686	1,161,107	899,723	938,497
Difference Between Expected and Actual Experience	0	(6,405,828)	0	(1,983,150)	0	(4,281)	0	3,416,222	0
Changes in Assumptions and Other Inputs	(814,773)	(761,876)	(9,008,004)	(456,816)	6,556,410	214,405	(1,563,729)	(4,144,457)	4,914,046
Benefit Payments	(716,717)	(863,830)	(720,920)	(699,024)	(661,934)	(632,867)	(567,678)	(547,541)	(545,162)
Net Change in Total OPEB Liability	608,958	(5,606,550)	(7,001,850)	(371,189)	8,524,437	1,956,720	279,756	860,378	6,263,800
Total OPEB Liability - Beginning	29,248,250	34,854,800	41,856,650	42,227,839	33,703,402	31,746,682	31,466,926	30,606,548	24,342,748
Total OPEB Liability - Ending	$ 29,857,208	$ 29,248,250	$ 34,854,800	$ 41,856,650	$ 42,227,839	$ 33,703,402	$ 31,746,682	$ 31,466,926	$ 30,606,548
Covered Payroll	$ 14,245,361	$ 13,514,548	$ 13,399,564	$ 12,932,267	$ 12,932,267	$ 12,756,440	$ 11,959,693	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	210%	216%	260%	324%	327%	264%	265%	N/A	N/A
Discount Rate	3.93%	3.65%	3.54%	2.14%	2.21%	3.50%	3.87%	3.58%	3.50%

The Authority is required to present information in this schedule for a ten year period. Data for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as it becomes available.

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS

Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NYSLRS Pension Plan										
Contractually Required Contributions	$ 2,096,194	$ 1,744,197	$ 1,542,493	$ 2,133,438	$ 1,867,831	$ 1,800,994	$ 1,750,314	$ 1,543,843	$ 1,467,536	$ 1,751,828
Contributions in Relation to Contractually Required Contributions	(2,096,194)	(1,744,197)	(1,542,493)	(2,133,438)	(1,867,831)	(1,800,994)	(1,750,314)	(1,543,843)	(1,467,536)	(1,751,828)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Employer's Covered - Employee Payroll	$ 14,607,773	$ 13,641,392	$ 13,365,622	$ 12,982,984	$ 13,292,651	$ 12,845,796	$ 12,422,877	$ 11,882,056	$ 9,495,344	$ 9,239,591
Contribution as a Percentage of Covered - Employee Payroll	14.3%	12.8%	11.5%	16.4%	14.1%	14.0%	14.1%	13.0%	15.5%	19.0%

See notes to financial statements.

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY

Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NYSLRS Pension Plan										
Authority's Proportion of the Net Pension (Asset) Liability	0.0427324%	0.0425392%	0.0427550%	0.0425796%	0.0439178%	0.0430618%	0.0374481%	0.0359589%	0.0356959%	0.0345407%
Authority's Proportionate Share of the Net Pension (Asset) Liability	$ 6,291,946	$ 9,122,124	$ (3,495,044)	$ 42,398	$ 11,629,696	$ 3,051,058	$ 1,208,617	$ 3,378,779	$ 5,729,286	$ 1,166,871
Authority's Covered-Employee Payroll During Measurement Period	$ 14,607,773	$ 13,641,392	$ 13,365,622	$ 12,982,984	$ 13,292,651	$ 12,845,796	$ 12,422,877	$ 11,882,056	$ 9,495,344	$ 9,239,591
Authority's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered-Employee Payroll	43.1%	66.9%	-26.1%	0.3%	87.5%	23.8%	9.7%	28.4%	60.3%	12.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See notes to financial statements.

Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

BOARD OF DIRECTORS
ONONDAGA COUNTY WATER AUTHORITY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Onondaga County Water Authority (the Authority), which comprise the statement of net position as of December 31, 2024, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

March 19, 2025

Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES

BOARD OF DIRECTORS
ONONDAGA COUNTY WATER AUTHORITY

We have examined Onondaga County Water Authority's (the Authority) compliance with Section 2925(3) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2024. Management is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all materials respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2024.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

March 19, 2025

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APPENDIX - E

FORM OF APPROVING OPINION OF BOND COUNSEL – 2025 SERIES A BONDS

TRESPASZ LAW OFFICES, LLP
ATTORNEYS AND COUNSELORS AT LAW

June 17, 2025

Onondaga County Water Authority
P.O. Box 9
Northern Concourse
Syracuse, New York 13212

