

May 19, 2026

PRE-SALE REPORT FOR

City of Whitewater, Wisconsin

**\$5,275,000 Waterworks and Sewer System Revenue
Bonds, Series 2026B**



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

Advisors:

Greg Johnson, Senior Municipal Advisor
Brian Roemer, Senior Municipal Advisor

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EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$5,275,000 Waterworks and Sewer System Revenue Bonds, Series 2026B

Purposes:

The proposed issue includes financing for the following purposes: water and sewer system improvements. Debt service will be repaid by revenues of the water and sewer utility respectively.

Authority:

The Bonds are being issued pursuant to Wisconsin Statute(s):

- 66.0621

The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the Waterworks and Sewer System.

Term/Call Feature:

The Bonds are being issued for a term of 20 years. Principal on the Bonds will be due on May 1 in the years 2027 through 2046. Interest will be due every six months beginning May 1, 2027. The Bonds will be subject to prepayment at the discretion of the City on May 1, 2034 or any date thereafter.

Bank Qualification:

Because the City is issuing, or expects to issue, more than \$10,000,000 in tax-exempt obligations during the calendar year, the City will be not able to designate the Bonds as “bank qualified” obligations.

Rating:

The City’s most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is “A-”. The City will request a new rating for the Bonds.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax

status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” For this issue of Bonds, any premium amount received may: be retained; used to reduce the issue size; or combination thereof. These adjustments may slightly change the true interest cost of the original bid, either up or down. We anticipate using any premium amounts received to reduce the issue size.

The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.

Parameters:

The Common Council will consider adoption of a Parameters Resolution on June 24, 2026, which delegates authority to the City Manager or the Director of Administrative Services to accept and approve a bid for the Bonds so long as the bid meets certain parameters. These parameters are:

- * Issue size not to exceed \$5,275,000
- * Minimum Bid of 98.75%
- * Maximum True Interest Cost (TIC) of 4.58%
- * Maturity Schedule Adjustments: Each maturity may be increased or decreased by up to \$75,000.

Other Considerations:

The Bonds will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Bonds. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

Continuing Disclosure:

Because the City has more than \$10,000,000 in outstanding debt subject to a continuing disclosure undertaking (including this issue) and this issue does not meet an available exemption from continuing disclosure, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and prepares and files its own reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City’s specific arbitrage responsibilities will be detailed in the Tax Exemption Certificate (the “Tax Compliance Document”) prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City’s specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers in relation to the Bonds.

Investment of Bond Proceeds:

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

Risk Factors:

Utility Revenue: The City expects to pay the Bond debt service with wastewater and water revenues.

In the event utility revenues are insufficient to pay debt service, the Common Council is committing to consider appropriating funds from any other available sources in an amount sufficient to cover the shortfall. If it chooses to do so, the City may levy a tax to make up a shortfall. Any amount levied for this purpose is exempted from levy limits. While the City is not required to appropriate the funds necessary to remedy any shortfall in revenues needed to pay debt service, failure to do so would result in either a lack of access to capital markets in the future, or access at a substantially higher cost.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond Counsel and Disclosure Counsel: Quarles & Brady LLP

Paying Agent: Bond Trust Services Corporation

Rating Agency: Standard & Poor's Global Ratings (S&P)

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by Common Council:	May 19, 2026
Conference with Rating Agency:	Week of June 1, 2026
Due Diligence Call to Review Official Statement:	Week of June 8, 2026
Distribute Official Statement:	June 17, 2026
Designated Officials Award Sale of the Bonds:	June 24, 2026
Estimated Closing Date:	July 15, 2026

Attachments

- Table 1: Project List
- Table 2: Sources and Uses
- Table 3: Estimated Proposed Debt Service Schedule
- Table 4: Combined Revenue Debt Coverage
- Table 5: Sewer Debt Coverage
- Table 6: Water Debt Coverage

EHLERS' CONTACTS

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Alicia Gerosa, Public Finance Analyst	(262) 796-6193
Beth Mueller, Senior Financial Analyst	(651) 697-8553

