

**ST. LUCIE WEST
SERVICES DISTRICT**



**BOARD OF SUPERVISORS'
REGULAR BOARD MEETING
JULY 9, 2024
9:00 A.M.**

AGENDA
ST. LUCIE WEST SERVICES DISTRICT
BOARD OF SUPERVISORS'
REGULAR BOARD MEETING
July 8, 2024 & July 9, 2024
9:00 a.m.
450 SW Utility Drive
Port St. Lucie, Florida 34986
DIAL IN (877) 402-9753 ACCESS CODE 4411919

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Approval of Minutes

1. June 3, 2024 Workshop Minutes
2. June 4, 2024 Regular Board Meeting Minutes

E. Public Comment

F. District Attorney

DA 1 – Status Report/Updates

G. District Engineer

DE 1 – Status Report/Updates

H. District Manager

Action Items

DM 1 – Consider Approval of Engineering Evaluation of The Reserve CDD by Infrastructure Solutions Services Work Authorization No. SLWSD/SLW034

DM 2 – Consider Approval of Utility Systems Engineers Report

DM 3 – Consider Approval of Bond Feasibility Report for Utility Revenue Bond Series 2024

DM 4 – Consider Approval of Bond Counsel Agreement with Nabors, Giblin & Nickerson, P.A.

DM 5 – Consider Resolution No. 2024-07 – Authorizing Issuance of Not Exceeding \$40,000,000 Utility Revenue Bonds

DM 6 – Consider Approval to Paint Water Treatment Plant Tanks and Buildings

DM 7 – Consider Approval of Phase II Paving Project for Utility Plant Site

DM 8 – Consider Approving the use of Special Counsel Concerning the NW Peacock Blvd. Road Project

DM 9 – Consider Approval of Amendment to Current Tyler Technologies, Inc. Agreement

DM 10 – Consider Acceptance of the FY2023 Financial Report by Grau & Associates

DM 11 – Other Items

I. Consent Agenda

CA 1 – Monthly Report on Public Works

CA 2 – Monthly Report on Utilities Operations

CA 3 – Monthly Report on Capital Improvement Projects

CA 4 – Monthly Report on Billing and Customer Service

CA 5 – Financial Statements for May, 2024

CA 6 – Consider Approval to Transfer Funds for the R&R Account Requisitions

J. Supervisors' Requests

K. Adjournment

**St. Lucie West Services District
Workshop Meeting
June 3, 2024, at 9:00 a.m.**

(Please note: These minutes are not verbatim. A CD recording of the Workshop Meeting is available on file.)

Board Members Present

John Doughney – Chairman – in-person
Dominick Graci – Vice Chairman – in-person
Gregg Ney – Secretary – via phone
Viorel Mocuta – Supervisor – in-person
Diane Haseltine- Supervisor – in-person

Staff Present

Bill Hayden, District Manager, St. Lucie West Services District (“SLWSD”) – in-person
Josh Miller, Chief District Manager, SLWSD – in-person
Maddie Maldonado, Director of Office Administration, SLWSD – in-person
Gerard Rouse, Assistant Public Works Director, SLWSD – in-person
Thomas Bayer, Assistant Utilities Director, SLWSD – in-person
Searg Davidian, Stormwater Manager, SLWSD – in-person
Lorrie Bush, Aquatic Maintenance Manager, SLWSD – in-person
Kyle Parrish, Assistant Underground Utilities Superintendent, SLWSD – in-person
Jason Pierman, Special District Services, Inc. (“SDS”) – in-person
Laura Archer, Recording Secretary, SDS – in-person
Stephanie Brown, SDS – in-person

Also present were District residents Ms. Renais & Deane Piekara.

Guests Present (Sign-In Sheet Attached)

A. Call to Order

The Workshop Meeting was called to order at 9:00 a.m.

B. Pledge of Allegiance

C. Roll Call

It was noted that all 5 Supervisors were in attendance.

D. Approval of Minutes

- 1. May 6, 2024, Workshop**
- 2. May 7, 2024 Regular Board Meeting**

It was noted on Page 4 of the Regular Board Meeting minutes, under Supervisor Requests, it should read, "Chairman Doughney noted that we could discuss..." not "...discussion..."

That was the only correction.

E. Public Comment

There was no public comment at this time.

F. District Attorney

DA 1 – Consider Ratification of Publication of Notice of Qualifying Period

The Board was advised that the Notice of Qualifying Period had recently been published regarding the upcoming general election. A copy of the ad was provided in the meeting materials for ratification.

Vice Chairman Graci noted a typo in the last paragraph wherein it notes that there are "three" seats up for election, but there are actually only two seats up.

DA 2 – Status Report/Updates

It was noted that Ms. Holmes' report was provided in the meeting materials.

G. District Engineer

DE 1 – Status Report/Updates

Mr. Hayden noted that Mr. Zanganehl had provided his monthly report within the meeting materials and would go over the details at tomorrow's meeting.

H. District Manager

Actions Items

DM 1 – High Ranking Position – Assistant Public Works Director

Mr. Hayden presented the item and noted that Searg Davidian had applied for the position of Assistant Public Works Director. Mr. Hayden noted he was recommending Mr. Davidian for the position.

Mr. Davidian introduced himself and gave his background with the District. The Board had several questions for Mr. Davidian.

DM 2 – Consider District Manager and Staff Prescriptive Goals and Performance Objectives for Fiscal Year 2025

Mr. Hayden presented the report indicating that Mr. Miller had produced the information wherein he highlighted mentoring, succession planning and the District's large projects.

Vice Chairman Graci suggested adding Cost Reduction Strategies under Goals by offering incentives for the departments to hit their goals.

Vice Chairman Graci also noted the importance of communication.

Secretary Ney recommended an evaluation of how goals were reached from the prior year.

DM 3 – Consider Budget Adjustment 2024-03 for the General Fund R&R Fund for the 4C Structure Upgrade Project

Mr. Hayden explained that the Engineer’s estimation for construction costs was \$80,000 from approximately 7 years ago. Due to the rising costs of materials and labor, the Engineer revised the estimation to \$154,616 for the Board to consider a budget amendment for this project. The Board was reminded that this contract has not yet been awarded.

Board discussion ensued regarding the importance of continuing the pipe lining project.

DM 4 – Payment Software for Processing Utility Payments and Fees

Ms. Maldonado explained that the Board had previously authorized staff to work with vendors to consolidate all online payments through “CORE”, accepting the option for an annual fixed license fee and to have customers absorb the credit card and e-check fees through CORE however, staff was given information that caused pause on the project. Staff determined that daily processes would not be automatic; the payments would not be viewed immediately from the customer’s account within the billing software until the next download and the billing staff and customer service staff would have other manual processes to view payment data and assist customers with questions.

Tyler Technology (Tyler), the current Billing Software company, offered the option to continue using their utility payment website allowing the same customer login information and to add the services for processing customer electronic payments for credit cards and e-checks. The daily payment processing will automatically load onto customer accounts when the customer pays online. The fees Tyler will charge the consumer during the transaction for credit card payments will be 3.10% with a minimum of \$2.50 and for e-checks \$1.50 per transaction. The District will be charged a one-time fee for three card readers to accept credit card payments in the office and a recurring yearly fee for support.

Ms. Maldonado requested that the Board rescind the award of the contract to CORE and allow staff to negotiate with Tyler because there will be no changes to the system for residents/customers.

Discussion ensued about passing the fees on to customers.

DM 5 – Consider Proposal for the 4C Control Structure Upgrade Project

Mr. Hayden presented the item, indicating that only one contractor of six had submitted a proposal. Some contractors indicated it was too small of a project or they did not do electrical work.

Mr. Hayden noted that the 4C gate is currently operated manually in the 4 Basin. This project will automate this control structure so that it may be operated via SCADA, similarly to the District's external gates, saving time during a storm event to adjust for flooding.

Mr. Hayden advised that the proposal came in at \$142,208, which was budgeted for in the amount of \$316,749.

There was a brief discussion regarding the project.

DM 6 – Consider Awarding the Remaining AMI Water Meter Installations to HST Utility, Inc.

Mr. Miller indicated that as part of the District wide AMI Water Meter Upgrade Project, the Board approved the installation of 4,000 AMI water meters to HST Utility, Inc. on March 5, 2024.

There are four subdivisions that need meters:

- Country Club Estates – 453
- Heatherwood – 193
- Vineyards – 193
- Lake Forest Pointe – 221

Mr. Miller noted that staff have worked closely with HST Utility, Inc. and recommend approval to issue the remaining 1,060 AMI water meter installation to HST Utility, Inc. at the current installation rate of \$52.50 per meter.

A brief discussion ensued regarding filling the gap between inlet and the outlet with washers.

DM 8 – Consider New Agreement with Torcevia, Donlon, Goddeau & Rubin, P.A., Including New Rate Increase

Mr. Hayden presented the agreement, noting a rate increase of \$10 per hour.

Secretary Ney asked if the District paid for travel time. Mr. Hayden indicated he would find out.

Mr. Miller indicated he would speak with Ms. Holmes about the ethics training that will be presented by her firm.

Discussion took place regarding looking at other firms.

DM 7 – Consider Resolution No. 2024-06 – Adopting a Fiscal Year 2025 Proposed Budget

Resolution No. 2024-06 was presented, entitled:

RESOLUTION NO. 2024-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ST. LUCIE WEST SERVICES DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2025.

Chairman Doughney adding \$295 for membership into the local Chamber of Commerce.

Chairman Doughney suggested starting a Cost Reduction Savings (CSR) Program, as previously brought up by Vice Chairman Graci.

DM 9 – Other Items

Mr. Hayden advised that tomorrow would be his last meeting as the District Manager.

Mr. Miller provided his physician's summary, advising that he was fit for the position of District Manager.

It was noted that the NW Bethany Drive paving would begin in the next 90 days and is expected to be completed within 6 months.

Mr. Miller noted that he had received correspondence from the Reserve CDD requesting their rates. He also noted that he had met with County representatives who advised Mr. Miller that the Reserve CDD was not within their service area. He furthered that the City was fine with the District taking on the Reserve CDD's needs. They suggested filing for an Emergency Connection to their system, which Mr. Miller has relayed to Mr. Nason.

Mr. Miller indicated that he anticipates receiving an evaluation task order from ISS for the Reserve CDD infrastructure in July.

Chairman Doughney then called for a brief recess at 9:56 a.m.

Chairman Doughney called the Workshop back to order at 10:05 a.m.

I. Consent Agenda

CA 1 – Monthly Report on Public Works Department

CA 2 – Monthly Report on Utilities Operations

CA 3 – Monthly Report on Capital Improvement Projects

CA 4 – Monthly Report on Billing and Customer Service

CA 5 – Financial Statements for April, 2024

CA 6 – Consider Approval to Transfer Funds for the R&R Account Requisition

CA 7 – Surplus Items

There were no questions regarding Consent Agenda Items CA 1 through CA 7.

J. Supervisor Requests

There were no requests from the Supervisors.

K. Adjournment

There being no further items to be addressed, the Workshop Meeting was adjourned at 10::30 a.m. There were no objections.

Workshop Meeting Minutes Signature Page

Chairman/Vice Chairman

Secretary/Assistant Secretary

Date Approved _____

St. Lucie West Services District
Regular Board Meeting
June 4, 2024, at 9:00 a.m.

(Please note: These minutes are not verbatim. A CD recording of the Regular Board Meeting is available on file.)

Board Members Present

John Doughney – Chairman – in-person
Dominick Graci – Vice Chairman – in-person
Viorel Mocuta – Supervisor – in-person
Diane Haseltine- Supervisor – in-person

Staff Present

Bill Hayden, District Manager, St. Lucie West Services District (“SLWSD”) – in-person
Josh Miller, Chief District Manager, SLWSD – in-person
Maddie Maldonado, Director of Office Administration – in-person
Gerard Rouse, Assistant Public Works Director, SLWSD – in-person
Thomas Bayer, Assistant Utilities Director, SLWSD – in-person
Searg Davidian, Stormwater Manager, SLWSD – in-person
Lorrie Bush, Aquatic Maintenance Manager, SLWSD – in-person
Lisa-Marie Beans, Human Resources Specialist, SLWSD – in-person
Dan Harrell, District Counsel, Torcivia, Donlon, Goddeau & Ansay, P.A. – in-person
Fairborz Zanganehl, District Engineer, Infrastructure Solution Services. – in-person
Jason Pierman, Secretary/Treasurer, Special District Services, Inc. (“SDS”) – in-person
Laura Archer, Recording Secretary, SDS – in-person
Stephanie Brown, SDS – in-person

Also present was Donna Rhoden of the City of Port St. Lucie; and District resident Deane Piekara.

Guests Present (Sign-In Sheet Attached)

A. Call to Order

Chairman Doughney called the Regular Board Meeting to order at 9:00 a.m.

B. Pledge of Allegiance

C. Roll Call

It was noted that 4 Supervisors were in attendance with Secretary Ney absent.

D. Approval of Minutes

1. **May 6, 2024, Workshop**
2. **May 7, 2024 Regular Board Meeting**

The minutes of the May 6, 2024, Workshop and the May 7, 2024, Regular Board Meeting were presented for consideration.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and unanimously passed approving the minutes of the May 6, 2024, Workshop, as presented, and the minutes of the May 7, 2024, Regular Board Meeting, as amended.

E. Public Comment

There was no public comment at this time.

F. District Attorney

DA 1 – Consider Ratification of Publication of Notice of Qualifying Period

Mr. Harrell presented the item recommending approval.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously ratifying the publication of the Notice of Qualifying Period, with the correction noted.

DA 2 – Status Report/Updates

Mr. Harrell indicated that the status report submitted had no revisions.

G. District Engineer

DE 1 – Status Report/Updates

Mr. Zanganeh presented his report provided in the meeting materials and noted that there were no changes. The Board had no questions.

H. District Manager

Action Items

DM 1 – High Ranking Position – Assistant Public Works Director

Mr. Hayden presented the item and advised of his nomination of Searg Davidian for the Assistant Public Works Director position at an annual salary of \$89,000, effective July 1, 2024.

Secretary Ney and Ms. Renais arrived at approximately 9:07 a.m.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine approving the District Manager’s nomination of Searg Davidian for the Assistant

Public Works Director position at an annual salary of \$89,000, effective July 1, 2024. Upon being put to a vote, the **MOTION** carried unanimously.

Chairman Doughney praised the succession plan in place for internal promotions.

DM 2 – Consider District Manager and Staff Prescriptive Goals and Performance Objectives for Fiscal Year 2025

Mr. Miller presented his (District Manager) Goals and Objectives for Fiscal Year 2025.

The Board went over the additional items Mr. Miller will include in his report: incorporating a Cost Reduction Strategies (CRS) Program, offering employees rewards/incentives to seek ways to reduce costs. Other additions were the \$295 membership of the local Chamber of Commerce and a wrap-up report at the end of the year.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously accepting the District Manager and Staff Prescriptive Goals and Performance Objectives for Fiscal Year 2025, as amended.

DM 3 – Consider Budget Adjustment 2024-03 for the General Fund R&R Fund for the 4C Structure Upgrade Project

Mr. Hayden presented the item and indicated it was reviewed during the previous day's Workshop Meeting. He asked if there were any further questions. There were none.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously approving Budget Adjustment #2024-03 for the General Fund R&R Fund transfer, as presented.

DM 4 – Payment Software for Processing Utility Payments and Fees

Mr. Hayden presented the item and asked if the Board had any further questions. There were no further questions from the Board Members regarding this item.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously rescinding prior Board approval to work with CORE and for staff to continue negotiations with the vendor, Tyler Technology, as presented.

DM 5 – Consider Proposal for the 4C Control Structure Upgrade Project

The proposal from E&W Mechanical Contracting in the amount of \$142,208 for the automation of the 4C Control Structure via SCADA.

Mr. Hayden was asked if he had experience with this contractor to which he affirmed he had.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously approving the E&W Mechanical Contracting proposal in the not to exceed amount of \$142,208 for Project # WM027 for the 4C Construction Upgrade Project. The Available Project Budget being \$316,749; This Project cost of \$142,208; leaving an Available Balance of \$174,541, as presented.

DM 6 – Consider Awarding the Remaining AMI Water Meter Installations to HST Utility, Inc.