Re: Onondaga County Water Authority
$3,665,000 General Water System Revenue Bonds, 2025 Series A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of $3,665,000 General Water System Revenue Bonds, 2025 Series A (the "2025 Bonds") of the Onondaga County Water Authority (the "Authority"), a body corporate and politic and constituting a public benefit corporation of the State of New York (the "State"). The 2025 Bonds are authorized under and pursuant to the Onondaga County Water Authority Act, as amended, constituting Title 7 or Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State (the "Act") and under and pursuant to the General Water System Revenue Bond Resolution (the "General Resolution") of the Authority, adopted March 14, 2001, and the Series Resolution authorizing General Water System Revenue Bonds, 2025 Series A in an amount not Exceeding $3,800,000 (the "Series Resolution") adopted April 23, 2025. The 2025 Bonds have been issued for the purpose of (i) paying capital costs of certain improvements to the Water System (ii) funding a reserve and (iii) paying expenses incident to the issuance of the 2025 Bonds. All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the General Resolution or Series Resolution.

The 2025 Bonds are issuable in the form of fully registered bonds, in the denomination of $5,000, or any integral multiples of $5,000, payable to a named person or registered assigns. The 2025 Bonds are numbered, lettered and dated as provided in the General Resolution.

The 2025 Bonds mature on December 1, 2025 and June 1, in each year in the respective principal amounts set forth opposite such years in the following table, and bear interest at the respective rates per annum as set forth opposite such years in said table:

2025 Series A Bonds (Serial):

Maturity	Coupon		Principal
2025	5.000%	$	60,000
2026	5.000%		55,000
2027	5.000%		55,000
2028	5.000%		60,000
2029	5.000%		60,000
2030	5.000%		65,000
2031	5.000%		70,000
2032	5.000%		70,000
2033	5.000%		75,000
2034	5.000%		80,000
2035	5.000%		85,000
2036	5.000%		90,000
2037	5.000%		90,000
2038	5.000%		95,000
2039	5.000%		100,000
2040	5.000%		105,000
2041	5.000%		115,000
2042	5.000%		120,000
2043	5.000%		125,000
2044	5.000%		130,000
2045	5.000%		135,000
		$	1,840,000
Term Bond Due 2050:			
2046	5.000%	$	145,000
2047	5.000%		150,000
2048	5.000%		160,000
2049	5.000%		170,000
2050	5.000%		175,000
		$	800,000
Term Bond Due 2055:			
2051	5.000%	$	185,000
2052	5.000%		195,000
2053	5.000%		205,000
2054	5.000%		215,000
2055	5.000%		225,000
		$	1,025,000
	Total:	$	3,665,000

Interest on the 2025 Bonds is payable semi-annually on June 1 and December 1 in each year, commencing December 1, 2025 until the Authority's obligation with respect to the payment of the principal sum thereof shall be discharged. Principal of the 2025 Bonds is payable at the principal corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

The 2025 Bonds maturing on or after June 1, 2034 are subject to optional redemption prior to maturity, as a whole or in part, on any date on or after June 1, 2033, at the option of the Authority, at par, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

The 2025 Bonds maturing on June 1, 2050 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2046 and, on each June 1, thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2046	$ 145,000
2047	150,000
2048	160,000
2049	170,000
2050	175,000

The 2025 Bonds maturing on June 1, 2055 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2051 and, on each June 1, thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2051	$ 185,000
2052	195,000
2053	205,000
2054	215,000
2055	225,000

In connection with the 2025 Bonds, we have examined the following:

a) The Constitution and statutes of the State, including particularly the Act.

b) The Internal Revenue Code of 1986, as amended, including particularly Sections 103 and 141 through 150 thereof, and the regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code").

c) Certified copies of the proceedings of the Authority, including particularly (i) the General Resolution and (ii) the Series Resolution.

d) The Arbitrage Certificate executed by the Chairman of the Authority pursuant to Section 148 of the Code.

We have also examined such other documents, certificates, opinions and proofs relative to the issuance and sale of the 2025 Bonds, as we deemed necessary or advisable in rendering this opinion.

We have also examined a certified copy of the form of the 2025 Bonds.

Based upon the foregoing, it is our opinion that:

1) The Authority is a body corporate and politic constituting a public benefit corporation, duly created and existing under the laws of the State, including particularly the Act.

2) The Authority had and has the right and power under the Act to adopt the General Resolution and Series Resolution and to issue the 2025 Bonds, and the General Resolution and Series Resolution have been duly and lawfully adopted by the Authority, are presently in full force and effect, are valid and binding upon the Authority and are enforceable against the Authority in accordance with their terms, and no other authorization is required therefor.

