

RE: Rate Study, Debt Issuance, Continuing Disclosure – 2026 Water Bonds

DATE: August 12, 2025

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between Patoka Lake Regional Water & Sewer District (the Client) and Baker Tilly Advisory Group, LP (Baker Tilly) and relates to services to be provided by both BTAG and Baker Tilly Municipal Advisors, LLC (BTMA), collectively (Baker Tilly).

SCOPE OF WORK

BTMA agrees to furnish and perform the following services for the Client.

A. Rate Study

1. Analyze historical recorded financial information for a period of three (3) calendar years and the most recent twelve (12) month period when applicable (the test year).
2. Detail from available records a schedule of flow of funds for the past three (3) calendar years and the test year for the purpose of determining trends, amounts of revenue, cash operation and maintenance expenses, debt service requirements and expenditures for improvements to the Utility property and plant.
3. Analyze expenses of the test year in order to locate and adjust items which should be properly capitalized, expensed or reclassified (if applicable).
4. Analyze accounts, invoices and pertinent documents and interview Client personnel and/or consulting engineers made available by the Client to determine possible changes in expenses and the possible effects of those changes (if applicable).
5. Obtain information from Client officials, engineers and/or other available sources to suggest to the Client adjustments to test year cash operating expenses such as additional labor, power costs, chemical costs, additional taxes and other fixed, known and measurable expense changes (if applicable).
6. Schedule monthly revenues of the test year in order to locate unusual and significant fluctuations in such revenue (if applicable).
7. Prepare amortization schedules of presently outstanding funded debt of the Utility extending over the life of the remaining years of payment and obtain information from bond ordinances or other documents relating to such funded debt.
8. Obtain information from the rate ordinance, tariffs and bond ordinances now in effect.
9. Assist in the development of a capital improvements program and determine alternative financial programs leading to the obtaining of funds necessary to meet the capital improvement requirements through funds now available and/or future revenues of the system and/or the use of debt financing.
10. Provide alternative estimates of future annual revenue requirements for consideration by the Client (if applicable).
11. Suggest revenue increases for the Utility as may be considered necessary to meet the estimated future annual revenue requirements.
12. If appropriate, prepare comparative information concerning the present and possible future rate structure of the Client.

B. Meetings and Reports

1. Attend a meeting with officials of the Client to discuss findings and recommendations.
2. Furnish a financial report summarizing the results of Baker Tilly's studies for submission to the Client.
3. Provide financial information including a new schedule of rates and charges, if required, to the Client's attorneys for the preparation of resolutions and ordinances as may be required.
4. Attend a public hearing to be conducted by the Client to present accounting information relating to the proposed rates and charges, if a rate change is necessary.

C. General Municipal Advisory Services

Unless otherwise agreed to by the parties, in connection with any request for services relative to any financial topic, new project concept planning or other financially related topic or project (each referred to herein as a Project), BTMA shall perform the following services, as applicable:

1. Provide general financial advice relative to a Project.
2. Survey the resources available to determine the financial feasibility of a Project.
3. Assist in the development of a plan including alternative approaches for a particular Project that may be available and appropriate for such Project.
4. Assist the Client in selecting an approach for a Project.
5. Advise the Client generally on current market conditions, financial impacts of federal, state or other laws, and other general information and economic data that might be relevant to a Project.
6. Assist Client, as requested, in identifying other professional services that may be necessary to a Project.
7. Assist Client in coordinating the activities of the working group for a Project as needed.
8. Assist with the review of documents provided that are relevant to the development of a plan and alternative approaches for a Project.
9. Assist the Client with other components of a Project as requested and agreed upon.

D. Securities Issuance

Unless otherwise agreed to by the parties, in connection with any request for services relative to any debt issuance including modifying or refunding of a prior issuance or other financings (each referred to herein as a Transaction), BTMA shall perform the following services, as applicable:

1. Develop a preliminary estimate of project costs and provide a financial feasibility to assist the Client in its determination of what type of financing is most suitable to meet the needs of the Client for the issuance (the Debt Obligation).
2. Assist the Client in determining an appropriate method of sale for the Debt Obligation (e.g., competitive, negotiated, private placement.)
3. Provide for the Client's consideration an amount, the security, maturity structure, call provisions, estimated pricing, and other terms and conditions of the Debt Obligation.
4. Advise the Client on current market conditions, financial impacts of federal, state, or other laws, and other general information and economic data that might normally be expected to influence the ability to borrow or interest rates of the Debt Obligation.