Mr. Miller presented the item and recommended approval.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously awarding Project # SW064, 1,060 AMI Water Meters to be installed by HST Utility, Inc. for the not to exceed amount of \$55,650. The Available Project Budget being \$1,598,248; This Project cost being \$55,650; leaving an Available Balance of \$1,542,598, as presented.

DM 8 – Consider New Agreement with Torcevia, Donlon, Goddeau & Rubin, P.A., Including New Rate Increase

Mr. Hayden presented the agreement and recommended approval.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously approving the new agreement with Torcivia, Donlon, Goddeau & Rubin, P.A., including the new rate increase, as presented.

DM 9 – Other Items

Mr. Miller advised of providing the Board with his physician's summary stating that he is fit to perform his job as District Manager.

Mr. Miller advised that he would confirm if the Ethics Training would be rescheduled to September.

Mr. Miller went over his discussions with the County regarding the Reserve CDD. He noted that the Reserve CDD was not in their service area and would need seven miles of piping in order to accommodate them. The County has no problem with the District taking over the needs of the Reserve CDD.

Mr. Miller also reminded the Board that the City of Port St. Lucie had suggested filing for an Emergency Interconnect, which will get finalization from the City Manager once he has been updated.

Mr. Pierman advised the Board that Form 1 – Statement of Financial Interests would only be accepted via electronic filing and is due July 1, 2024.

DM 7 – Consider Resolution No. 2024-06 – Adopting a Fiscal Year 2025 Proposed Budget

Resolution No. 2024-06 was presented, entitled:

RESOLUTION NO. 2024-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ST. LUCIE WEST SERVICES DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2025.

Chairman Doughney went over the revisions to be made to the budget including increasing the budget to accommodate the hiring of a PR person to increase the District's presence on social media and written publications.

Discussion ensued regarding whether it warrants someone full or part-time. Whether it should be a person or a company or managed in-house.

Vice Chairman Graci suggested looking at firms that deal with utility systems and how they deal with the public.

If it is determined to be an in-house person, we will need a job description, request to advertise and a pay scale.

Ms. Rhoden was asked how the City of Port St. Lucie manages public relations.

Ms. Rhoden indicated she served as Utility Public Affairs Manager and found it particularly helpful in emergency situations such as a hurricane. She feels that having someone in-house would be best, as they know the utility the best.

Discussion ensued about how to incorporate this new cost into the budget.

Discussion ensued regarding the amount to be budgeted.

Mr. Miller reminded the Board that the cost for a PR person/firm would be split between the funds.

It was decided that \$200,000 was a sufficient amount to budget for the position and would cover a salary with benefits for an employee or if decided to go with a firm/contractor.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously adopting Resolution No. 2024-06, amended to reflect a \$200,000 allowance for a PR Program.

I. Consent Agenda

CA 1 – Monthly Report on Public Works Department

CA 2 – Monthly Report on Utilities Operations

CA 3 – Monthly Report on Capital Improvement Projects

CA 4 – Monthly Report on Billing and Customer Service

CA 5 – Financial Statements for April, 2024

CA 6 – Consider Approval to Transfer Funds for the R&R Account Requisition

CA 7 – Surplus Items

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine approving Consent Agenda items CA 1 through CA 7, as presented. Upon being put to a vote, the **MOTION** carried unanimously.

J. Supervisor Requests

Supervisor Haseltine wished Mr. Hayden well on his retirement.

Vice Chairman Graci thanked Dan Harrell for attending today's meeting. He also congratulated Mr. Hayden on 35 years with the District and Searg Davidian's promotion.

Secretary Ney indicated he was pleased with the timing of today's meeting. He also noted that he was uncomfortable raising rates and passing along the fees for online payments to the customers.

Secretary Ney praised Mr. Hayden for a job well done. Supervisor Mocuta agreed with Secretary Ney's comments.

Chairman Doughney noted that Mr. Hayden was a great representative of the District over the years

K. Adjournment

There being no further items to be addressed, the Regular Board Meeting was adjourned at 9:52 a.m. by Chairman Doughney. There were no objections.

Regular Board Meeting Minutes Signature Page

Chairman/Vice Chairman

Secretary/Assistant Secretary

Date Approved _____

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DA 1 Status Report/Updates

Summary

This report is provided for your review and information.

Recommendation

Budget Impact

Project Number:

Available Project Budget: \$0.00

ORG Number:

This Project: \$0.00

Available Balance: \$0.00

Board Action

Moved by:

Seconded by:

Action Taken:

TORCIVIA, DONLON,
GODDEAU & RUBIN, P.A.

701 Northpoint Parkway, Suite 209
West Palm Beach, Florida 33407-1950
561-686-8700 Telephone / 561-686-8764 Facsimile
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Glen J. Torcivia
Lara Donlon
Christy L. Goddeau*
Leonard G. Rubin*

*FLORIDA BAR BOARD CERTIFIED
CITY COUNTY AND LOCAL GOVERNMENT ATTORNEY

Jennifer H.R. Hunecke
Susan M. Garrett
Elizabeth V. Lenihan*
Ruth A. Holmes
Ben Saver
Tanya M. Earley
Daniel Harrell, Of Counsel

St. Lucie West Services District
District Attorney's Report
Time Period May 16, 2024 – June 15, 2024

As SLWSD Counsel for the time period identified above, this firm worked with staff on the following matters:

- 1) Provided edits and comments the Tyler credit card payment processing agreement and service terms;
- 2) Attended bond validation call;
- 3) Edited the Florida Department of Transportation Landscape Maintenance Memorandum Agreement for maintenance of the landscape improvements for the I-95 interchange project; and
- 4) Attendance at Regular Board Meeting for June 2024.

Sincerely,

Ruth A. Holmes
Ruth A. Holmes, Esq.

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DE 1 **Status Report/Updates**

Summary

This report is provided for your review and information.

Recommendation

Budget Impact

Project Number:

Available Project Budget: \$0.00

ORG Number:

This Project: \$0.00

Available Balance: \$0.00

Board Action

Moved by:

Seconded by:

Action Taken:

Client: St. Lucie West Services District
Topic: Monthly Project Status Report – July 2024
Date of Status: 6/17/2024

- 1) General
 - i) SLWSD and ISS have regular telecons and meeting discussions that are incorporated in project statuses below.
 - ii) SLWSD to communicate with ISS to provide direction and updates on IRSC and Reserve CDD projects.

- 2) SLW013 WTP RO Blending Study
 - i) Status
 - i. SLWSD requested to pursue a proposal to pilot an ion exchange system.

 - ii) Actions:
 - i) ISS to bring forward ion exchange pilot study proposal.

- 3) SLW 018 Stormwater Review
 - i) Status
No work Authorization approval for this period.

- 4) SLW024 Lake Charles Irrigation Pump Station Replacement Project
 - i) Status
SLWSD provided direction to ISS to begin next phase of design work through Work Authorization Request..

 - ii) Actions:
ISS to prepare and submit a design Work Authorization for consideration in mid June 2024.

- 5) SLW028 Bypass for WWTF Emergency Storage Headworks Structure
 - i) Status
ISS submitted 100% Design Documents on May 3, 2024
 - ii) Actions:
None

- 6) SLW031 System Engineer's Bond Report
 - i) Status: ISS is working on the System Engineer's Bond Report

 - ii) Actions: ISS prepared/submitted First Draft System Engineer's Bond Report on 06/17/24.

At SLWSD's request, ISS is in the process of preparing the following District System Future Task Orders:

- a) Reserve CDD Engineering Evaluation - Drafted
- b) Lake Charles Irrigation Pump Station Replacement Design - Drafted
- c) Annual Engineering Certification
- d) Ion Exchange Pilot Testing
- e) Concept Design & Cost Estimate for the WWTF Third Train
- f) WTP Onsite Potable Storage Assessment
- g) WWTF Grease Collection System
- h) Update Utility Standards
- i) SLWSD System Wide Irrigation Modeling (10 HOAs_±)
- j) DIW Civil/Site and Piping Improvements for UIW Project



St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 1 Consider Approval of Engineering Evaluation of The Reserve CDD by Infrastructure Solutions Services Work Authorization No. SLWSD/SLW034

Summary

Provided for your review and consideration is a work authorization from Infrastructure Solutions Services (ISS) to evaluate the Reserve CDD.

The Reserve CDD submitted a notice of intent to SLWSD requesting inclusion into the SLWSD Service Area. An Engineering Evaluation is needed to determine the existing water and sewer infrastructure condition of the Reserve CDD.

This evaluation will include an outline of The Reserve CDD existing infrastructure, estimated cost to meet SLWSD Utility Standards, estimated additional operating cost to the District, critical path of improvements for the Reserve CDD to complete prior to service area incorporation.

Staff has met with The Reserve CDD and has requested the costs for this project to be split between both parties.

Recommendation

Staff recommend approval of Work Authorization No. SLWSD/SLW034 submitted by Infrastructure Solutions Services for the not to exceed amount of \$179,950.00.

District Manager: Joshua C Miller
Chief District Manager: William Hayden
Assistant Utilities Director: TJ Bayer

Budget Impact

Project Number: 5-26002
ORG Number:

Available Project Budget: \$98,739.00
50% Share by Reserve CDD: \$89,975.00
This Project: \$179,950.00
Available Balance: \$8,764.00

Board Action

Moved by: _____ Seconded by: _____ Action Taken: _____

DRAFT SCOPE FOR REVIEW
WORK AUTHORIZATION NO. SLWSD/SLW034
For
SLWSD Reserve CDD Engineering Evaluation
Between **St. Lucie West Services District (“SLWSD”)**
And **Infrastructure Solution Services (“ISS” or “Consultant”)**

A.1 Authorized Project

The St. Lucie West Services District (“SLWSD”) currently provides some water and sewer services to the Reserves Community Development District (Reserves CDD) under a 2003 Interconnect Agreement. SLWSD is contemplating incorporating the Reserves CDD utility system within the SLWSD. SLWSD has requested this Task Order from the Infrastructure Solution Services (ISS) Team to provide an Engineering Evaluation to determine the status of the Reserves current utility infrastructure and provide recommendations for improvements necessary to bring the system to a level of service compatible with SLWSD standards.

A.2 Summary of Basic Services to be Rendered

SLWSD Summary – “This is a project to evaluate the Reserve CDD’s existing water & sewer infrastructure as it relates to SLWSD Utility Standards; water & sewer capacity and future needs and for SLWSD to provide services through the existing interconnect piping and to include “loop” connections for water and sewer; septic to sewer conversions(if any); high service system storage or pumping needs; distribution disinfection needs; and local storage needs for parts and equipment.”

TASK A.2.1 PRELIMINARY & FINAL ENGINEERING EVALUATION SERVICES

Task 1– Kickoff and Data Gap Analysis Services

- a) Water Supply and Treatment Plant
 - i) Kick Off Meeting with site visit to get an overall picture of the Reserve CDD Overall System (to include water supply wells, treatment plant, and tank). Prepare a data request for the entire system. An inventory of physical assets will be prepared from the complied information.
 - ii) Perform a desktop study to gather and review existing documentation on the water wells and plant.
 - iii) Perform a data gap analysis to assess current condition of the Reserve CDD Water Treatment Plant facilities and provide a summary tech memo
- b) Water Distribution System
 - i) Perform a desktop study to gather and review existing documentation on the water distribution system. An inventory of physical assets will be prepared from the complied information.

- ii) Applying the applicable rules and regulations to determine the level of service required of the water distribution system. (e.g., fire flows, domestic and commercial usage). Look for past regulatory issues.
- iii) Perform a data gap analysis to assess current condition of the Reserves CDD water distribution infrastructure and provide a summary tech memo
- c) Sanitary Collection System
 - i) Perform a desktop study to gather and review existing documentation on the sanitary collection system including the lift stations any permit documents, Record Drawings, lift stations, manholes, and any available data such as billing records. . An inventory of physical assets will be prepared from the complied information.
 - ii) Perform a desk study to gather and review existing documentation on the existing lift stations such as tributary sanitary in-flows, force main pressures, pumping rates, and pump run times.
 - iii) Perform a data gap analysis to determine what practical field studies and investigations are necessary to adequately assess current conditions of the Reserves CDD sanitary collection system infrastructure.
- d) Summarize Findings
 - i) Summarize Findings and discuss the strategic data gap analysis with SLWSD Utility Mgmt and key stakeholders.
 - ii) Prepare a Work Plan for the necessary field investigations in conjunction with SLWSD and the Reserve consistent with the data gap analysis.

Task 2 – Field Investigation/Condition Assessment Services

- a) Based upon the data gap analysis in Task 1 above, implement the Work Plan to provide the necessary field investigations to fill in the data gaps.
- b) These field investigations will be a collaboration between ISS and SLWSD.
 - i) ISS will provide up to two (2) qualified observation and data recording personnel onsite for up to 5 ea. 8-hour days.
 - ii) SLWSD will furnish field crews or third parties to perform the physical onsite tasks of opening, operating, exercising, pipe camera videoing or exposing the system assets.
- c) The field investigations may include:
 - i) Water Distribution System
 - (1) Pump Testing of the Water Supply and Treatment Plant
 - (2) Condition Assessment of above ground water system infrastructure
 - (3) Existing Fire Hydrant Test (Flows and Pressures)
 - (4) Geophysical Underground Utility and Soft Dig Utility Locates
- d) Sanitary Collection System
 - i) Collection System Manhole Inspection & Pipe Evaluation by (Flushing and Camera Video by SLWSD)
 - ii) Collection System LS Visual Evaluation and Pump Drawdown Testing



Task 3 – Hydraulic Modeling Evaluation Services

- a) Water Distribution System
 - i) Using the information gathered as part of Task 1 and Task 2 above, prepare a uncalibrated steady state hydraulic model of the existing water distribution system
 - ii) Using the model created above, evaluate the system to determine any deficiencies of the water distribution system where upgrades are needed to meet current regulatory standards for fire protection and domestic and commercial level of service.
- b) Sanitary Collection System
 - i) Using the information gathered as part of Task 1 and Task 2 above, prepare an uncalibrated model of the existing gravity sanitary collection system.
 - ii) Using the model created above, evaluate the system to determine deficiencies of the gravity sanitary collection system.
- c) Meeting Utility Standards
 - i) Submit recommendations for improvements needed to meet the SLWSD Utility Standards
 - ii) Prepare List of priorities for improvements and an AACE Class 5 EOPOC.

Task 4 – Preliminary and Final Report

- a) Preliminary Report
 - i) Prepare an Engineer's Opinion of Probable Construction (EOPCC) and Operating Cost (EOPOC) for the upgrades to the system using SLWSD and public sourced cost data.
 - ii) Prepare a Preliminary Report with presenting the data collections and engineering evaluations performed in Tasks 1, 2 & 3 and the EOPCC and EOPOC.
 - iii) Attend a meeting with the SLWSD key stakeholders to present and discuss the Preliminary Report and its findings.
- b) Final Report
 - i) Incorporate SLWSD comments and concerns within a DRAFT Final Report.
 - ii) Submit the DRAFT Final Report to SLWSD for final review.
 - iii) Incorporate SLWSD final review comments and issue Final Report.

A.2.2 SUBCONSULTANTS

ISS has not included any subconsultants. The SLWSD may provide video camera work or engage subcontractors that may be necessary or more expeditious for the Task 2 Field Investigations as noted within that Task description above.

A.2.3 OWNER'S RESPONSIBILITY

- Provide electronic files where possible including SLWSD drawings and data related to its connections and onsite systems with the Reserves CDD.



- SLWSD will provide reasonable access to its system sites and coordinate reasonable access to the Reserves CDD systems and sites.
- SLWSD may provide
- SLWSD will review and provide timely comments on the submittals.
- SLWSD will provide field investigation crews (for video camera work on gravity sewer system).or third parties resources.
- SLWSD will coordinate with Reserves CDD to obtain drawings and other information needed to complete this scope of work.

A.3 DELIVERABLES

The ISS Team will provide the following final design deliverables to the SLWSD:

TASK #	Deliverables
1	One (1) Electronic copy of the Gap Analysis Tech Memos (pdf)
2	One (1) Electronic copy of the Field Investigation/Condition Assessment Results (pdf)
3	One (1) Electronic copy of the Hydraulic Model Work (pdf)
4	One (1) Electronic copy of the Preliminary Report (pdf)
5	One (1) Electronic copy of the DRAFT Final Report (pdf)
6	One (1) Electronic copy of the Final Report (pdf)

A.4 SCHEDULE

The ISS project schedule was developed based on similar water and sewer engineering evaluation projects. Days are from the SLWSD NTP and receipt of the required design data/information from SLWSD.