3) The General Resolution and Series Resolution create the valid pledge they purport to create (i) on the Net Revenues, and (ii) on any moneys, funds or securities on deposit in the Funds and Accounts created thereby, except the Subordinated Obligation Fund and the Rebate Fund.

4) The 2025 Bonds are valid and legally binding obligations of the Authority as provided in the General Resolution and Series Resolution, enforceable against the Authority in accordance with their terms and the terms of the General Resolution and Series Resolution and entitled to the benefits of the Act, of the General Resolution, and of the

Series Resolution and the 2025 Bonds have been duly and validly authorized and issued in accordance with the Act, General Resolution and Series Resolution.

5) The 2025 Bonds are payable solely from the sources described in the General Resolution and do not constitute a debt or liability of the State, the County of Onondaga, New York or any other political subdivision of the State.

6) Interest on the 2025 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

7) Interest on the 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York).

In rendering the opinions set forth in paragraph 6, we have assumed the continuing compliance by the Authority with certain covenants set forth in the General Resolution relating to the various requirements of the Code, which must be met at and subsequent to the issuance and delivery of the 2025 Bonds in order that interest on the 2025 Bonds will be and remain excluded from gross income for federal income tax purposes. Failure of the Authority to comply with the requirements of the Code may cause interest on the 2025 Bonds to be includable in gross income for purposes of federal income tax from the date of issuance of the 2025 Bonds, regardless of the date on which the event causing such inclusion occurs.

Further, although the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a 2025 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a 2025 Bond and such holder's other items of income or deduction. We express no opinion with respect to any such effect.

In rendering the foregoing opinions, we also wish to advise you the enforceability of the General Resolution, Series Resolution and the 2025 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and as to the availability of any particular remedy.

Very truly yours,

TRESPASZ LAW OFFICES, LLP

By: _____
Theodore A. Trespasz, Jr. Partner

FORM OF APPROVING OPINION OF BOND COUNSEL – 2025 SERIES B BONDS

TRESPASZ LAW OFFICES, LLP
ATTORNEYS AND COUNSELORS AT LAW

June 17, 2025

Onondaga County Water Authority
P.O. Box 9
Northern Concourse
Syracuse, New York 13212

Re: Onondaga County Water Authority
$16,580,000 General Water System Revenue Bonds, 2025 Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of $16,580,000 General Water System Revenue Bonds, 2025 Series B (the "2025 Bonds") of the Onondaga County Water Authority (the "Authority"), a body corporate and politic and constituting a public benefit corporation of the State of New York (the "State"). The 2025 Bonds are authorized under and pursuant to the Onondaga County Water Authority Act, as amended, constituting Title 7 or Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State (the "Act") and under and pursuant to the General Water System Revenue Bond Resolution (the "General Resolution") of the Authority, adopted March 14, 2001, and the Series Resolution authorizing General Water System Revenue Bonds, 2025 Series B in an amount not Exceeding $16,800,000 (the "Series Resolution") adopted April 23, 2025. The 2025 Bonds have been issued for the purpose of (i) paying capital costs of certain improvements to the Water System (ii) funding a reserve and (iii) paying expenses incident to the issuance of the 2025 Bonds. All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the General Resolution or Series Resolution.

The 2025 Bonds are issuable in the form of fully registered bonds, in the denomination of $5,000, or any integral multiples of $5,000, payable to a named person or registered assigns. The 2025 Bonds are numbered, lettered and dated as provided in the General Resolution.

The 2025 Bonds mature on June 1, in each year in the respective principal amounts set forth opposite such years in the following table, and bear interest at the respective rates per annum as set forth opposite such years in said table:

2025 Series B Bonds (Serial):

Maturity	Coupon		Principal
2026	5.000%	$	245,000
2027	5.000%		255,000
2028	5.000%		270,000
2029	5.000%		285,000
2030	5.000%		300,000
2031	5.000%		315,000
2032	5.000%		330,000
2033	5.000%		345,000
2034	5.000%		365,000
2035	5.000%		385,000
2036	5.000%		400,000
2037	5.000%		425,000
2038	5.000%		445,000
2039	5.000%		470,000
2040	5.000%		490,000
2041	5.000%		515,000
2042	5.000%		545,000
2043	5.000%		570,000
2044	5.000%		600,000
2045	5.000%		630,000
		$	8,185,000
Term Bond Due 2050:			
2046	5.000%	$	665,000
2047	5.000%		700,000
2048	5.000%		735,000
2049	5.000%		770,000
2050	5.000%		810,000
		$	3,680,000
Term Bond Due 2055:			
2051	5.000%	$	850,000
2052	5.000%		895,000
2053	5.000%		940,000
2054	5.000%		990,000
2055	5.000%		1,040,000
		$	4,715,000
	Total:	$	16,580,000