5. Assist the Client in the analysis of advisability of securing a credit rating, and the selection of a credit rating firm or firms for the Debt Obligation and further assist in the development and presentation of information to obtain a credit rating or credit ratings for the Debt Obligation.
6. Assist the Client in the analysis of utilizing credit enhancement and aid in seeking such credit enhancement if such credit enhancements would be advantageous to the Client.
7. Assist Client in coordinating the financing activities between various parties to any Transaction as needed.
8. Assist Client in identifying other professional services that may be necessary for the issuance or post-issuance requirements of the Debt Obligation.
9. Assist the Client in connection with the preparation, composition, review, and distribution of an offering document (e.g., Preliminary and Final Official Statement, Offering Circular, Term Sheet, or Private Placement Memorandum, as applicable) of the type and nature generally prepared in connection with the sale of municipal securities, which will disclose technical data, information and schedules relating to the Client, the project, and the Debt Obligation.
10. Provide relevant information for and assist with the review of other primary financing documents, including but not limited to the relevant governing body issuance resolutions/ordinances, bond purchase agreement, and official notice of sale.
11. Communicate with potential underwriters or investors, as appropriate to any Transaction, to ensure that each is furnished with information the Client has deemed to be material to render an independent, informed purchase or investment decision concerning the Client's proposed financing.
12. Facilitate the sale of Debt Obligations through receipt and analysis of bids in a competitive sale or analysis of pricing and terms offered by an underwriter or purchaser in a negotiated or private placement sale.
13. Coordinate with the proper parties to ensure the efficient delivery of the Debt Obligations to the applicable purchaser and receipt of proceeds.

E. Continuing Disclosure Services

Baker Tilly will commence continuing disclosure services for debt obligations as set forth in any continuing disclosure undertaking for the debt obligations (CDU) that the Client will execute upon settlement. Annually, the Firm will check in with the Client to confirm the engagement for the next annual reporting period.

In carrying out its duties, Baker Tilly shall do the following:

1. Preparation and filing of annual reporting

The Client will provide Baker Tilly with the executed CDU, including any master or supplemental CDUs.

Baker Tilly will:

- a) Identify the Client's reporting obligations, assist, as needed, with any necessary operating data, and file any required annual report and financial statements, including the audit if available, as provided for in each CDU for the reporting period;
- b) Provide to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access System (EMMA), the annual information required under each respective CDU;
- c) Provide additional reporting to purchasers, as set forth in bond related agreements; and
- d) If not filed at the time of the annual report, file the audit as set forth in the CDU.

2. Assistance filing reportable events on EMMA

Upon notification of one of the events listed as set forth in each CDU (collectively, Reportable Events), Baker Tilly will assist the Client with filing any Reportable Events. Most Reportable Events are required by the Rule to be filed within ten business days of the occurrence. Client will notify Baker Tilly as soon as possible when they believe a reportable event has or may have occurred to enable Baker Tilly to file a timely notice on EMMA. It is the Client's sole responsibility to notify Baker Tilly of the potential occurrence of a Reportable Event.

3. Compliance Check

- a) At the time of issuance, Baker Tilly will prepare the Client's post issuance policies and procedures. If these policies and procedures are already in place, Baker Tilly will review with the Client.
- b) At the time that Baker Tilly conducts services annually under item 1, Baker Tilly will update the compliance check.
- c) If a deficiency is found and the bonds remain outstanding at the time of Baker Tilly's compliance check, Baker Tilly will prepare any necessary reporting or notices to meet the CDU obligations. Baker Tilly will provide the Client with documentation that the EMMA filing has occurred.

4. Other post issuance services (Upon Request)

If requested, Baker Tilly will provide to the Client other post issuance services including, but not limited to, consultation related to disclosure operating procedures, rating surveillance support, and debt management.

Client agrees to provide Baker Tilly with the audit and accurate information with respect to the annual report in a timely manner and to fully disclose to Baker Tilly any Reportable Events as they occur.

COMPENSATION AND INVOICING

Fees for services set forth in the Scope Appendix will be billed at standard billing rates based upon the actual time and expenses incurred but will not exceed One Hundred Thousand Dollars (\$100,000) without additional client authorization.

Standard Hourly Rates by Job Classification
9/1/2024

Title	Hourly Rate
Principals / Directors	\$420 - \$660
Managers / Senior Managers	\$290 - \$440
Consultants / Analysts / Senior Consultants	\$185 - \$300
Support / Paraprofessionals / Interns	\$115 - \$195

**Billing rates are subject to change periodically due to changing requirements and economic conditions. The Client will be notified of any change to fees. If Client does not dispute such change in fees within thirty (30) days of receiving the notification, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by Baker Tilly except for direct, project-related expenses such as travel costs and charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity®.

BILLING PROCEDURES

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month. Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if other arrangements are made. The account balance is due and payable on receipt of the statement.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.



**SCOPE APPENDIX to
Engagement Letter dated: August 12, 2025
Between Patoka Lake Regional Water & Sewer District, and
Baker Tilly Advisory Group, LP**

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

Notwithstanding termination provisions contained in the Engagement Letter, this Scope Appendix is intended to be ongoing and applicable individually to specific services including debt issuance, continuing disclosure, (Sub-engagements) as if they are the sole subject of the Scope Appendix. As such, termination may occur for a specific Sub-engagement without terminating the Scope Appendix itself. On termination of a Sub-engagement or the Scope Appendix, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this Scope Appendix will terminate 60 days after completion of the services for such Sub-engagement.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,

BAKER TILLY ADVISORY GROUP, LP

Scott A. Miller

Scott A. Miller, Principal

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: *Fatih Dogan*

Title: *Board President*

Date: *9-8-2025*