TASK #	TASK NAME	TASK DAYS	CUMUL DAYS
1	Kickoff and Date Gap Analysis Services	30	30
2	Field Investigation/Condition Assessment Services	30	60
3	Hydraulic Modeling Evaluation Services	60	120
4	Preliminary and Final Report	30	150
	Total Duration for Engineering Evaluation		150



A.5 PROJECT COST/COMPENSATION

SLWSD agrees to pay and ISS agrees to accept, for services rendered pursuant to the Scope of Services as identified in this Work Authorization, a lump sum engineering evaluation services fee amount of and One Hundred Seventy Nine Thousand Nine Hundred Fifty Dollars and Zero Cents (\$179,950).

Should additional work beyond that specifically defined in this scope of work be required, ISS will be glad to quickly provide a fee for the additional services requested. ISS will invoice SLWSD based on the percentage of work actually completed on this project. The cost breakdown for Tasks 1 through 4 for this project follow:

TASK #	TASK NAME	COST
1	Kickoff and Date Gap Analysis Services	\$50,880
2	Field Investigation/Condition Assessment Services	\$17,440
3	Hydraulic Modeling Evaluation Services	\$77,220
4	Preliminary and Final Report	\$32,800
	Expenses	\$1,610
	ENGINEERING EVALUATION TOTAL FEE	\$179,950

AUTHORIZED AND AGREED

If the above scope and fees meet your approval, please indicate by your signature in the space provided below and return one (1) signed copy which will constitute an "Agreement and Notice to Proceed" for the accomplishment of this work authorization.

INFRASTRUCTURE SOLUTION SERVICES

ST. LUCIE WEST SERVICES DISTRICT

 Brian Stahl, P.E.
 Managing Member

 Joshua Miller
 District Manager

 06/24/24
 Date

 Date

Certification that Sufficient Funds are Available:

 District Manager or Designee



Josh Miller

From: ROBERT FROMM <rlfromm@comcast.net>
Sent: Monday, June 24, 2024 2:39 PM
To: Josh Miller; Rich Hans; Lisa Derryberry
Cc: Bill Hayden
Subject: Re: Reserve CDD Evaluation

Josh,
This will be on the 7-9 Agenda for discussion and approval.
Will inform all after meeting.
Thanks,
Bob

On 06/24/2024 11:29 AM EDT Josh Miller <jmiller@slwsd.org> wrote:

Hello Bob and Rich.

Attached you shall find the Reserve CDD Engineering Task Order that will go before our Board on July 9,2024 for approval.

Total cost is \$179,950.

When we met, it was mutually discussed that the Reserve CDD would fund 50% of this cost, which is \$89,975.00.

SLWSD shall provide an invoice to the Reserve CDD for the 50% midway through the evaluation process.

Please confirm this agreement.

Thank you.

Joshua C Miller

Chief District Manager/Utilities Director

=====

St. Lucie West Services District

450 SW Utility Drive

Port St Lucie, FL 34986

(772) 205-5744 Mobile

(772) 340-0220 x133 Main No.

(772) 871-5771 Main Fax

jmiller@slwsd.org

NOTE: Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 2 Consider Approval of Utility Systems Engineers Report

Summary

Presented for Board review and approval is the Utility Systems Engineers Report for the Utility Revenue Bond Series 2024 by our Utility Consulting Engineering Firm, Infrastructure Solutions Services (ISS).

This draft report is being presented for approval to meet the bond requirements to move forward with funding needed redundancy and capacity projects for the water treatment plant.

To fund the water treatment plant projects listed within this report, the Board has directed staff and consultants to proceed with efforts to secure bond financing, including considering increasing utility rates to repay the bonds.

The Board has engaged an underwriter and bond counsel to move forward with the acquisition of utility revenue bonds.

Subsequent items on this agenda will seek Board approval of the Bond Feasibility Report and Authorization of Bond Resolution including the Form of Master Indenture.

Recommendation

Staff recommend approval of the Utility Systems Engineers Report by Infrastructure Solutions Services.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

DRAFT FOR REVIEW



**ST. LUCIE WEST
SERVICES DISTRICT**

**UTILITY SYSTEM ENGINEER'S
BOND REPORT
for the UTILITY REVENUE BONDS,
SERIES 2024**



Prepared for:

St. Lucie West Services District Chairman
and Members of the Board of Supervisors



Prepared by:

INFRASTRUCTURE SOLUTION SERVICES
Melbourne, Florida
(321) 622-4646
BStahl@InfrastructureSS.com

June 24, 2024

Mr. Jack Doughney
The Honorable Chairman and
Members of the Board of Supervisors
St. Lucie West Services District
450 Southwest Utility Drive
Port St. Lucie, FL 34936

June 24, 2024

RE: Utility System Engineer's Report– Utility Revenue Bonds, Series 2024

Members of the Board of Supervisors:

Presented herein is our Utility System Engineer's Report (the "Report") which summarizes our analyses, studies, and conclusions with regard to the proposal by the St. Lucie West Services District (the "District" or "SLWSD") to issue approximately \$39.1 ^[1] million dollars in Utility Revenue Bonds, Series 2024 (the "Series 2024 Bonds"). The primary purpose of the Series 2024 Bonds is to: i) complete the needed capital improvements estimated at \$36.8 million dollars for the future of the System (hereinafter defined); ii) fund the costs of issuance of the Series 2024 Bonds, including but not limited to the underwriter's discount, the bond insurance premium and the debt service reserve fund surety bond premium; iii) fund the debt service reserve fund requirement, and iv) fund a portion of the interest coming due on the Series 2024 Bonds. Capitalized undefined terms referenced in this letter and the Report shall have the meaning ascribed thereto in the Indenture as defined later in the Report.

The primary purpose of the Report is to summarize our estimate of the financial projections of the District's water, wastewater, and irrigation system (collectively, the "System") for the Fiscal Years ending September 30, 2024 through September 30, 2029 (the "Forecast Period") and the ability of the revenues derived from the System operations to meet the expenditure and funding obligations of such System. As such, the Report includes, among other things, discussions of: i) the capital improvement needs anticipated to be financed by System operations; ii) recent historical and projected sales and customer growth and usage statistics; and iii) the addition of The Reserve Community Development District (the "Reserve CDD") on these improvements and need for expansion.

FINDINGS AND CONCLUSIONS

Based upon the principal considerations and assumptions and the results of our studies and analyses, as summarized in the Report, we have the following findings as summarized:

[1] Preliminary; subject to change.



1. The existing facilities of the System, together with the Capital Improvement Program (as defined in the Report), and regular District planned renewals, replacements, and additions, can reasonably be expected to meet the projected requirements of the System, at least through the Fiscal Year ending September 30, 2029.
2. Based on the general investigations performed by the System Consulting Engineer (as defined in the Report) for the District and daily interaction with this utility, the Water System (as defined in the Report) has the need for improvements to upgrade certain system components that will provide needed capacity and improve the reliability of the Water System. In general, the System is in good condition and is currently in compliance with all regulatory permits required for the operation of the System.
3. Recognizing the planned capital improvements for the System, the Water System will have sufficient capacity to meet the service area needs of the SLWSD for the five Fiscal Year period ending September 30, 2029 based on the customer forecast assumed for the purposes of the Report. The basis for the projected growth in customers and usage of the Water System appear to represent reasonable projections.
4. During the course of the engineering due diligence investigations, nothing has come to the attention of the System Consulting Engineer that leads them to believe that significant funds will be required for additional capital expenditures for the System beyond that identified herein during the Forecast Period. Should the investigations conducted subsequent to closing reveal additional capital needs, funding can be provided by available Renewal and Replacement Fund deposits, grant funding assistance, issuance of additional bonds, or through developer contributions.
5. Recognizing that the Reserve CDD has recently requested to be consolidated within the SLWSD for the purposes of water, sewer, and irrigation services, the addition of the Reserve CDD to the System will require capital improvements to the System. The addition of significant Reserve CDD utility customers will result in the Reserve CDD being a cost-effective addition to the District System.
6. A due diligence evaluation of the Reserve CDD water and sewer systems should be completed by SLWSD to bring that system up to the District standard prior to closing.

The condition of the System and the need for expansion to meet the future service requirements and comply with the regulatory and permitting requirements are subject to the assumptions and considerations identified in the Report and information obtained during preparation of the Report regarding the System.



The Report is a snapshot in time, and as such, the Report should be read as it relates to the condition of above ground aspects of the system at the time of the Report. This Report should be read in its entirety in conjunction with report the Feasibility Report prepared by Ryper Water Analytics in connection with the issuance of the Series 2024 Bonds (the "Feasibility Report").

Respectfully submitted,

INFRASTRUCTURE SOLUTION SERVICES

DRAFT FOR REVIEW

Brian M. Stahl, PE
Managing Member

cc: Bill Hayden
Josh Miller





ST. LUCIE WEST SERVICES DISTRICT, FLORIDA

UTILITY SYSTEM ENGINEER’S REPORT UTILITY REVENUE BONDS, SERIES 2024

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ST. LUCIE WEST SERVICES DISTRICT, FLORIDA

**PROJECT FEASIBILITY REPORT
UTILITY REVENUE REFUNDING BONDS, SERIES 2011**

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ST. LUCIE WEST SERVICES DISTRICT, FLORIDA UTILITY SYSTEM ENGINEER'S REPORT UTILITY REVENUE BONDS, SERIES 2024

FOREWORD

This Utility System Engineer's Report (this "Report"), summarizes our engineering analyses and studies with regard to the proposal by the St. Lucie West Services District (the "District") to issue Utility Revenue Bonds, Series 2024 in the principal amount of approximately \$39,100,000 ^[2] (the "Series 2024 Bonds"). The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by rule adopted by the Florida Land and Water Adjudicatory Commission effective December 12, 1989. The Series 2024 Bonds are being issued by the District pursuant to the Act and a Master Trust Indenture by and between the District and U.S. Bank Trust Company, National Association), as Trustee (the "Trustee"), to be dated the first day of the first month in which bonds are issued thereunder, as amended and supplemented from time to time (the "Indenture"). Capitalized undefined terms used in this Report shall have the meanings ascribed thereto in the Indenture.

The Series 2024 Bonds are being issued by the District for the purpose of providing funds to:

- i) Complete necessary capital improvements to the Water System (as defined herein) which result in additional capacity plus improved system operation and reliability,
- ii) Fund the costs of issuance of the Series 2024 Bonds.

Payment of the Series 2024 Bonds and any bonds issued by the District pursuant to the Indenture on behalf of the water, wastewater, and irrigation utility system owned, operated, and maintained by the District (the "System"), together with interest thereon, shall be payable solely from, and secured equally by, a lien on the Net Revenues derived by the District from the operation of the System, Connection Fees, and investments in certain funds of the District as more particularly described in the Indenture (the "Pledged Funds"). Neither the credit nor the taxing power of the District will be pledged for debt repayment.

The District will issue the "Series 2024 Bonds" in the aggregate principal amount of \$39,100,000 ^[2], to fund capital improvements to the System in the amount of \$36,895,500, among other items. The Series 2024 Bonds will be issued pursuant to the terms and conditions of the Indenture which are primarily secured by a senior lien pledge on the Net Revenues of the System.

[2] Preliminary, subject to change



The following is a summary of the sources and uses of the proceeds of the Series 2024 Bonds as provided by the District's underwriter:

TABLE 1. Summary of Series 2024 Bonds Sources and Uses of Funds [1]

Sources of Funds:	
Series 2024 Bond Proceeds – Par Amount	\$39,100,000.00
Net Premium/OID	-830,404.80
Total Sources of Funds	<u>\$38,269,595.20</u>
Uses of Funds:	
Deposit to Project Fund	\$34,746,777.44
Deposit to Reserve Fund (25% of MADS)	747,929.41
Capitalized Interest to 10/1/2024	1,595,823.75
Costs of Issuance	1,179,064.60
Total Uses of Funds	<u>\$38,269,595.20</u>

[1] Amounts provided by District's underwriter and are preliminary and subject to change based on the actual terms regarding the sale of the Series 2024 Bonds.

The primary purpose of this Report is to present a summary description of the System and to summarize the proposed capital improvements to the System (the "Capital Improvement Program"). This Report includes, among other things, a discussion of the:

- i) Current management and operation of the System.
- ii) Facilities that comprise the System and an assessment of the general condition of the facilities and compliance with regulatory and permit requirements.
- iii) Projections of customer growth and capacity needs.
- iv) Summary of the Capital Improvement Program and corresponding funding plan
- v) Recommendations
- vi) Findings and Conclusions

Infrastructure Solution Services ("ISS" or the "System Consulting Engineer") executes regular engineering projects for the District and was responsible for the review of the water, wastewater and irrigation utility systems as it relates to the organization, permitting, regulation, and general condition of the System. ISS is a Florida based environmental and civil infrastructure consulting engineering firm with a focus on water and wastewater management system planning, permitting, design, construction, administration and operational services to municipal (local) governments, state and federal agencies, and private industry. ISS is a professional engineering firm that has an excellent reputation for skill and expertise in the design, construction, and operational support of facilities comparable in size and character to the System and the capital improvements needed to the System.

With respect to the evaluation of the condition of the System, the System Consulting Engineer performed a due diligence investigation of the System. Included in this investigation were a review of available reports and documents made available by the District, a visual field inspection of the System, Florida Department of Environmental



Protection ("FDEP") permit related review, and meetings and discussions with the corresponding parties. The inspection of the facilities performed by the System Consulting Engineer involved a walk-through observation of major above ground structures, buildings, and equipment, including water and wastewater treatment facilities, storage tanks and reservoirs, potable, and irrigation water pumping stations, and a representative review of the System wastewater lift stations and manholes. ISS did not perform an inspection of the existing water distribution, wastewater collection, irrigation distribution, and other associated below ground facilities, nor did it include independent reviews of any engineering matters related to such facilities. ISS did review documentation provided by a professional hydrogeologist related to the underground injection well ("UIW") and the need for an additional UIW. Accordingly, nothing in this Report is intended to indicate conformance with respect to the physical aspects of the System's below ground facilities.

In preparation of this Report, ISS has relied upon operational, statistical, regulatory, and other data regarding the System to include:

- i) SLWSD operating data, reports, and records prepared by the District management and staff.
- ii) Information presented in operating and financial records and the Annual Financial Statements (annual audits) prepared by the District, and the Annual Engineer Audit completed by ISS; and
- iii) other documentation provided by the District specific to this Report.

In addition, we have been furnished System data, information, assumptions, and projections from the District management, rate consultant, and others, and we have utilized information and our experience obtained from other utility systems in Florida and other sources. ISS believes the sources of such information, assumptions, and projections to be reasonable for the purposes of this Report and have no reason to believe that such information is unreliable for purposes of this Report. The actual results achieved during the Forecast Period reflected in this Report may vary from those projected and such variations could be material. Such population and flow projections are, therefore, subject to adjustment and we can give no assurances that the projections will be realized.

This Report summarizes the results of our studies and analyses up to the date of this Report. Prospective purchasers of the Series 2024 Bonds should not rely upon the information contained in this Report for a current description of any matters set forth herein as of any date subsequent to the date of this Report. This Report provides a general overview of the facilities that comprise the System, the Capital Improvement Program of the District, and projections of current and future customers served in the service area of the District. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes.



THE DISTRICT SYSTEM

General

The District is an independent unit of local government created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by rule of the Florida Land and Water Adjudicatory Commission adopted on November 21, 1989, and filed with the office of the Florida Secretary of State on December 12, 1989. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts, such as the District, to manage



FIGURE 1. DISTRICT LOCATION MAP IN FLORIDA

and finance basic community development services, including capital infrastructure (such as the provision of water and wastewater service) required for community developments throughout the State of Florida. The Act provides legal authority for community development districts to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

The District is located within St. Lucie County (the "County") along the central portion of Florida's east coast. Located in the western portion of the County, the District encompasses approximately 4,600 acres and is a

master-planned community consisting of residential, commercial and industrial land use. All of the water, wastewater, and irrigation utility facilities that comprise the System are currently located within the boundaries of the District. The following is a discussion of the System and its operations.