Table 1
Capital Improvement Plan & Funding Uses

Projects	Name	Issue, Repayment, Term	Funding	2026	Totals
Water	Well 9 road paving.	2026 Water & Sewer Revenue Bonds, Water, 20 years		80,000	80,000
Water	Bulk fill station	2026 Water & Sewer Revenue Bonds, Water, 20 years		150,000	150,000
Water	Well 7 pump room heater	2026 Water & Sewer Revenue Bonds, Water, 20 years		20,000	20,000
Water	New Storage Shed Bathroom	2026 Water & Sewer Revenue Bonds, Water, 20 years		30,000	30,000
Water	Fire Hydrant Replacement	2026 Water & Sewer Revenue Bonds, Water, 20 years		75,000	75,000
Water	Putnam Street Reconstruction	2026 Water & Sewer Revenue Bonds, Water, 20 years		162,658	162,658
Water	Jefferson Street Reconstruction	2026 Water & Sewer Revenue Bonds, Water, 20 years		831,744	831,744
Water	Water Meter replacements	2026 Water & Sewer Revenue Bonds, Water, 20 years		138,600	138,600
Water	Large water meters	2026 Water & Sewer Revenue Bonds, Water, 20 years		35,000	35,000
Water	Prospect/Universal Water Main Replacement	2026 Water & Sewer Revenue Bonds, Water, 20 years		427,000	427,000
Water	Scada Upgrade	2026 Water & Sewer Revenue Bonds, Water, 20 years		48,500	48,500
Water	Service vehicle	2026 Water & Sewer Revenue Bonds, Water, 20 years		49,376	49,376
Water	Fire hydrant painting	2026 Water & Sewer Revenue Bonds, Water, 20 years		40,000	40,000
Water	Pneumatic Cut off saw	2026 Water & Sewer Revenue Bonds, Water, 20 years		19,061	19,061
Water	2025 Projects - Well 7 modification	2026 Water & Sewer Revenue Bonds, Water, 20 years		1,069,000	1,069,000
Sewer	Roof Replacement Program - Wastewater Utility	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		45,000	45,000
Sewer	Overhead Garage Door Replacement	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		37,000	37,000
Sewer	Jefferson Street Reconstruction	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		1,284,933	1,284,933
Sewer	Wasterwater L3 Switch	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		20,000	20,000
Sewer	Centrifuge Maintenance	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		44,000	44,000
Sewer	Plow Truck Replacement	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		75,000	75,000
Sewer	Mower Replacement	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		11,700	11,700
Sewer	Portable Pump	2026 Water & Sewer Revenue Bonds, Sewer, 20 years		21,450	21,450
				4,715,022	4,715,022

Debt Obligations			
2026 Water & Sewer Revenue Bonds, Sewer, 20 years		1,539,083	1,539,083
2026 Water & Sewer Revenue Bonds, Water, 20 years		3,175,939	3,175,939
Total		4,715,022	4,715,022

Notes:

Table 2 Sources and Uses

	2026		
	Water & Sewer Revenue Bonds	Sewer 20 years Portion	Water 20 years Portion
CIP Projects			
Sewer	1,539,083	1,539,083	
Water	3,175,939		3,175,939
Subtotal Project Costs	4,715,022	1,539,083	3,175,939
CIP Projects¹	4,715,022	1,539,083	3,175,939
Debt Service Reserve			
DSR Funds On Hand	(769,686)	(251,698)	(517,988)
New DSR Requirement	1,168,111	381,989	786,122
Reserve Fund Requirement	398,425	130,291	268,135
Estimated Issuance Expenses			
Municipal Advisor (Ehlers)	55,100	18,018	37,082
Bond Counsel	30,000	9,810	20,190
Disclosure Counsel	19,500	6,377	13,123
Rating Fee	23,000	7,521	15,479
Underwriter's Discount	65,938	21,563	44,375
Paying Agent	850	278	572
Subtotal Issuance Expenses	194,388	63,567	130,820
TOTAL TO BE FINANCED	5,307,835	1,732,941	3,574,894
Estimated Interest Earnings	(35,363)	(11,543.12)	(23,819.54)
Rounding	2,528	3,602	(1,074)
NET ISSUE SIZE	5,275,000	1,725,000	3,550,000

Table 3**Allocation of Debt Service - 2026 Water & Sewer Revenue Bonds***Whitewater, WI*