Interest on the 2025 Bonds is payable semi-annually on June 1 and December 1 in each year, commencing December 1, 2025 until the Authority's obligation with respect to the payment of the principal sum thereof shall be discharged. Principal of the 2025 Bonds is payable at the principal corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

The 2025 Bonds maturing on or after June 1, 2029 are subject to optional redemption prior to maturity, as a whole or in part, on any date on or after June 1, 2028, at the option of the Authority, at par, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

The 2025 Bonds maturing on June 1, 2050 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2046 and, on each June 1, thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2046	$ 665,000
2047	700,000
2048	735,000
2049	770,000
2050	810,000

The 2025 Bonds maturing on June 1, 2055 are subject to scheduled mandatory sinking fund redemption prior to maturity commencing June 1, 2051 and, on each June 1, thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium in the years and the principal amounts listed below.

Sinking Fund Installment Payment Date	Sinking Fund Installment
2051	$ 850,000
2052	895,000
2053	940,000
2054	990,000
2055	1,040,000

In connection with the 2025 Bonds, we have examined the following:

a) The Constitution and statutes of the State, including particularly the Act.

b) The Internal Revenue Code of 1986, as amended, including particularly Sections 103 and 141 through 150 thereof, and the regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code").

c) Certified copies of the proceedings of the Authority, including particularly (i) the General Resolution and (ii) the Series Resolution.

d) The Arbitrage Certificate executed by the Chairman of the Authority pursuant to Section 148 of the Code.

We have also examined such other documents, certificates, opinions and proofs relative to the issuance and sale of the 2025 Bonds, as we deemed necessary or advisable in rendering this opinion.

We have also examined a certified copy of the form of the 2025 Bonds.

Based upon the foregoing, it is our opinion that:

1) The Authority is a body corporate and politic constituting a public benefit corporation, duly created and existing under the laws of the State, including particularly the Act.

2) The Authority had and has the right and power under the Act to adopt the General Resolution and Series Resolution and to issue the 2025 Bonds, and the General Resolution and Series Resolution have been duly and lawfully adopted by the Authority, are presently in full force and effect, are valid and binding upon the Authority and are enforceable against the Authority in accordance with their terms, and no other authorization is required therefor.

3) The General Resolution and Series Resolution create the valid pledge they purport to create (i) on the Net Revenues, and (ii) on any moneys, funds or securities on deposit in the Funds and Accounts created thereby, except the Subordinated Obligation Fund and the Rebate Fund.

4) The 2025 Bonds are valid and legally binding obligations of the Authority as provided in the General Resolution and Series Resolution, enforceable against the Authority in accordance with their terms and the terms of the General Resolution and Series Resolution and entitled to the benefits of the Act, of the General Resolution, and of the

Series Resolution and the 2025 Bonds have been duly and validly authorized and issued in accordance with the Act, General Resolution and Series Resolution.

5) The 2025 Bonds are payable solely from the sources described in the General Resolution and do not constitute a debt or liability of the State, the County of Onondaga, New York or any other political subdivision of the State.

6) Interest on the 2025 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

7) Interest on the 2025 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York).

In rendering the opinions set forth in paragraph 6, we have assumed the continuing compliance by the Authority with certain covenants set forth in the General Resolution relating to the various requirements of the Code, which must be met at and subsequent to the issuance and delivery of the 2025 Bonds in order that interest on the 2025 Bonds will be and remain excluded from gross income for federal income tax purposes. Failure of the Authority to comply with the requirements of the Code may cause interest on the 2025 Bonds to be includable in gross income for purposes of federal income tax from the date of issuance of the 2025 Bonds, regardless of the date on which the event causing such inclusion occurs.

Further, although the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a 2025 Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a holder of a 2025 Bond and such holder's other items of income or deduction. We express no opinion with respect to any such effect.

In rendering the foregoing opinions, we also wish to advise you the enforceability of the General Resolution, Series Resolution and the 2025 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and as to the availability of any particular remedy.

Very truly yours,

TRESPASZ LAW OFFICES, LLP

By: _____
Theodore A. Trespasz, Jr. Partner