Utility System Operations

The utility operations for the District is operated under the direction of a System Utility Director who reports directly to the District Manager (currently the District Manager and the Utility Director are the same person with duties being shared). The District Manager is directly responsible to the five-member Board of Supervisors of the District (the "Board"). The utility operations consists of a SLWSD Leadership Team with support from outside specialty services (See Figure 1). The District Utility has about 40 budgeted employees, which make up the Water and Wastewater Treatment Operation/Maintenance, Fleet and Utility Operation/Maintenance, Underground Utilities, Irrigation and Administration and Customer Service functions (referred to collectively as the "Utilities Department") as indicated in the second organizational chart shown below (see Figure 2)



FIGURE 2. SLWSD UTILITY ORGANIZATIONAL LEADERSHIP & OUTSIDE CONTRACTOR SERVICES [1]

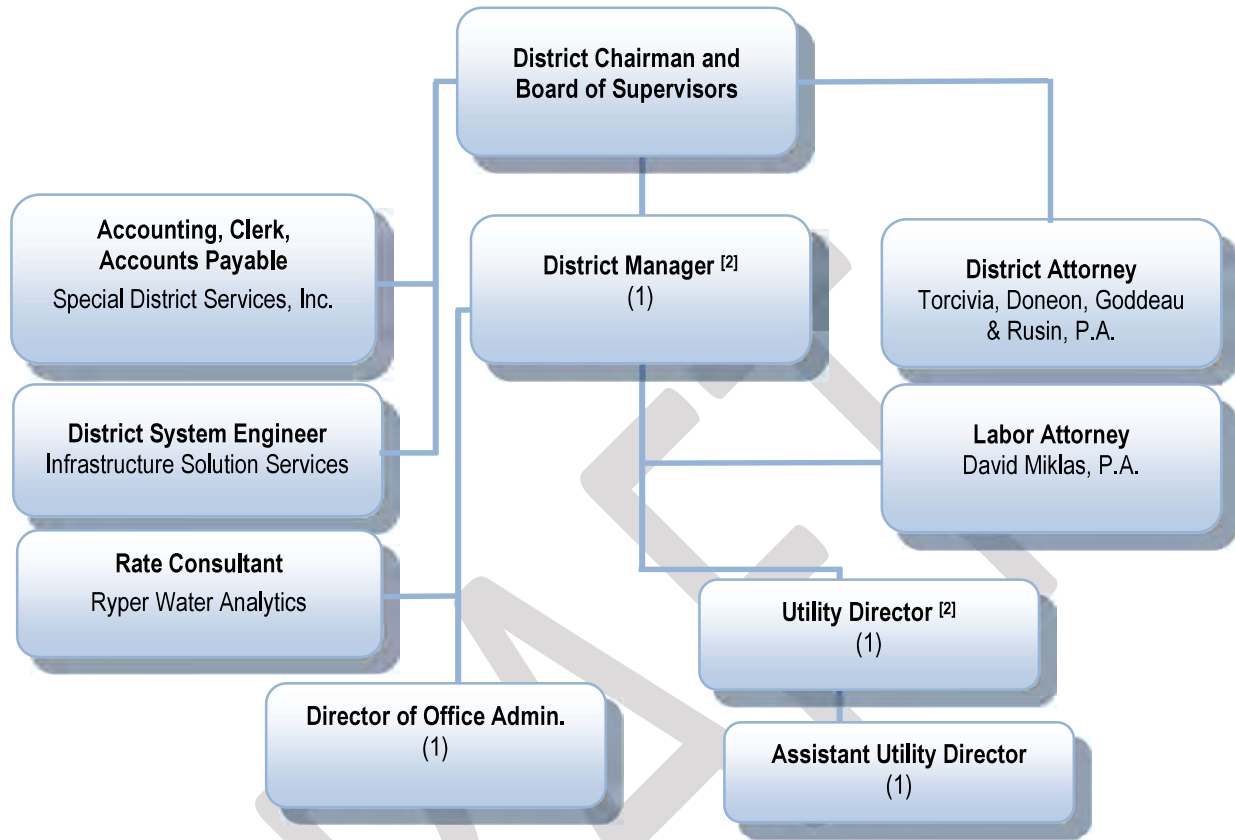
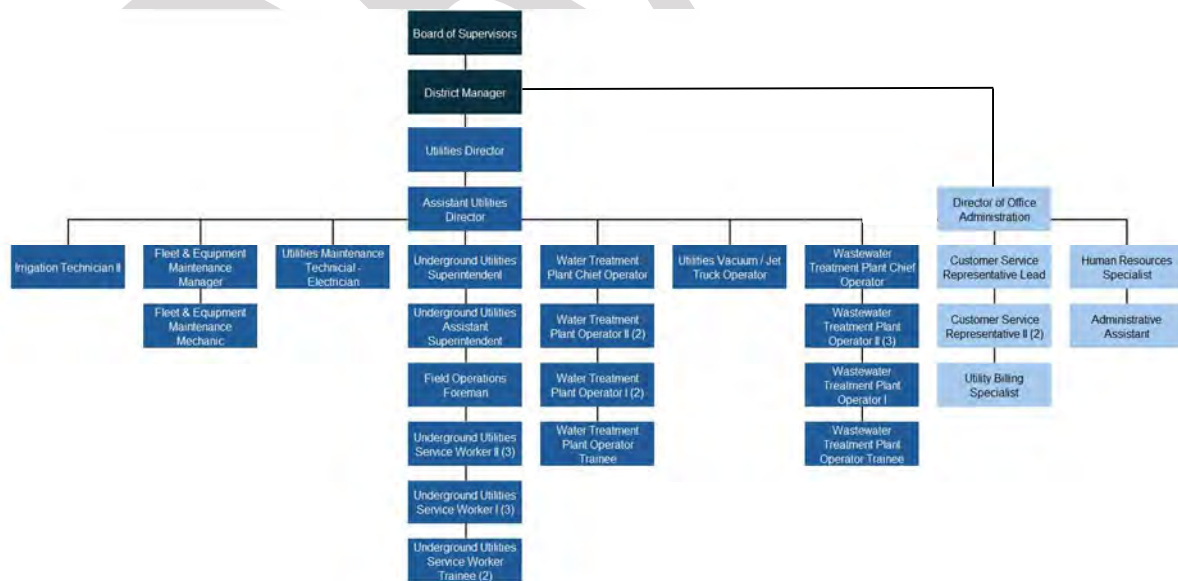


FIGURE 3. SLWSD UTILITY SERVICES OVERALL ORGANIZATIONAL CHART



* Amounts delineated in parentheses denote the number of full time employees at such position.

A brief biography for personnel and the outside contractor firms that are strategically involved in the management of the System is presented in the following paragraphs.



Mr. Joshua Miller is the District Manager and also serves in a dual role as the Utility Director for the System. Mr. Miller received his Water License Certification from the State of Florida in 2000 and received his Wastewater Certification from the State of Florida in 2003. Mr. Miller has worked in the water and wastewater field since 1997. Mr. Miller has over 26 years of experience in the public utility industry and has worked at the District since 1997 and brings unique knowledge of the District System on a daily basis. He was assigned as the Utility Director for the District with oversight responsibilities for the District water and sewer utilities by a prior District Manager, Mr. Dennis Pickle. In April of 2024, he was hired as the District Manager by the Board. In this role Mr. Miller has ultimate responsibility for the System, and stormwater drainage system. He prepares and administers the District's operating and capital budgets, is responsible for the oversight of all maintenance and upkeep of infrastructure and capital assets, and is responsible for compliance and regulatory reporting as necessary.

Ms. Maddie Maldonado is the Director of Office Administrations for the District which includes providing customer billing and services for the District. She brings the District more than 30 years of experience and began working for the District in 2005.

Mr. TJ Bayer is the Assistant Utilities Director for the District responsible for the water and sewer systems. He has more than 18 years with the District.

Mr. Randy Garren is the Underground Utilities Superintendent for the District and is responsible for the water and sewer systems outside of the treatment plants. He has over 25 years with the District.

Mr. Rick Riniolo is the Chief Water Treatment Plant Operator for the District responsible for the water treatment systems. He has more than 25 years with the District and brings a working knowledge of the Reserve CDD water system to the District.

Special District Services, Inc. ("SDS") has been contracted by the District to provide certain administrative services in support of the District. Established in 1993, SDS now provides management, administrative, accounting and budgeting, financing, and operations support to numerous community development and special districts located in counties primarily in Florida. Pursuant to the original Agreement for Services – Administrative Services dated November 10, 2008 with the District (the "Administrative Services Agreement"), SDS will provide certain administrative services associated with:

- i) the oversight of insurance requirements (general liability, health and workers compensation for District employees, and submittal of all insurance claims);
- ii) providing human resource services (preparation of bi-weekly payroll, including reporting of required employee deposits for benefits);
- iii) serving as the clerk for District Board meetings (secretarial and recording services, document and record filing in compliance with Florida Public Records Law, maintain and retention of District records, including all District Board meeting minutes, policies, contracts, and other documents and records);



- iv) providing daily accounting, payroll, bill payment, and other accounting services; and
- v) Other administrative services as requested by the District (collectively, the "Administrative Services").

SDS has provided such Administrative Services to the District since 2009. The Administrative Services Agreement has no expiration date but is cancellable by either party with written notice given sixty (60) days in advance of the intent to cancel if not for cause and thirty (30) days if for cause. Upon cancellation of the Administrative Services Agreement, SDS will take all necessary action to transfer all the books and records of the District in its possession in an orderly fashion to the District or its designee.

Grau & Associates, Certified Public Accountants serves as the District's independent external auditors. *Grau & Associates* is a professional association / licensed certified public accounting firm and is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. The firm has been retained to prepare the Fiscal Year 2023 Annual Report for the District. The company only provides audit and attestation services principally for governmental and non-profit entities. Pursuant to an engagement letter between the firm and the District, *Grau & Associates* will serve as the District's external auditors for the reporting years consisting of the Fiscal Years 2020 through 2023. The District has the option to renew such services for the currently underway Fiscal Year 2024.



The following is a brief description of the responsibilities of the Utilities Department operation divisions.

Water Treatment Division

This division includes 6 budgeted employees, 5 of which are licensed State of Florida certified water operators and 1 trainee. This division is responsible for the operations of the water supply wells and water treatment plant and storage of finished water systems. This division is also responsible for providing the District's water customers with a safe and reliable supply of drinking water to comply with all local, state, and federal standards for potable water quality.

Wastewater Treatment Division

This division includes 6 budgeted employees, 5 of which are licensed State of Florida certified wastewater operators and 1 trainee. This division is responsible for the operation, maintenance, and regulatory reporting for the wastewater treatment facilities and operation and maintenance of the effluent disposal facilities.

Underground Utilities Division

This division consists of 14 budgeted employees that include 12 licensed State of Florida certified distribution operators and 2 Trainees. This division includes potable distribution and sewer collections certified maintenance service workers. Their responsibilities include the maintenance of water mains, gravity sewers and force mains, fire hydrants, and lift stations throughout the District's total utility service area. In addition, this division provides prompt repair and maintenance of leaks, major line breaks, new installations, lift station repairs, correction of sewer backups, meter reading services and all customer service fieldwork.

Irrigation Division

This division consists of 1 budgeted employee that is a licensed State of Florida certified distribution operator. Responsibilities include the maintenance of irrigation pumping stations and reclaimed water mains throughout the District's entire utility service area. In addition, this division, with the assistance of the Underground Utilities Division, provides prompt repair and maintenance of leaks and major line breaks for all reclaimed water customers of the District.

Shop and Maintenance Operations Division

This division consists of 3 budgeted employees that include: 2 fleet and equipment mechanics and 1 Utility Plant Electrician Technician. Their responsibilities include the maintenance of District vehicles, equipment, and any other mechanical or electrical needs for the District. In addition, this division provides prompt repair and maintenance of anything else that may arise.



Administrative Division

This division includes 5 budgeted employees. This division is responsible for the oversight of financial operations and the development of the annual operating budget. This function is also responsible for coordinating the preparation of all financial and budgetary documents as well as monitoring the daily financial operations of the Utility Department for rate and bond covenant compliance.

Customer Service

This division consists of 4 budgeted employees and is responsible for all customer service activities, including customer billing and collection for System.

THE EXISTING UTILITY SYSTEM

Water System

General

The District's water system is comprised of raw water supply, treatment, storage, pumping, and transmission and distribution (collectively, the "Water System"). During the most recent Fiscal Year 2023 (whereby the Fiscal Year is defined as the twelve (12) months ended September 30th), the Water System provided service to an average of 6,828 retail utility accounts equal to 8,644 equivalent residential connections ("ERCs") within the service area. Additionally, the Water System provides service to the Reserve CDD, a wholesale water customer that has an allocation of 1,300 ERCs of water production and treatment capacity pursuant to a bulk service agreement which is based on a level of service standard equal to 250 gallons per day of capacity per ERC (total of 9,944 ERCs for combined water retail and bulk service). An ERC generally represents the equivalent usage requirements of a single-family residential customer. Since commercial or multi-family customers can be served by larger sized meters than the standard residential customer, it is more useful to equate such customers on a basis equivalent to the residential class for a more consistent presentation of the total customer base served. The Water System consists of three (3) existing Floridan Aquifer groundwater raw water supply wells and associated raw water mains, a reverse osmosis water treatment plant, and an extensive water transmission and distribution system ranging in size from 6 to 24 inches in diameter. The 2023 Annual Engineering Audit Letter for the SLWSD Water and Wastewater Utility Systems is attached as a reference. The following is a summary description of the Water System.

Water System

The Water System has experienced a slight increase in customers and water sales over the past several years due to the continued development located within the service area. Table 3 below which summarizes the historical customer accounts in service, water sales, and average customer usage statistics by each specific customer class of the Water System since 2019, and projected statistics for the Fiscal Years 2024 to 2029 for the same information.

**TABLE 2. Water System Accounts [1]**

Fiscal Year	Retail Accounts	Water Sales (000s Gallons)	Average Monthly Use per Account (gallons)
Historical			
2019	6,793	445,372	5,464
2020	6,800	453,582	5,559
2021	6,811	467,444	5,719
2022	6,805	494,761	6,059
2023	6,828	497,211	6,083
Historical Growth	0.07%	2.79%	2.72%
Projected [2]			
2024	6,805	492,352	6,029
2025	6,938	506,678	6,086
2026	7,479	557,690	6,214
2027	7,524	561,683	6,221
2028	7,535	562,547	6,221
2029	7,546	563,505	6,223
Projected Growth	1.72%	2.11%	0.38%

[1] Reflects water accounts and sales to retail customers of the System; amounts shown do not include service statistics for bulk or wholesale water sales to the Reserve CDD.

[2] Projected growth rate from Fiscal Year 2024 to Fiscal Year 2029.

Source of Supply

During the initial development of the District, the source of raw water supply for the Water System had been the Surficial Aquifer. Due to a limitation on available water from this source and the anticipated water supply needs due to an expanding water service area, the District converted to water from the deeper and more reliable Floridan Aquifer as the potable raw water supply. The raw water withdrawal is regulated by the South Florida Water Management District ("SFWMD"). The SFWMD is a public entity of the State of Florida established as a multi-purpose water management district, which has the responsibility of managing the water resources within its boundaries (i.e., Southern Florida). The SFWMD is authorized to require permits for the consumptive use of water and has authorized the use of the groundwater from the Floridan Aquifer and from the Surficial Aquifer by the District pursuant to a water use permit. An application was approved in 2005 to transition to the Floridan Aquifer for potable water supply, retaining the existing shallow Surficial Aquifer wells for irrigation water supply. Most developing utilities have moved away from the surficial wells toward using the Floridan Aquifer as a more reliable groundwater source for future supply. The prior Water Use Permit 56-00614-W was a re-issuance and was approved for the Floridan Aquifer on September 14, 2005 with a 20-year permit duration and thereby an expiration date of September 14, 2025. That permit was recently extended for a 20-year permit period with an expiration date of December 18, 2039. This current permit allows an average yearly withdrawal of 1,132.55 MG (equivalent to an average daily withdrawal of 3.10 MGD) and a maximum monthly allocation withdrawal of 104.70 MG (3.45 MGD) from the Floridan Aquifer. The Floridan Aquifer is the water supply source for the District and is treated through the reverse osmosis water treatment plant ("ROWTP") for the drinking water supply. The raw water use by the District in 2023 was comfortably below the Water Use Permit.