Year Ending	Sewer 20 years Portion				Water 20 years Portion			
	Principal	Est. Rate	Interest	Total	Principal	Est. Rate	Interest	Total
2026				0				0
2027	30,000	3.39%	93,982	123,982	50,000	3.39%	193,789	243,789
2028	60,000	3.39%	70,963	130,963	130,000	3.39%	146,465	276,465
2029	65,000	3.39%	68,844	133,844	130,000	3.39%	142,058	272,058
2030	65,000	3.43%	66,628	131,628	135,000	3.43%	137,539	272,539
2031	70,000	3.51%	64,285	134,285	140,000	3.51%	132,767	272,767
2032	70,000	3.58%	61,803	131,803	145,000	3.58%	127,714	272,714
2033	75,000	3.68%	59,170	134,170	150,000	3.68%	122,359	272,359
2034	75,000	3.74%	56,388	131,388	155,000	3.74%	116,700	271,700
2035	80,000	3.82%	53,457	133,457	165,000	3.82%	110,650	275,650
2036	80,000	3.92%	50,361	130,361	170,000	3.92%	104,167	274,167
2037	85,000	4.05%	47,072	132,072	175,000	4.05%	97,291	272,291
2038	90,000	4.12%	43,497	133,497	185,000	4.12%	89,936	274,936
2039	95,000	4.50%	39,505	134,505	190,000	4.50%	81,850	271,850
2040	95,000	4.60%	35,183	130,183	200,000	4.60%	72,975	272,975
2041	100,000	4.65%	30,673	130,673	210,000	4.65%	63,493	273,493
2042	105,000	4.70%	25,880	130,880	220,000	4.70%	53,440	273,440
2043	110,000	4.75%	20,800	130,800	230,000	4.75%	42,808	272,808
2044	120,000	4.85%	15,278	135,278	245,000	4.85%	31,404	276,404
2045	125,000	4.85%	9,336	134,336	255,000	4.85%	19,279	274,279
2046	130,000	4.85%	3,153	133,153	270,000	4.85%	6,548	276,548
Total	1,725,000		916,255	2,641,255	3,550,000		1,893,227	5,443,227

Year Ending	Totals		
	Principal (5/1)	Interest	Total
2026	0	0	0
2027	80,000	287,771	367,771
2028	190,000	217,428	407,428
2029	195,000	210,902	405,902
2030	200,000	204,167	404,167
2031	210,000	197,051	407,051
2032	215,000	189,517	404,517
2033	225,000	181,529	406,529
2034	230,000	173,088	403,088
2035	245,000	164,107	409,107
2036	250,000	154,528	404,528
2037	260,000	144,363	404,363
2038	275,000	133,433	408,433
2039	285,000	121,355	406,355
2040	295,000	108,158	403,158
2041	310,000	94,165	404,165
2042	325,000	79,320	404,320
2043	340,000	63,608	403,608
2044	365,000	46,681	411,681
2045	380,000	28,615	408,615
2046	400,000	9,700	409,700
Total	5,275,000	2,809,482	8,084,482

Notes:

- 1) Estimated Rate assumes current rates plus 65 basis points.
- 2) TIC of 4.58%.

Table 4 Combined Revenue Debt Coverage

Whitewater, WI

Year	Water & Sewer Revenue Bond Coverage				Year
	Existing Debt	Proposed Debt	Total	Debt Coverage	
				\$3,993,485 2025 Net Revenues	
2026	2,139,858	0	2,139,858	1.87	2026
2027	2,145,453	367,771	2,513,224	1.59	2027
2028	2,063,704	407,428	2,471,131	1.62	2028
2029	2,083,196	405,902	2,489,098	1.60	2029
2030	1,937,735	404,167	2,341,902	1.71	2030
2031	1,958,167	407,051	2,365,218	1.69	2031
2032	1,927,359	404,517	2,331,876	1.71	2032
2033	1,951,090	406,529	2,357,618	1.69	2033
2034	1,954,914	403,088	2,358,001	1.69	2034
2035	1,948,680	409,107	2,357,787	1.69	2035
2036	523,313	404,528	927,840	4.30	2036
2037	525,390	404,363	929,752	4.30	2037
2038	536,665	408,433	945,097	4.23	2038
2039	532,059	406,355	938,414	4.26	2039
2040	531,765	403,158	934,923	4.27	2040
2041	525,770	404,165	929,935	4.29	2041
2042	514,274	404,320	918,594	4.35	2042
2043	199,160	403,608	602,767	6.63	2043
2044	200,432	411,681	612,113	6.52	2044
2045	0	408,615	408,615	9.77	2045
2046	0	409,700	409,700	9.75	2046
Total	24,198,984	8,084,482	32,283,466		Total

Notes:

Table 5 Sewer Debt Coverage

Whitewater, WI

Year	Sewer Revenue Bond Coverage				Sewer All In Coverage (Revenue and G.O.)				Year
	Existing Revenue Debt	Proposed Debt	Total	Debt Coverage	Existing Debt G.O. & Revenue	Proposed Debt	Total	Debt Coverage	
			\$2,514,228				\$2,514,228		
			2025 Net Revenues				2025 Net Revenues		
2026	1,893,483	0	1,893,483	1.33	2,145,315	0	2,145,315	1.17	2026
2027	1,934,328	123,982	2,058,310	1.22	2,185,017	123,982	2,308,999	1.09	2027
2028	1,876,579	130,963	2,007,542	1.25	2,127,403	130,963	2,258,366	1.11	2028
2029	1,875,196	133,844	2,009,040	1.25	2,126,080	133,844	2,259,924	1.11	2029
2030	1,724,735	131,628	1,856,363	1.35	1,938,008	131,628	2,069,636	1.21	2030
2031	1,721,167	134,285	1,855,452	1.36	1,939,990	134,285	2,074,274	1.21	2031
2032	1,716,609	131,803	1,848,412	1.36	1,935,769	131,803	2,067,572	1.22	2032
2033	1,721,315	134,170	1,855,485	1.36	1,935,650	134,170	2,069,820	1.21	2033
2034	1,726,139	131,388	1,857,526	1.35	1,940,599	131,388	2,071,986	1.21	2034
2035	1,706,105	133,457	1,839,562	1.37	1,915,640	133,457	2,049,097	1.23	2035
2036	253,038	130,361	383,399	6.56	462,598	130,361	592,959	4.24	2036
2037	253,315	132,072	385,387	6.52	457,850	132,072	589,922	4.26	2037
2038	253,390	133,497	386,886	6.50	362,900	133,497	496,396	5.06	2038
2039	248,288	134,505	382,793	6.57	360,648	134,505	495,153	5.08	2039
2040	252,900	130,183	383,082	6.56	313,530	130,183	443,712	5.67	2040
2041	247,220	130,673	377,892	6.65	247,220	130,673	377,892	6.65	2041
2042	241,455	130,880	372,335	6.75	241,455	130,880	372,335	6.75	2042
2043	103,560	130,800	234,360	10.73	103,560	130,800	234,360	10.73	2043
2044	103,532	135,278	238,809	10.53	103,532	135,278	238,809	10.53	2044
2045	0	134,336	134,336	18.72	0	134,336	134,336	18.72	2045
2046	0	133,153	133,153	18.88	0	133,153	133,153	18.88	2046
Total	19,852,353	2,641,255	22,493,608		22,842,762	2,641,255	25,484,017		Total

Notes:

Table 6 Water Debt Coverage

Whitewater, WI

Year	Water Revenue Bond Coverage				Water All In Coverage				Year
	Existing Revenue Debt	Proposed Debt	Total	Debt Coverage	Existing Debt G.O. & Revenue	Proposed Debt	Total	Debt Coverage	
				\$1,479,257 2025 Net Revenues				\$1,116,322 2025 Net Revenues	
2026	246,375	0	246,375	6.00	570,015	0	570,015	1.96	2026
2027	211,125	243,789	454,914	3.25	616,191	243,789	859,980	1.30	2027
2028	187,125	276,465	463,590	3.19	585,635	276,465	862,099	1.29	2028
2029	208,000	272,058	480,058	3.08	599,886	272,058	871,944	1.28	2029
2030	213,000	272,539	485,539	3.05	536,856	272,539	809,395	1.38	2030
2031	237,000	272,767	509,767	2.90	555,644	272,767	828,410	1.35	2031
2032	210,750	272,714	483,464	3.06	529,151	272,714	801,865	1.39	2032
2033	229,775	272,359	502,134	2.95	547,781	272,359	820,140	1.36	2033
2034	228,775	271,700	500,475	2.96	541,306	271,700	813,006	1.37	2034
2035	242,575	275,650	518,225	2.85	554,581	275,650	830,231	1.34	2035
2036	270,275	274,167	544,442	2.72	496,110	274,167	770,277	1.45	2036
2037	272,075	272,291	544,366	2.72	502,335	272,291	774,626	1.44	2037
2038	283,275	274,936	558,211	2.65	387,635	274,936	662,571	1.68	2038
2039	283,772	271,850	555,622	2.66	391,082	271,850	662,932	1.68	2039
2040	278,866	272,975	551,841	2.68	278,866	272,975	551,841	2.02	2040
2041	278,550	273,493	552,043	2.68	278,550	273,493	552,043	2.02	2041
2042	272,819	273,440	546,259	2.71	272,819	273,440	546,259	2.04	2042
2043	95,600	272,808	368,408	4.02	95,600	272,808	368,408	3.03	2043
2044	96,900	276,404	373,304	3.96	96,900	276,404	373,304	2.99	2044
2045	0	274,279	274,279	5.39	0	274,279	274,279	4.07	2045
2046		276,548	276,548	5.35		276,548	276,548	4.04	2046
Total	4,346,631	5,443,227	9,789,858		8,436,942	5,443,227	13,880,169		Total

Notes:

1. Net revenues for all in coverage excludes PILOT.