

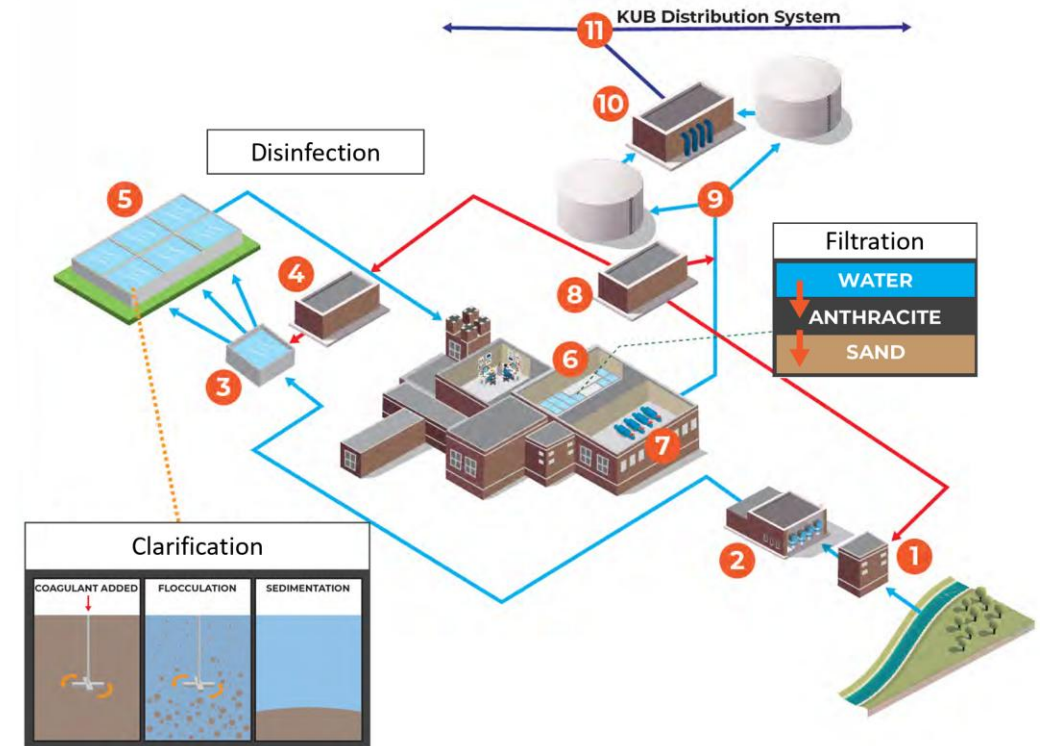


Water System Investment & the Value of Water



Providing Water Service to KUB Customers is a 24/7, 365 days-per-year Job

- Plant operations are complex and highly precise
- Only high-quality water leaves the plant
- Redundancy and resiliency of plant operations and distribution system is critical
- MBW treatment capacity = approximately 170% of average daily use



Century II Capital Investments & Maintenance

Ensure Reliable Service for Customers

- Pipe replacement
- Facility upgrades and rehabilitation
- Treatment plant improvements
- Preventative maintenance



Water Supply Master Plan

- Long-range strategic program
- Removes single points of failure and creates operational flexibility

Status	Project	Year
Completed	✓ Phase 1 Electrical Upgrades	2018
	✓ High Service Main	2019
	✓ Generators	2021
In Construction	● Filters 11-16	2026
	● Phase 2 Electrical Upgrades	2027
Future Investments	● Raw Water Distribution and Clarification Improvements	2028
	● High Service Pump Station and Clearwell	2030
	● Raw Water Intake and Low Service Pump Station	2033



Water Budget Challenges & Continued Need for Investment

- Providing clean water at every tap requires significant infrastructure and ongoing proactive maintenance
- Inflation is increasing the cost of water infrastructure
- Gradual increases in water consumption have not increased revenue enough to keep pace with rising infrastructure costs
- For over a decade, steady, modest rate increases have been needed to keep up with rising costs of infrastructure maintenance
- The average residential water bill is \$37.25 in 2026, up from \$28.60 in 2021

Discussion – Value of Water

- Based on what you saw today, what aspects of KUB's water system stood out to you? Did anything surprise you?
- Do you consider KUB Water a good value? Did today's tour change your perspective?
- What interesting/compelling messages should we share more widely with customers?



KUB – Less than a cent per gallon



Store Bought - Averages about \$1.50 per gallon