In 2022, the maximum monthly consumption was 2.86 MGD which occurred in December of 2022 and is 83% of the maximum monthly permitted allocation of 3.45 MGD. The SLWSD annual average raw water consumption in 2022 was approximately 2.59 MGD which is 84% of the 3.10 MGD annual average value. Since the requested allocation from the Floridan Aquifer is representative of the current withdrawal/allocation and based on current water use, such allocation may need to be increased in the future with additional needs by the Reserve CDD and potential increased water use by the Indian River State College expansion project.

TABLE 3. Potable Water Supply Raw Water Withdrawals

Fiscal Year	Average Day Withdrawals (MGD)		
	Actual	Permitted	Percent
2019	2.22	3.10	72%
2020	2.23	3.10	72%
2021	2.26	3.10	73%
2022	2.59	3.10	84%

Due to environmental constraints the District was mandated to convert from the shallow Surficial Aquifer to three (3) deeper Floridan Aquifer wells for the raw water supply for potable water service. The three existing Floridan Aquifer public water supply wells, which were permitted by the SFWMD, are located on or near the existing plant site, and are summarized as follows. The District currently has the allocation for the water use by the Water System based on current and near-term land use and development projections; however, to improve redundancy a fourth Floridan Aquifer well is being contemplated.

TABLE 4. Existing Potable Water Supply Floridan Aquifer Wells Information

Well No.	Depth (ft)	Diameter (in)	Pumping Capac. (gpm)	Anticipated Auxiliary Power
1	1,321	16	2,000	WTP Generator
2	1,657	18	2,000	WTP Generator
3	1,896	18	2,000	WTP Generator

Raw Water Transmission System

The raw water transmission system carries the raw water from the three Floridan Aquifer wells to the new ROWTP. The existing raw water transmission system is a total of approximately 3,100 linear feet of raw water main which consists of approximately 2,500 feet of 12-inch polyvinyl chloride (“PVC”) and 600 feet of 16-inch PVC currently in service.

TABLE 7. Existing Raw Water Mains

Size	Length (L.F.)
16-inches	600
12-inches	2,500
Total	3,100



Water Treatment Facility and Storage

The District water treatment plant currently has a permitted capacity of 3.6 MGD on a maximum daily flow basis pursuant to Permit No. 0081-083-004-WC issued by the FDEP on May 6, 2004. The original 1.0 MGD water treatment plant was constructed in 1987 and the facility was expanded during the Fiscal Year 1999 to a 2.0 MGD capacity reverse osmosis (membrane softening) treatment plant. The ROWTP includes pre-filtration, calcite contractors, degasifier, disinfection, fluoridation, storage, and high service pumping facility. The ROWTP was upgraded, rerated, and expanded to 3.6 MGD with the construction completed during Fiscal Year 2005. The ROWTP facilities are generally in good condition. With a few water treatment system improvements, the expanded facility provides sufficient plant capacity i) for the build-out of the District service area as well as ii) the water service needs as contracted with the Reserve CDD, with such capacity being sufficient to meet the service area needs which should exceed the term of the Series 2024 Bonds.

The following table summarizes the recent utilization of the water treatment plant capacity based on actual use (exclusive of any reserved capacity). Drinking water treatment facilities and related systems are typically designed to meet maximum daily demands with flow demands beyond that level met through storage systems. As can be seen below and since the completed expansion of the ROWTP to 3.6 MGD, the current capacity utilization based on reported flows for the most recent five years have averaged 51% of the permitted plant capacity expressed on an annual average daily demand basis, which is fairly consistent for the most recent five years from 2019 through 2023, and a significant water conservation improvement from the system when compared with years prior.

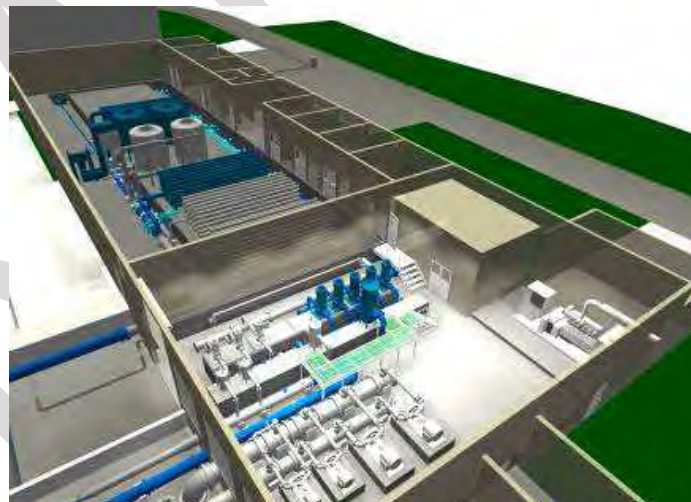


FIGURE 4. SLWSD ROWTP Layout

TABLE 6. Historical Water Treatment Capacity Utilization

Fiscal Year	Average Daily Demand (MGD)	Permitted Capacity (MGD)	Annual Avg. Daily Demand Capacity Utilization
2019	1.67	3.600	46%
2020	1.71	3.600	47%
2021	1.81	3.600	50%
2022	1.94	3.600	54%
2023	2.08	3.600	58%



As can be seen above during 2023, the annual average daily capacity utilization was approximately 58%. The District does not allow potable water connections for irrigation and has a separate irrigation system which water resources are derived from Surficial Aquifer wells, effluent produced by the wastewater disposal system, and from lakes (stormwater ponds) located within the District.

The District has adequate Floridan Aquifer raw water pumping capacity that should exceed the term of the Series 2024 Bonds. The District may look to secure additional Floridan Aquifer raw water permit capacity from the SFWMD targeted for the future and eventual build-out of the Water System service area. This could allow the District to attain constructed water treatment facility capacity in advance of need (i.e., match supply and treatment capacity availability to system demands with a proactive approach to water system planning and the need for replacement of facilities approaching their useful life) and further improve the reliability of the Water System.

The Water System's treatment plant has a standby electrical power source in case of commercial power failure. The standby power for the facility is provided by a diesel fueled auxiliary generator located in the high service pump room. The generator will continue to be utilized for the public water supply wells.

Water Distribution Facilities

The Water System's water distribution facilities consist of pipeline ranging in size from 6 to 24 inches in diameter and are constructed of either primarily PVC (C-900 specification) or ductile iron (Class 50) and has been installed over the last seventeen years. A vast majority of the piping is located in public rights of way. The first construction was completed in 1987 and has continued with the establishment and growth of the Water System. As a result of the development process of the District, the water transmission and distribution system are as old as 37 years old in some parts but is less than half of its system useful life of approximately 50 years for significant portions of the distribution system. This would give the transmission and distribution system an expected remaining useful life, assuming customary maintenance, which should exceed the term of the Series 2024 Bonds.

The operating pressure of the water distribution system is generally maintained between 60 pounds per square inch ("psi") and 70 psi. The water distribution system is designed to meet the peak potable water demands as well as meet the fire-flow requirements for the service area. The water distribution system consists of a looped network. The water distribution facilities are equipped with isolation valves throughout the Water System to accommodate repairs and maintenance without shutting down significant portions of the Water System at one time. The water distribution system also includes fire hydrants to provide fire protection throughout the service area of the Water System.

For the historical period reflected in this Report, the Water System experienced unaccounted for water (For the purposes of this report, water is categorized as either accounted for, which includes water used for internal purposes, or unaccounted for, which refers to water lost due to leaks or used in flushing activities) averaging under 10%



annually as shown on the table below. The allowance for unaccounted for water, sometimes referred to as unbilled water, is due to a variety of factors, including water used for line flushing, hydrant testing, firefighting, construction use, and water losses or system leakage. The unaccounted for water relationship has seen a significant decrease when compared to the percentage of water accountability experienced by SLWSD about 10 years ago. In 2023 the District transmission main on the Reserve CDD system had a large diameter pipe break that resulted in a significant water loss and higher than expected percentage for the unaccounted for water. The District anticipates that as the System approaches a built-out condition and development approaches completion, the unaccounted water relationship or percentage is expected to continue to decrease as new Automatic Leak Detection Water Meters are installed.

TABLE 7. Historical Unaccounted for Water

Calendar Year	Finished Water Produced (gal/yr)	Unaccounted for Water (gal/yr)	Variance % for [1] Unaccounted for Water
2019	607,816,000	38,466,835	6.3%
2020	623,142,000	33,337,513	5.4%
2021	661,819,000	22,606,105	3.4%
2022	706,529,000	30,666,705	4.3%
2023	758,131,000	73,449,295	9.7% [2]

[1] Based on actual finished water and losses unaccounted for as recorded monthly by the District

[2] Higher unaccounted water loss in 2023 attributed to large diameter pipe break in Reserve CDD System

Condition and Regulatory Compliance of Water System

Based upon the projected useful life and condition of the Water System, general field observations performed on the above ground facilities by the System Consulting Engineer as they relate to the design of the water treatment plant and the intended use of the facilities, interviews with utility staff, and a review of water permits and system reports filed with regulatory agencies, the water supply and treatment facilities of the Water System for the District are considered to be fully functional and appear to be in good condition. The Water System is in compliance with all water quality, permit, and operational standards required by the FDEP and the SFWMD.

Recognitions and Awards

The Water System has received several operational awards over the years including:

- 1999 – Best Medium Potable Water System of the Year by the Florida Rural Water Association (on behalf of the U.S. Environmental Protection Agency)
- 2001 – Southeast Division of FDEP for Best Small Community Water System
- 2002 – District 4, FDEP, Best Small Community Water System
- 2009 – Region VIII FWPCOA Runner-Up for Best Tasting Drinking Water Award

These prestigious awards represent a further example of the Water System compliance with the many treatment standards required by state and federal agencies and overall operating standards associated with best management practices.



Wastewater System

General

The District’s wastewater system is composed of gravity collection mains, wastewater lift stations, and force mains to convey the sewage to the wastewater treatment plant (“WWTP”), and an effluent disposal system via public-access reclaimed water irrigation (collectively, the "Wastewater System"). During the most recently completed Fiscal Year 2023, the Wastewater System provided retail service to a total of 6,755 retail utility accounts and 8,407 ERCs within the service area. Additionally, the Wastewater System provided service to one bulk or wholesale wastewater customer, the Reserve CDD, that represents approximately 1,100 ERCs based on the existing level of service standards (250 gallons per day). The following is a summary description of the Wastewater System.

Wastewater System

The historical and projected customer (account) statistics for the Wastewater System is summarized as follows:

TABLE 8. Wastewater System Accounts [1]

Fiscal Year	Retail Accounts	Water Sales (000s Gallons)	Average Monthly Use per Account (gallons)
Historical			
2019	6,735	429,456	5,314
2020	6,743	444,514	5,494
2021	6,754	457,561	5,646
2022	6,747	475,983	5,879
2023	6,755	476,060	5,873
Historical Growth	0.07%	2.61%	2.53%
Projected [2]			
2024	6,756	471,129	5,811
2025	6,889	486,591	5,886
2026	7,430	537,925	6,033
2027	7,475	541,942	6,042
2028	7,486	542,810	6,043
2029	7,497	543,773	6,044
Projected Growth	1.75%	2.24%	0.48%

[1] Reflects wastewater accounts and sales to retail customers of the System; amounts shown do not include service statistics for bulk or wholesale wastewater sales to the Reserve CDD.

[2] Projected growth rate from Fiscal Year 2024 to Fiscal Year 2029.

As shown above, the wastewater customers of the System have experienced an average compound growth rate of 0.7% since the Fiscal Year 2019.

Collection/Pumping

Sewage is collected from utility customers in gravity sewers typically installed down the center of the street. The sewage flows through these gravity mains and is collected into a pumping station where it is then pumped to the WWTP through a pressurized piping (force main) system. There are more than 55 lift stations strategically located throughout the District. Each lift station incorporates a generator receptacle to provide power in case



of interruption of commercial power. Two portable generators are stored at the water treatment plant for this purpose.

The age of the collection and pump station systems is approximately 35 years old with a significant portion of the collection system more recently installed. The wastewater collection system is constructed in accordance with the latest industry standards from materials that are designed to provide at least 50 years of useful service. Typically, the gravity sewer piping is constructed of PVC, with the majority 8-inch in diameter. Additionally, all of the pressure piping or force mains that are 12-inch or less in diameter are constructed of PVC and all piping with a diameter above 12-inches is constructed of ductile iron.

Wastewater Treatment

The WWTP is an advanced secondary treatment facility inclusive of filtration that produces an effluent meeting unrestricted public-access reclaimed water standards as defined by a total suspended solids ("TSS") of 5 mg/l or less and meeting the FDEP criteria for high-level disinfection. This allows the reclaimed water to be irrigated and applied on public areas throughout the service area. The plant incorporates the following processes:

FIGURE 5. SLWSD WWTP (AERIAL VIEW)



- Headworks Screening and Grit Removal
- MLE Biological Process (Anoxic-Aeration)
- Clarification
- Filtration
- Disinfection
- Effluent storage in a lined pond
- Reclaimed water pumping to the irrigation system
- Sludge Stabilization/Holding
- Sludge Volute Dewatering

The WWTP is permitted by FDEP to treat up to 2.6 MGD on a maximum contiguous three-month average daily flow TMADF basis. The plant has an excellent operation record with the FDEP. The most recent Domestic Wastewater Facilities permit number is FLA013993, which was issued on March 14, 2017, by the FDEP (the "WFP"). The WFP was updated with the rerated flow of 2.6 MGD TMADF on July 9, 2023 and currently expires on July 08, 2027 (ten years from the date of issuance). The District recently worked with ISS in completing the WWTP rerate and renewal permit in 2023 and does not anticipate any difficulty in renewing the WFP with the FDEP upon expiration.



For the District wastewater treatment facility, the regulatory permitting compliance is based on the TMADF. The District has seasonal impacts that result in a pronounced three-month average day flow, commonly occurring in the springtime of the year associated with impacts of an influx of people associated with baseball's spring training (a stadium is located in the District utility service area) as well as the residual influx of winter (seasonal) residents typical to the coastal communities of southeast Florida. The following table summarizes the utilization of the WWTP capacity based on actual annual average daily flow ("AADF") and the maximum TMADFs (exclusive of any reserved capacity). As can be seen below, the plant capacity utilization for the existing facility at a 2.6 MGD TMADF capacity, based on the reported flows during the Fiscal Year 2023, has an approximate permitted plant capacity utilization of 58% at AADF and 60% at TMADF.

TABLE 9. Historical Wastewater Treatment Plant Capacity Utilization

Calendar Year	AADF/ TMADF (MGD) [1][2]	TMADF Permitted Capacity (MGD) [3][4]	TMADF Flows Capacity Utilization
2019	1.42/1.50	2.600	58 %
2020	1.47/1.54	2.600	59 %
2021	1.54/1.63	2.600	63 %
2022	1.50/1.54	2.600	59 %
2023	1.56/1.62	2.600	60 %

[1] Based on actual flows and does not include reserved capacity as a result of the ongoing development process, if any. Amounts reported on a fiscal year ended September 30th basis.

[2] Average daily demand is the basis of capacity evaluation for wastewater treatment plants by FDEP standards for the District System. The three-month average daily flow is the regulatory permitting compliance flow value associated with the District regulatory agencies (FDEP) permit.

The current 2.6 MGD TMADF capacity is projected to be sufficient to serve the System through the year 2023 for flows after 2026 when compared to the projected maximum TMADF requirements as defined in the St. Lucie West Services District Wastewater Treatment Facility Updated Capacity Analysis Report, dated February 2022, prepared by ISS.

Effluent, Reclaimed Water, and Biosolids Disposal

The reclaimed water from the WWTP flows to an onsite lined, earthen reservoir. The reservoir holds approximately 15 million gallons of treated effluent. The WWTP also has a 3 million gallon reject holding pond located on-site for effluent that does not meet the required water quality standards for use as public-access reclaimed water irrigation. This effluent is then returned to the WWTP for retreating. The public-access reclaimed water is used to irrigate 774 acres within irrigation system area that includes the golf course, common areas such as road rights-of-way, and residential landscape areas up to 2.75 MGD AADF. The District has recently made improvements to the irrigation system main pump station which has improved operations significantly. The public-access reclaimed water system provides approximately 60% of the irrigation demand; the remainder is provided by the shallow surficial well system and water drawn from the Districts local retention ponds and lakes.



The WWTP is currently meeting all the requirements for the disposal of the treated biosolids (sludge). The material is treated by aeration in an aerobic biosolid holding tank, dewatered by a volute dewatering press, and then hauled and disposed of by staff to a landfill for disposal. This current method of biosolid disposal by the District does comply with Biosolid regulations, Chapter 62-640 – Biosolids, as amended in August 2018. The District is currently permitted for the disposal of biosolids in a Class I or Class II solid waste landfill and is able to dispose of the material at the landfill without significantly impacting the cost of its biosolid management practices.

Condition and Regulatory Compliance of Wastewater System

Based upon the expected useful life of the Wastewater System, general field observations performed on the above ground facilities by the System Consulting Engineer as they relate to the design of the wastewater treatment process and intended use of such facilities, interviews with utility staff, and a review of the WFP and system reports filed with regulatory agencies, the WWTP and collection systems appear in good condition and in a good place for the foreseeable future. The Wastewater System has reached the point of its life where it requires more regular preventative maintenance, and this preventative maintenance is being done by the utility operating staff. Recently, the WWTP was expanded for method of treatment. The Wastewater System is in relatively good condition and has had significant WWTP replacement or rehabilitation for the future. The Wastewater System is currently in compliance with all wastewater treatment disposal and operational standards required by the FDEP. The WFP is current through 2027.

Recognitions and Awards

The WWTP received the 2002 Excellence Award from the Southeast District of the FDEP and the 2010 FDEP Wastewater Plant Operations Excellence Award.

Irrigation System

General

The irrigation system is composed of irrigation quality ("IQ") water transmission lines, pumping facilities, to deliver IQ water to end users and storage facilities to meet peak periods (collectively, the "Irrigation System"). During the most recently completed Fiscal Year 2023, the Irrigation System provided service to a total of 6,453 annual average residential accounts, approximately 320 acres of common area, and a golf course. This number of residential irrigation accounts is a significant increase from the 3,900 District accounts in the 2004 timeframe. The following is a description of the Irrigation System.

Irrigation Storage, Pumping, and Distribution System

The primary method of wastewater effluent disposal is to provide the wastewater facility's reclaimed water for irrigation to all customers of the System. The Irrigation System is comprised of the storage reservoir located at the treatment plant site, four surficial wells, three pumping stations, three water transfer pumping facilities and the piping distribution system See Figure below. There are currently three pumping stations; the main irrigation system 4,000 gpm pump station at the treatment plant, one 3,000 gpm pump station at



the north end of Lake Ernie, and one 2,000 gpm pump station at the east end of Lake Charles. The District has planned for improvements to the Lake Charles 2,000 gpm pump station immediately adjacent to the existing pump station. There are also three transfer pumps; one at the treatment plant site, one off Cashmere Blvd. at the southern end of the development, and one off Cashmere Blvd. approximately 4,000 feet south of St. Lucie West Boulevard.

Presently, there are four (4) surficial irrigation water supply wells (Well Nos. 8, 9, 14, and 15), all of which are permitted with the SFWMD. The existing irrigation wells are all shallow, generally 60 to 70 feet deep, and located throughout the eastern portion of the service area. All wells located off of the plant site are operated remotely by a telemetry system. A summary of the wellfield data is shown below.

TABLE 10. Existing Irrigation Surficial Well Information [1]

Well No.	Depth in Well (ft.)	Casing Depth (ft.)	Well Diameter (in.)	Pumping Capacity (gpm)	Year Installed	Auxiliary Power
8	70	40	8	N/A	1994	Portable Generator Receptacle
9	70	40	8	253	1994	Portable Generator Receptacle
14	70	40	8	150	1998	Portable Generator Receptacle
15	70	40	8	150	1998	Portable Generator Receptacle

[1] Based on actual values as extracted from the District's SFWMD Irrigation Permit 56-00637-W.

It should be noted that the District's existing irrigation water system supply mains were converted from public (potable) water supply use, and this surficial water is used to supplement the current water supply for the irrigation system (which includes highly treated public-access reclaimed water produced from the Wastewater System). The existing irrigation transmission system consists of PVC piping to eliminate any chance of iron contamination of the water.



FIGURE 6. SLWSD OVERALL IRRIGATION SYSTEM



Condition and Regulatory Compliance of Irrigation System

Based upon the recent and planned improvements to the major components of the Irrigation System, the estimated useful life of the Irrigation System, field observations of the above ground irrigation facilities conducted by the System Consulting Engineer, and interviews with operating staff, the Irrigation System is considered to be in good condition. The average age of the Irrigation System is less than 30 years. The major irrigation pumping and filtration equipment has been upgraded and with a useful life expectancy of 10 to 15 years should meet the needs of the District for many more years. In addition, the PVC piping of the irrigation system should have an expected useful life of at least 50 years. The only regulatory oversight requirements for the Irrigation System currently are the effluent pump station at the WWTP site and the irrigation water use permitting by the SFWMD of the surficial aquifer wells and the supplemental water drawn from the water management lakes. The FDEP only permits users of more than 100,000 gallons per day. The only user at the District of this size is one golf course. The current Water Use Permit, Permit No. 56-00637-W was approved for landscape irrigation through the SFWMD on December 2, 2008, with a 20-year permit duration and an expiration date of February 14, 2028 (the "Irrigation Permit"). A WUP Letter Modification was provided to the SFWMD in April of 2021 clarifying the irrigation acreage of the SLWSD. This Letter Modification was approved by the SFWMD. The Irrigation Permit allows an annual average withdrawal allocation of 1,586 MG or an average daily withdrawal of 4.35 MGD and a maximum monthly allocation withdrawal of 143.964 MG/month. The Irrigation Permit includes groundwater withdrawal from four (4) surficial wells at 70 ft depth or less. These wells provide surficial based irrigation water, along with stormwater collected from the District system to the irrigation quality water pumped to the irrigation quality storage ponds. As mentioned prior, the Irrigation System has a distribution/transmission pumping system that has two (2) surface water withdrawal pump stations rated at a minimum of 2,000 gpm and a larger main reclaimed water irrigation pump station that is fully operational with a capacity of over 6,000 gpm.

The Irrigation Permit has plenty of capacity to meet the irrigation needs and is in compliance with all permit and regulatory conditions.

DISTRICT CAPITAL IMPROVEMENT PROGRAM

General

The District has planned certain capital improvements, extensions and additions to the Water, Wastewater and Irrigation Systems (as previously defined, the "Capital Improvement Program") during the next six Fiscal Years to improve the operation of the entire System. The projected cost of such improvements, including contingencies and soft costs, is anticipated to be approximately \$36.8 million dollars. This amount will be funded from proceeds of the Series 2024 Bonds. The projected cost of Capital Improvements Program was based on estimates made by the System Consulting Engineer or as initially budgeted by the District. Table 13 following in this Report summarizes the projects and improvements identified by the District and its Consulting



Engineers, which represents the Capital Improvement Program to be funded by the District during the Forecast Period.

Capital Project Summary

The upgrade and expansion of the water supply, treatment, and brine (reject) disposal system and modifications to the wastewater and irrigation systems are directly tied to the development and overall service needs of the District's utility service area. ISS recently evaluated the following components within the ROWTP for possible improvements. Based on the recommended treatment plant capacity expansion of at least 1.0 MGD and the current firm capacity of the treatment plant components each of these processes has been analyzed and upgrades recommended to achieve the rated finished capacity of 4.8 MGD and raw capacity of 6.4 MGD assuming a 75% recovery.

New Water Supply Well

The ROWTP is supplied water from three Floridan Aquifer groundwater wells with associated well pumps each rated at 1,500 gpm. The firm capacity of the wells is 4.3 MGD. The plant generally operates one or two wells in rotation to supply the groundwater for the water treatment process. Well No. 1 is reported by SLWSD staff to be the best producing well.

The following table shows the physical characteristics of the existing Floridan Aquifer groundwater wells.

TABLE 11. Floridan Aquifer Groundwater Well and Well Pump Characteristics

	Well No. 1	Well No. 2	Well No. 3
Year Drilled	2005	2005	2005
Depth Drilled	1,321 ft	1,657 ft	1,895 ft
Depth & Dia of Casing	908 ft 10 in	885 ft 8 in	765 10 in
Depth of Grouting	70 ft		
Well Pump Capacity	1,400 gpm @ 45 psi		
Motor Size	50		

Note: 1) Data taken from FDEP Sanitary Survey Report dated June 1, 2022

One new Floridan Aquifer groundwater well and pump are recommended to increase the firm capacity of the groundwater supply to 6.5 MGD. The proposed well would be located as shown in **Figure 7**. The well will likely be similar to the existing wells in its depth, construction, water quality, and production.

The addition of a fourth Floridan Aquifer groundwater well will require a modification of the current SFWMD Water Use Permit to gain regulatory approval for the increased water withdraw from the Floridan Aquifer and the physical improvement adding the fourth Floridan Aquifer groundwater well.



FIGURE 7. Floridan Aquifer Well Photos



SLWSD Floridan Aquifer Well No. 1



SLWSD Floridan Aquifer Well No. 2



SLWSD Floridan Aquifer Well No. 3

New Raw Water Transmission Main

The new raw water well will be connected to the existing raw water transmission main conveying groundwater to the ROWTP. These new watermains will improve the condition of approximately 350 linear feet of 12-in diameter pipe and the replacement of 250 linear feet of undersized 12-in watermain with 16-in pipe.



It is recommended that modeling of each well/pump and associated transmission watermain be conducted during detailed design to verify the line sizing and the ability of each well/pump combination to deliver the required groundwater flowrate and pressure to the ROWTP.

The ROWTP currently operates two duty and one redundant micron cartridge filter. These filters are intended to protect the downstream water treatment equipment from being damaged from sand or other fine particulate material. Each of these is a 5-micron vertical type cartridge filter rated for 2.4 MGD at 15 psi maximum pressure drop. The current firm capacity of the two operational filters is 4.8 MGD.

FIGURE 8. Upgrades to Micron Cartridge Filtration



SLWSD ROWTP Micro Cartridge Filter

One new identical vertical cartridge filter with a capacity of 2.4 MGD is recommended to be installed increasing the firm capacity of the cartridge filters to 7.2 MGD while maintaining one standby filter for redundancy.

Upgrades to High-Pressure Pumping Capacity

The ROWTP currently operates four duty and one redundant high pressure vertical turbine type reverse osmosis (“RO”) feed pumps. Two pumps are operated to supply each downstream RO treatment system. Each of these is a 150 HP vertical turbine pump rated for 785 gpm at 650 ft total dynamic head (TDH) with two pumps operated by variable frequency drives (VFDs). The current firm capacity of the four operational pumps is 4.6 MGD, with the fifth reserved for redundancy.

FIGURE 9. High Pressure RO Feed Pumps



ROWTP High Pressure Feed Pumps



The five pumps are connected to a common pipe headed to supply the downstream RO treatment systems.

Two new identical vertical turbine pumps with capacities of 785 gpm each are recommended to be installed, increasing the firm capacity to 6.85 MGD while maintaining one standby pump for redundancy. This upgrade to the high-pressure pumping is required to supply the additional RO treatment system.

As part of the additional high-pressure pump capacity, the size of the connecting 316L stainless-steel high-pressure piping between the pumps and the RO treatment system needs to be reevaluated.

New Reverse Osmosis Treatment System

The ROWTP currently operates two duty and one redundant RO skids. Each skid is configured with 29 first stage pressure vessels and 13 second stage pressure vessels with inter-stage pressure boost. Each pressure vessel is 8-in diameter and will accommodate seven (7) 40-in long membrane elements with 430 sq ft of surface area (Toray Membrane USA Model TMG20D-440).

FIGURE 10. Additional WTP RO Skid



Reverse Osmosis Membrane Treatment Systems

The equipment manufacturer's rated capacity of each skid is 1.8 MGD (1,250 gpm) permeate operating at 165 psi, 13.9 gfd ave flux, and 80% recovery based upon a groundwater total dissolved solids concentration of 3,700 mg/L.

SLWSD staff report the RO skids are operating at less than the rated capacity and at a lower recovery. Staff reports the RO skids are operational limited to a capacity of about 1.35 MGD permeate each and 75% recovery. Additional engineering analysis and/or system testing is recommended to determine the cause of the current RO skid operational capacity limitations prior to detailed design.

The current firm capacity of the two operational skids is 3.6 MGD, with the third reserved for redundancy. One new identical RO treatment skid with a capacity of 1.8 MGD is recommended to be installed and operated, increasing the firm capacity to 5.4 MGD while maintaining one standby skid for redundancy.

Upgrades to Clean-In-Place System

The treatment plant's current clean-in-place (CIP) system consists of a tank, a pump, and a cartridge filter housing. It is designed to clean the two halves of the first stage



of a skid individually and then the second stage. No upgrades to the CIP system are recommended at this time.

Upgrades to Calcite Contactors

The ROWTP uses calcite contractor to raise the calcium and alkalinity concentration of the RO permeate water to produce stable finished water. When the two RO treatment systems are producing permeate water, approximately 50% of the permeate water is directed to the four calcite contactors with the balance of the permeate water bypassing around the calcite contactors. Each calcite contactor is 8 ft in diameter with a rated capacity of 300 gpm. The treatment process reportedly uses approximately 4,000 lbs of calcite per week to achieve the finished water calcium hardness and alkalinity water quality goals.

FIGURE 11. Calcite Contactors



ROWTP Calcite Contactors

Increasing the rated treatment capacity of the plant requires the addition of two new identical calcite contactors with capacities of 300 gpm to be installed increasing the firm capacity of the calcite contactor system to 5.2 MGD assuming a 50% bypass rate.

Upgrades to Degasifier and Odor Control System

The ROWTP currently operates two degasifiers to remove hydrogen sulfide and any excess carbon dioxide. Two degasifiers allow the SLWSD to have redundancy within its system. Each of these is 8 feet in diameter and 13 ft of packing media with a 10,000 SCFM blower rated for a capacity of 30 gpm per square foot. The current firm capacity of the degasifiers is 4 MGD.

FIGURE 12. Degasifier Odor Control Unit



Each of these is 8 feet in diameter and 13 ft of packing media with a 10,000 SCFM blower rated for a capacity of 30 gpm per square foot. The current firm capacity of the degasifiers is 4 MGD.

One new identical degasification unit with a capacity of 2 MGD is recommended to be installed and operated, increasing the firm capacity to 6 MGD.

The ROWTP currently operates one degasifier at a time. It is a two-stage countercurrent wet chemical scrubber, rated for a capacity of 4 MGD.



Either a biotrickling filter, or a new identical wet chemical scrubber odor control unit with a capacity of 4 MGD is recommended to be installed and operated, increasing the firm capacity to 8 MGD.

Upgrades to Chemical Additions

The treatment process uses a series of chemical including anti-scalant, acid, caustic, fluoride, and gaseous chlorine. Most chemical feed systems consist of bulk storage tanks typically sizes to store up to 30 days inventory of each chemical, a day tank to store one day’s chemical usage, and a chemical feed skid with one duty and one standby chemical feed pumps.

Due to the service age of the existing chemical feed systems and the need to increase the capacity of each system to account for the increase in water production, the anti-scalant, acid, and caustic chemical feed system will be completely replaced. Plant staff have expressed the desire to locate the replacement chemical in a new chemical feed building.

Upgrades to Clear Well/Chlorine Contact Chamber

Following the degasifier, treated water is disinfected with sodium hypochlorite in one duty baffled Chlorine Contact Chamber (CCC). The CCC has an operating volume of 85,300 gallons which has been sized to provide 30 minutes of retention time for primary disinfection for a peak flow rate of 2,850 gpm or 4.1 MGD. One new identical Clear Well/CCC is recommended, increasing the firm capacity to 8.2 MGD.

Upgrades to Transfer Pumps

FIGURE 13. Transfer Pumps



SLWSD ROWTP Transfer Pump

The ROWTP currently operates two duty and one standby transfer pumps to convey finished water from the CCC to the two ground storage tanks. These pumps are vertical turbine type, two of which are rated at 1,200 gpm at 35 ft TDH (15 HP) and one at 1,400 gpm at 25 ft TDH (25 HP). The current firm capacity of the two operational pumps (one 1,200 gpm pump and the 1,400 gpm pump) is 3.7 MGD, with the third (1,200 gpm pump) reserved for redundancy.

One new transfer pump rated at 1,400 gpm with a capacity of 2 MGD is recommended to be installed and operated, increasing the firm capacity to

5.7 MGD while maintaining one standby pump for redundancy.



Ground Storage Tank

The ROWTP has two 2-million-gallon pre-stressed concrete ground storage tanks. These tanks serve as a source of finished potable water during time periods of high-water demand and they store water at times when the water treatment process is producing finished water at a rate higher than the water demand.

FIGURE 14. Ground Storage Tank



R Photo No. 10. Ground Storage Tank

Under FDEP Rule 62-555.320 (19) Florida Administrative Code, the total useful finished-water storage capacity must be at least equal to 25% of the system’s maximum-day water demand, excluding the design fire-flow demand. At 4.0 million gallons of finished water storage, no additional on-site storage is recommended at this time.

Upgrades to High-Service Pumps

The ROWTP currently operates two separate sets of high-service pumps. High Service Pump “Set A” consists of three duty and one standby high service pumps to convey finished water out into the water distribution system. These are split case type centrifugal pumps, one of which is rated at 700 gpm (operating at 50 HP), one rated at 1,400 gpm (operating at 100 HP), and two rated at 3,000 gpm (operating at 150 HP). High-Service Pump Set B (not pictured) were previously installed in 2015 (part of SLWSD High-Service Pump Project) and consisted of three pumps, two rated at 1,400 GPM (operating at 100 HP) and one rated at 700 gpm (operating at 50 HP). The total pumping configuration has a firm high serve pumping capacity of 7,200 gpm with the largest pumps out of service. Considering a peak hour peaking factor of 1.7, the current firm capacity of the three operational high service pumps is 6.10 MGD.

FIGURE 15. High-Service Pumps



ROWTP High Service Pumps Set A (upgraded 2019)



Upgrading one high service pump from 50 HP to 100 HP, rated at 1,400 gpm is recommended to increase the rated capacity of the ROWTP (including upgrades to electrical, equipment, etc.). The additional high service pump will increase the firm pumping capacity to 7,900 gpm with the largest pump out of service. Considering a peak hour peaking factor of 1.7, the future firm capacity of the high service pumps will increase to 6.70 MGD.

Underground Injection Well

The byproduct of the RO process or concentrate will have a total dissolved solids and chloride concentration of about 7 times that of the raw water. The concentrate from the RO process is disposed of in one duty Class I Injection Well (IW-1). The injection well is constructed of a 12-in diameter casing to a total depth of 2,695 ft and 7 5/8-in fiberglass reinforcement plastic (“RFP”) tubing to a depth of 2,689 ft. The permitted injection rate of this well is 900 gpm or 1.3 MGD peak flow. Assuming a 75% recovery rate, IW-1 is suitable to dispose of the concentrate from the production of 3.6 MGD of finished water.

With the increased rated water capacity of 4.8 MGD, the RO brine disposal requirement increases to 1.6 MGD, so a new deep injection well is recommended (“IW-2”). The proposed well with a permitted injection rate of up to 1,500 gpm would be suitable for disposal of the concentrate from the production of 4.8 MGD of finished water. When a new injection well is constructed, the existing well can be retained for use as a backup up to its rated capacity.

SLWSD has engaged professional geological services from Hydro Designs, LLC of Riverview, FL to prepare the design and permit the proposed second Class I Injection Well. This work is currently underway.

Additional site work has been identified for the Class I Injection Well and have been listed as follows:

- Complete demolition of the existing concrete slab.
- Removal of the existing stormwater drain box located in the middle of this slab.
- Construction of three new concrete slabs (1 for each well): MW1= 10'x 15', IW-1= 25'x30', IW-2= 25'x30'
- Construction of field piping for drainage (one drain line for each slab to tie into the location of the existing stormwater box.
- Installation of new electrical, instrumentation, and controls needs for the new well.
- Construction of field piping associated with connecting the IW-2 to the existing system
- Relocation of existing bypass assembly

This site work will be provided as a separate project to be conducted following the construction of the Class I Injection Well.



Electrical System Upgrades

The ROWTP receives electrical power from Florida Power and Light. The electrical distribution system for the ROWTP consists of a utility transformer, a 1250 kW emergency generator, a 3,000-amp rated switchboard, four motor control centers (MCC1, MCC 2, MCC 3, and MIPS IRR MCC), and a 515 KW emergency generator feeding MCC2 only. The utility service connection and electrical distribution system supplies electrical power to the ROWTP and WWTP.

As part of the ROWTP expansion project, the electrical system will need to be modified and upgraded to power the additional operating ROWTP equipment. These improvements will be further defined during detailed design but will likely include the replacement of the switchboard (including the main electrical breaker and transfer switch), and the addition of one or several motor control sections to accommodate the new equipment. The size of the emergency generator will need to be reviewed considering the increased electrical loads of the operational equipment and the age of the generator.

Plant Wide Instrumentation and Controls System Upgrades

The ROWTP is operated through a plant wide instrumentation and control (“I&C”) system. This system consists of one main programable logic controller (“PLC”) networked via ControlNet to seven other PLCs distributed through the plant. Each RO skid has multiple process instruments including pressure, flow, and conductivity sensors/transmitters for the feed, permeate, and concentrate streams of each RO treatment stage.

With the addition of a fourth skid, new instrumentation will be needed and the instrumentation and control system for the ROWTP will need to be programmed to include the new skid. The required controls are provided by the fabricator of the skid in most cases and will need to be integrated into the plant wide I&C system. In addition, additional controls and related instrumentation are anticipated for all the additional proposed major equipment components.

CONSTRUCTION AND TOTAL PROJECT COST ESTIMATE

The table below provides conceptual level opinion of probable construction costs (in United States Dollars) for the proposed capacity expansion improvements for the Water System (**See Table 13**). It is important to note that the probable construction costs found within the table below have been prepared based on Class 3 Estimate Classification, as defined by the Association for the Advancement of Cost Engineering (AACE) Recommended Practice No. 17R-97.



TABLE 12. Opinion of Total Probable Cost for SLWSD 2024 Water System Expansion/Improvements

Proposed Capacity Expansion Improvements	Opinion of Probable Construction Cost
New Raw Water Supply Wells	\$2,680,000
New Raw Water Transmission Main	\$463,000
Chemical Feed System Replacements	\$910,000
Upgrades to ROWTP Cartridge Filtration	\$390,000
Upgrades to ROWTP High-Pressure Pumping Capacity	\$1,050,000
New ROWTP Membrane Skid	\$6,560,000
Upgrades to Calcite Contactors	\$504,000
Upgrades to ROWTP Degasifier and Odor Control System	\$1,780,000
Upgrades to ROWTP Chlorine Contact Chamber/Clear Well System	\$1,020,000
Upgrades to Transfer Pumps	\$236,000
Upgrades to High-Service Pumps	\$402,000
Underground Injection Well ^A	\$13,900,000
Underground Injection Well Site	\$970,000
Electrical System Upgrades	\$2,350,000
I & C System Upgrades	\$413,000
Construction Cost Subtotal	\$33,628,000
Design Engineering Cost, Study, Permitting Services	\$1,910,000
Engineering Services During Construction	\$1,357,500
Project Cost Total	\$36,895,500

A. Opinion of Probable Construction Cost for UIW provided by Owner

The AACE Class 3 Estimate Classification is appropriate for projects with approximately 10% level of project definition and is intended to be used for budgeting or high-level project authorization decisions.

The conceptual level opinion of probable construction costs has been prepared incorporating the following assumptions:

- Mobilization/Demobilization 7.5%
- Insurance, Bonds (Incl. Maintenance Bond) 5%
- Contractor Overhead and Profit 15%
- Planning Level Project Cost Contingency 25%

Note: The percentage of project cost contingency typically is reduced as additional design detail is developed. This is consistent with recommendations of the AACE.



RECOMMENDED IMPROVEMENTS

The ROWTP currently operates a 3.6 MGD FDEP permitted capacity reverse osmosis water treatment plant. Due to increasing system demands from future development from within the District, plus the request from the Reserve CDD to join the SLWSD and the need for additional capacity and increased demand, an evaluation of the current unit process capacities of the ROWTP and the related Water System was completed by the System Consulting Engineer, ISS. ISS has recommended an expansion of at least 1.0 MGD to meet the future needs of the Water System. In order to expand the treatment plant capacity and achieve a finished daily water capacity of 4.8 MGD the ROWTP requires improvements to several of the unit processes. Each of these have been evaluated and a summary of recommended improvements is provided in the table below that follows. These recommended improvements must be done in combination to allow for the proposed capacities needed for future needs to be met. With each process or system improvement, a unit process downstream in the system will need to be improved as well such that it can meet the upgrades of the previous unit process and as a whole provide the District with the desired treatment capacity.

TABLE 13. SLWSD ROWTP Unit Process Capacity Expansion Summary

Unit Process	Proposed Capacity Expansion Improvements	Proposed Expansion Capacity (MGD)	Proposed Firm Capacity (MGD)	Proposed Rated Capacity (MGD)
Water Supply	One Duty Floridan Aquifer Groundwater Wells rated for 1,500 gpm with 50 HP Well Pump	2.1	6.4	6.4
Pretreatment	One Duty 5 micron Vertical Cartridge Filters rated for 2.4 MGD	2.4	7.2	6.4
Reverse Osmosis	Two Duty Vertical Turbine Pumps rated at 785 gpm @ 245 ft TDH, 3,600 rpm, 150 HP each. (required with new skid)	2.25	6.85	6.4
	One Two Stage RO Treatment Skid with Inter-Stage Boost in a 28:14 Configuration rated for 1.8 MGD @ 14.2 gpd flux each	1.8	5.4	4.8
Primary Disinfection	Second duty Clearwell / CCC 24 ft wide x 52 ft long x 9.5 ft deep; 11,400 CF or 85,272 gal	4.1	8.2	4.8
Post Treatment	Two Duty Calcite Contactors each rated for 0.86 MGD @ ~50% Bypass (required with new skid)	1.7	5.2	4.8
	One Duty Degasification and 10,000 SCFM Blower.	2.0	6.0	4.8
	One Duty Odor Control Unit or Biotrickling filter	4.0	8.0	4.8
Transfer Pumping	One Duty 1,400 gpm @ 30 ft TDH, 25 HP	2.0	5.7	4.8



Unit Process	Proposed Capacity Expansion Improvements	Proposed Expansion Capacity (MGD)	Proposed Firm Capacity (MGD)	Proposed Rated Capacity (MGD)
Water Storage and Distribution	One Duty High Service Pumping Split Case Centrifugal Pump rated at 1,400 gpm @ 50 HP 5,700 gpm firm pumping capacity required. 7,900 gpm firm pumping provided @ 1.7 Peak Hour PF	0.6	6.7	4.8
Concentrate Disposal	New DIW, 10-in rated up to at 2,000 gpm.	5.1	9.0	4.8
Chemical Feed	Anti-Scalant, Acid, & Caustic Bulk Storage Tanks, Day Tanks, and Chemical Feed Skids	1.8	5.4	5.4

ISS has identified several System action items that are recommended for the District in order to allow for a more cohesive and successful execution of the ROWTP and Water System proposed expansion. These action items are as follows (in no sequential order):

- Finalize formal water demand needs from associated entities such as The Reserve CDD, the Indian River State College, etc., with a timeline of when these entities will be operational and require water services from the District so capacity needs can be finalized for implementation.
- Analyze, and pursue, if acceptable, the land acquisition required for the proposed water supply well. The proposed parcel in question is owned by CGI St. Lucie LLC and is approximated to be 0.48 acres in size (Parcel ID: 3323-650-0009-000-1).
- Conduct additional analysis of the District’s existing RO system. Currently, the District operates the existing RO system at reduced pressures in order to minimize operational and maintenance needs, which results in a reduced potential capacity. It is the recommendation of ISS that the District test their system at an increased pressure such that the potential capacity of the RO system can be analyzed and documented. This information will be critical prior to proceeding into detailed design.
- Conduct additional analysis of the District’s surficial well systems and perform pilot testing services for possible blending. This will allow for less chemicals needed post RO process, and possibly omit the need for more Calcite Contactors. This information will be critical prior to proceeding into detailed design.
- The District continues the design and permitting of the proposed deep injection well (“DIW”) with the respective design firm to include the permitting agencies such as the FDEP.



- The District meets with the associated water management district SFWMD in order to discuss any modifications to their existing Consumptive Use Permit and required documentation.
- The District conducts additional research into potential grant and funding sources that aspects of the Water System and ROWTP expansion will be able to qualify for.

DRAFT



Findings and Conclusions

Based upon the principal considerations and assumptions and the results of our studies and analyses of the System, as summarized in this Report, which should be read in its entirety in conjunction with the 2024 Bond Feasibility Report, we have the following findings as summarized:

1. The existing facilities of the System, together with the Capital Improvement Program, and regular District planned renewals, replacements and additions, can reasonably be expected to meet the projected requirements of the System, at least through the Fiscal Year ending September 30, 2029.
2. Based on the general investigations performed by the System Consulting Engineer for the District and daily interaction with this utility, the Water System has the need for improvements to upgrade certain system components that will provide needed capacity and improve the reliability of the Water System. In general, the System is in good condition and is currently in compliance with all regulatory permits required for the operation of the System.
3. Recognizing the planned capital improvements for the System, the Water System will have sufficient capacity to meet the service area needs of the SLWSD for the five Fiscal Year period ending September 30, 2029 based on the customer forecast assumed for the purposes of this Report. The basis for the projected growth in customers and usage of the Water System appear to represent reasonable projections.
4. During the course of the engineering due diligence investigations, nothing has come to the attention of the System Consulting Engineer that leads them to believe that significant funds will be required for additional capital expenditures for the System beyond that identified herein during the Forecast Period. Should the investigations conducted subsequent to closing reveal additional capital needs, funding can be provided by available Renewal and Replacement Fund deposits, grant funding assistance, issuance of additional bonds, or through developer contributions.
5. Recognizing that the Reserve CDD has recently requested to be consolidated within the SLWSD for the purposes of water and sewer services, the addition of the Reserve CDD to the System will require capital improvements to the System. The addition of significant Reserve CDD utility customers will result in the Reserve CDD being a cost-effective addition to the District System.
6. A due diligence evaluation of the Reserve CDD water and sewer systems should be completed by SLWSD to bring that system up to the District standard prior to closing.



REFERENCES

Conceptual Design for the Class I Injection Well Construction of Injection Well – IW-2, Prepared by Hydro Designs, LLC dated May 2023.

Florida Department of Environmental Protection Sanitary Survey Report for St Lucie West dated June 28, 2022.

Florida Department of Environmental Protection Permit to Construct Water Treatment Plant Improvements Permit No. 0081083-121-WC dated March 23, 2013

St Lucie West Services District ROWTF Redundancy and Expansion Project, Prepared by Baskerville-Donovan, Inc, October 2012.

2023 Annual Engineering Audit Letter for the SLWSD Water and Wastewater Utility Systems, ISS, June 30, 2023.

DRAFT

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 3 Consider Approval of Bond Feasibility Report for Utility Revenue Bond Series 2024

Summary

Presented for Board review and approval is the Bond Feasibility Report for the Utility Revenue Bond Series 2024 by our Utility Rate Consulting Firm, Ryper Water Analytics.

This feasibility report is being presented for approval to meet the bond requirements to move forward with funding needed redundancy and capacity projects for the water treatment plant.

This report describes the funding mechanisms relating to the water treatment plant projects listed within the engineering report and describes rate increases that will be needed to move forward with completing these projects.

Recommendation

Staff recommend approval of the Bond Feasibility Report for Utility Revenue Bond Series 2024 by Ryper Water Analytics.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

ST. LUCIE WEST SERVICES DISTRICT

PRELIMINARY FEASIBILITY REPORT
UTILITY REVENUE AND REFUNDING BONDS,
SERIES 2024

July 9, 2024



July 9, 2024

Board of Supervisors
St. Lucie West Services District
450 Southwest Utility Drive
Port St. Lucie, FL 34936

Subject: **Preliminary Feasibility Report – Utility Revenue and Refunding Bonds, Series 2024**

Supervisors:

Presented herein is our Preliminary Feasibility Report (the "Report") for inclusion within the preliminary official statement for the issuance of the proposed Utility Revenue and Refunding Bonds, Series 2024 (the "Series 2024 Bonds"), which summarizes our analyses, studies, and conclusions with regard to the issuance of approximately \$60,270,000 of debt (Preliminary and subject to change) by the St. Lucie West Services District (the "District"). The primary purposes of the Series 2024 Bonds are to: 1) refund the outstanding senior lien Utility Refunding Bonds, Series 2011, Utility Refunding Bonds, Series 2013, and Utility Refunding Bonds, Series 2014 (the "Refunded Bonds") of the District to achieve annual debt service savings; 2) provide funding for the Water Treatment Plant Upgrade and Resiliency Improvement Projects (the "Project"); 3) fund the costs of issuance of the Series 2024 Bonds, including but not limited to the underwriter's discount, bond insurance policy premium, and the debt service reserve fund surety bond premium; 4) fund a portion of the debt service reserve fund requirement, and 5) fund interest due on the bonds through October 1, 2025. Capitalized undefined terms referenced in this letter shall have the meaning ascribed thereto in the Trust Master Indenture as defined later in this Report.

The primary purpose of this Report is to summarize our estimate of the financial projections of the District's water, wastewater, and irrigation system (collectively, the "System" for the fiscal years ending September 30, 2024 through September 30, 2029 (the "Forecast Period") and the ability of the revenues derived from System operations to meet the expenditure and funding obligations of the System. As such, the Report includes, among other things, discussions of: 1) the capital improvement projects anticipated to be financed by the Series 2024 Bonds and System operations; 2) the plan of refinance for the Refunded Bonds; 3) recent historical and projected sales and customer growth and usage statistics; 4) the schedule of currently effective and anticipated rates and fees for utility service; and 5) the recent historical and projected financial operating results of the System. The forecast of operating results includes projections of the ability of the System to meet the rate covenant requirements as set forth in the Master Trust Indenture (the "Master Indenture") dated July 9, 2024 as adopted by the Board of Supervisors for the District (the "Board") authorizing the issuance of the Series 2024 Bonds.

The financial projections in the Report, associated with the issuance of the Series 2024 Bonds, were based on discussions and information provided by District management, the Investment Banker (managing underwriter) for the District, the Consulting Engineer, as well as certain assumptions and analyses made by us with respect to such financial projections.

FINDINGS AND CONCLUSIONS

Based upon the assumptions and the results of our analyses, as summarized in this Report, we are of the opinion that:

1. The capital improvement plan (renewals, replacements and additions), can reasonably be funded from the Series 2024 Bonds and funds generated from System operations during the Forecast Period
2. The projected growth in customers and usage of the System represent reasonable projections for the purposes of this Report.
3. The System revenues for the Fiscal Years ending September 30, 2024 through 2029 under the District approved rates, plus projected additional annual rate revenue based on System growth and the assumed rate adjustments as discussed in this Report should be sufficient to 1) pay all projected Operating Expenses; 2) pay the estimated debt service on the Series 2024 Bonds coming due in such years; 3) make annual deposits in an amount equal to the Renewal and Replacement Fund Requirement which is available for additions, extensions, and improvements to the System; and 4) meet the rate covenant delineated in the Master Indenture.
4. The recently approved District rates for water, wastewater, and irrigation service are comparable to charges for similar services provided by other neighboring utilities.

The ability of the System to meet the debt service requirements and comply with the rate covenant of the Master Indenture is subject to the assumptions and considerations identified in the Report and information obtained during preparation of the Report regarding the System and the associated financial projections reflected therein. As such, the Report should be read in its entirety with respect to such projections.

Respectfully submitted,

Ryper Water Analytics, LLC



Ryan Smith
Rate Consultant

ST. LUCIE WEST SERVICES DISTRICT

**PRELIMINARY FEASIBILITY REPORT
UTILITY REVENUE AND REFUNDING BONDS, SERIES 2024**

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ST. LUCIE WEST SERVICES DISTRICT

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ST. LUCIE WEST SERVICES DISTRICT

**PRELIMINARY FEASIBILITY REPORT
UTILITY REVENUE AND REFUNDING BONDS, SERIES 2024**

INTRODUCTION

The Feasibility Report (the "Report"), which summarizes our analyses and studies regarding the proposal by the St. Lucie West Services District (the "District") to issue the Utility Revenue and Refunding Bonds, Series 2024 (the "Series 2024 Bonds") in the principal amount of approximately \$60,270,000. The District is a special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by rule adopted by the Florida Land and Water Adjudicatory Commission effective December 12, 1989. The Series 2024 Bonds are being issued by the District pursuant to the Act and the Master Trust Indenture (the "Master Indenture") dated July 9, 2024 by and between the District and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee") authorizing the issuance of the Series 2024 Bonds. Capitalized undefined terms used in this Report shall have the meanings as defined in the Master Indenture.

The Series 2024 Bonds are being issued by the District for the purpose of providing funds to: 1) refund the outstanding senior lien Utility Revenue Refunding Bonds, Series 2011, (the "Series 2011 Bonds"); 2) refund the outstanding senior lien Utility Revenue Refunding Bonds, Series 2013, (the "Series 2013 Bonds"); 3) refund the outstanding senior lien Utility Revenue Refunding Bonds, Series 2014, (the "Series 2014 Bonds" and collectively with the Series 2011 Bonds and Series 2013 Bonds the "Refunded Bonds"); 4) provide funds for construction of the Water Treatment Plant Upgrade and Resiliency Improvement Projects (the "Project"); 5) fund the costs of issuance of the Series 2024 Bonds, including but not limited to the underwriter's discount, bond insurance policy premium, and a debt service reserve fund surety premium; 6) fund a portion of the debt service reserve fund requirement; and 7) fund interest due on the bonds to October 1, 2025. Payment of the Series 2024 Bonds and any bonds issued by the District pursuant to the Master Indenture on behalf of the water, wastewater, and irrigation utility system owned, operated, and maintained by the District (the "System"), together with interest thereon, shall be payable solely from, and secured equally by, a senior lien on the Net Revenues derived by the District from the operation of the System, Connection Fees, other miscellaneous fees, and investment income of the District as delineated in the Master Indenture (the "Pledged Funds"). Neither the credit nor the taxing power of the District will be pledged for debt repayment.

The primary purpose of this Report is to present a summary description of the System's: 1) historical financial operating results for the fiscal years ending September 30, 2019 through 2023 (the "Historical Period"); 2) projected financial operating results for the fiscal years ending September 30, 2024 through 2029 (the "Forecast Period"); and 3) the ability of the revenues derived from System operations to meet the expenditure and funding obligations of such System. The Report includes, among other things, a discussion of the: 1) current management and operation of the System; 2) projections of customer growth and demand projections; 3) schedule of currently effective rates and fees for service; 4) a summary of the capital improvement program and corresponding funding plan; and 5) recent historical and projected financial operating results of the System.

Ryper Water Analytics, LLC ("Ryper" or the "Rate Consultant") prepared the Feasibility Report which included a compilation of the historical customer and financial results, and the financial projections of the System. Ryper is a recognized utility management and financial consulting firm that specializes in the development of rates, charges and financial projections for publicly owned utility systems, throughout the United States of America. Ryper and its staff have been involved in a number of utility financings involving the preparation of financial forecasts on behalf of local governments and utility corporations in Florida that are issuing utility bonds secured for repayment by the revenues of such utility. The firm has provided utility rate and consulting services on behalf of the System since 2022 and its staff has consulted for the District since 2014.

In preparation of this Report, Ryper has relied upon financial, statistical, and operational data received from the District in regard to the System, including: 1) operating reports and records; 2) information presented in operating and financial records and the Annual Financial Report (audit); and 3) other information provided by the District and its staff. In addition, we have been provided information, assumptions, and projections from the District, including the estimated levels of debt service requirements by MBS Capital Markets, LLC. (the "Investment Banker"), and we have utilized information and our experience obtained from other utility systems in Florida and other sources. Ryper believes the sources of such information, assumptions, and projections to be reasonable for the purposes of this Report and has no reason to believe that such information is unreliable. The actual results achieved during the Forecast Period reflected in this Report may vary from those projected and such variations could be material. Such projections are, therefore, subject to adjustment.

This Report summarizes the results of our studies and analyses up to the date of this Report. Prospective purchasers of the Series 2024 Bonds should consider changing conditions occurring or becoming known after the issuance of this Report that could affect the projected operating results presented herein.

The remainder of this Report provides a general overview of the plan of finance, the Capital Improvements Program funding plan, a review of the existing System rates, fees and charges, projections of customer served and service area needs, a presentation of the historical operating results of the System, a forecast of anticipated System financial operations, and the ability of the estimated Pledged Funds to meet the cash flow requirements of the System and the rate covenant requirements as described in the Master Indenture.

EXISTING SYSTEM DEBT AND PLAN OF FINANCE

The District anticipates to issue the Series 2024 Bonds in the principal amount of \$60,270,000 to fund capital improvements to the System and to defease the Refunded Bonds in the aggregate principal amount of approximately \$22,525,000. The Series 2024 Bonds have been issued pursuant to the terms and conditions of the Master Indenture which are primarily secured by a senior lien pledge on the Net Revenues of the System. The District intends to refund, on a current basis, all of the Refunded Bonds from the proceeds of the Series 2024 Bonds to achieve annual debt service savings and restructuring benefits for the System. It should also be noted, the District has no Subordinated Indebtedness currently outstanding as of the date of this Report.

The following is a summary of the amount outstanding for the Refunded Bonds as of October 1, 2024, the first day of the Fiscal Year 2025 for the District:

<u>Refunded Bonds</u>	<u>Outstanding as of October 1, 2024 [1]</u>
Refunded Bonds: [2]	
Utility Revenue Refunding Bonds, Series 2011 ("Series 2011 Bonds")	\$9,955,000
Utility Revenue Refunding Bonds, Series 2013 ("Series 2013 Bonds")	2,565,000
Utility Revenue Refunding Bonds, Series 2014 ("Series 2014 Bonds")	<u>10,005,000</u>
Total Refunded Bonds	<u>\$22,525,000</u>

[1] Except as noted below, the amounts shown reflect the outstanding principal amount of the Bonds after the payment is due and payable on October 1, 2024

[2] Amount shown does not include any change in principal amount outstanding as a result the issuance of the Series 2024 Bonds.

The outstanding liability shown above does not recognize the refunding since it will occur after the October 1st date. Upon the issuance of the Series 2024 Bonds, it is anticipated that the Senior Lien Bonds then outstanding will be \$60,270,000.

For the purposes of this Report and based on the direction of the District’s Investment Banker and District staff, it was assumed that Refunded Bonds would be defeased on or about November 7, 2024. The following is a summary of the sources and uses of the proceeds of the Series 2024 Bonds as provided the District's Investment Banker:

Summary of Series 2024 Bonds Sources and Uses of Funds [1]	
Sources of Funds:	
Series 2024 Bond Proceeds – Par Amount	\$60,270,000
	(872,592.60)
Liquidation of Reserve Fund	2,524,601.50
Total Sources of Funds	\$61,922,008.90
Uses of Funds:	
Deposit to Escrow for Refunding of Series 2011 Bonds, Series 2013 Bonds, and Series 2014 Bonds	\$22,604,195.75
Deposit to Project Fund (Net Funded)	\$34,746,777.44
Debt Service Reserve Fund	\$1,152,882.50
Interest to 10/1/2025	\$1,595,823.75
Cost of Issuance	\$1,822,329.46
Rounding	0.00
Total Uses of Funds	\$61,922,008.90

[1] Amounts provided by District's Investment Banker and are preliminary and subject to change based on the actual terms regarding the sale of the Series 2024 Bonds.

THE SYSTEM

General

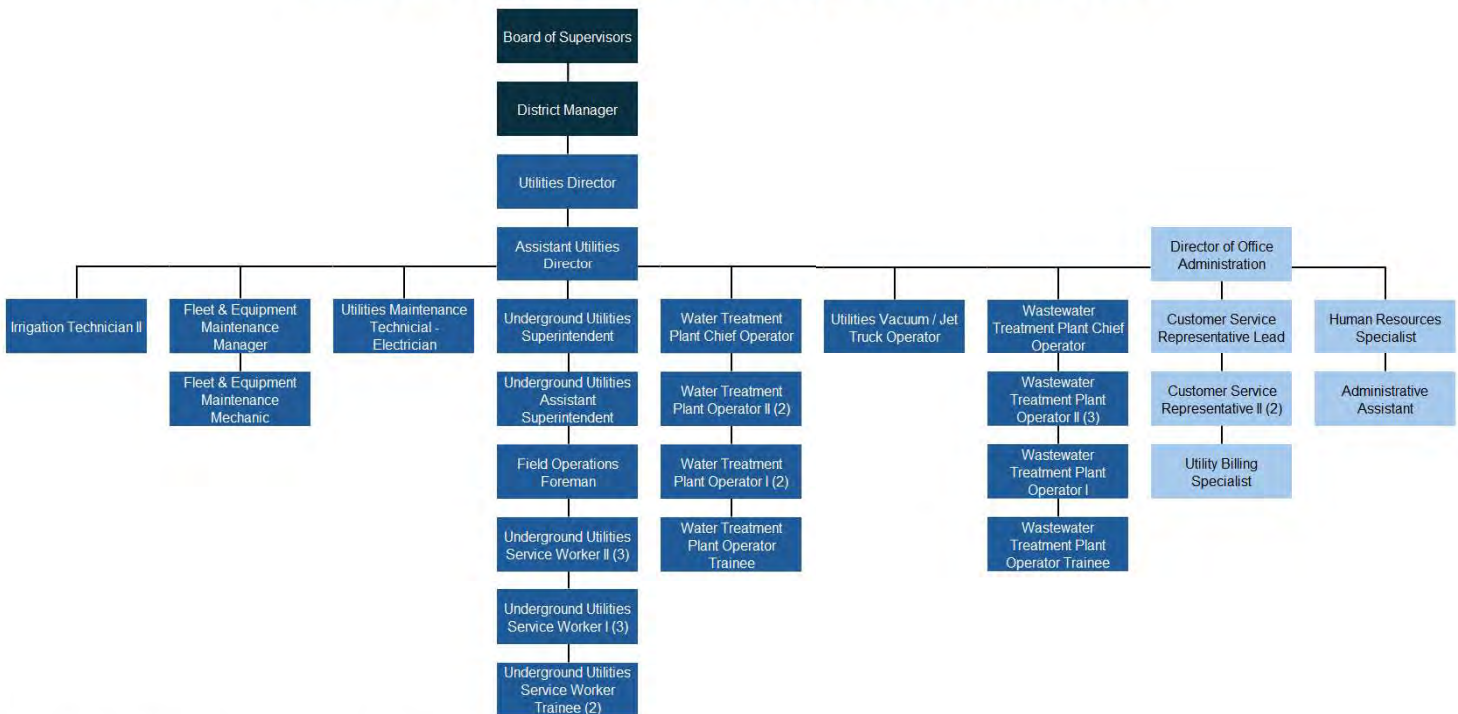
The District is an independent unit of local government created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by rule of the Florida Land and Water Adjudicatory Commission adopted on November 21, 1989, and filed with the office of the Florida Secretary of State on December 12, 1989. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts, such as the District, to manage and finance basic community development services, including capital infrastructure (such as the provision of water and wastewater service) required for community developments throughout the State of Florida. The Act provides legal authority for community development districts to finance the acquisition, construction, operation, and maintenance of the major infrastructure for community development.

The District is located within St. Lucie County (the "County") along the central portion of Florida's east coast. Located in the western portion of the County, the District encompasses approximately 4,600 acres and is a master-planned community consisting of residential, commercial, and industrial land use. All the water, wastewater, and irrigation utility facilities that comprise the System are currently located within the boundaries of the District. The following is a discussion of the operations of the System.

System Operations Utility

The utility operations for the District is administered under the direction of a Utility Director who reports directly to the District Manager (currently the Utility Director and the District Manager are the same person with duties being shared). The Board of Supervisors, which has five members, directly oversees the District Manager. The utility operations consists of 39 budgeted full time equivalent employees, which make up the Administration, Water Treatment Plant, Wastewater Treatment Plant, Underground Utilities, Irrigation, and Shop & Maintenance divisions (referred to as the "Utilities Department") as indicated in the organizational chart shown below.

Utilities Department - Organizational Chart



* - Amounts delineated in parenthesis denote the number of full time employees at such position.

A brief biography for personnel or the outside contractors that are strategically involved in the management of the utility is presented in the following paragraphs.

Mr. Josh Miller is the District Manager and also serves as the Utilities Director for the System. Mr. Miller received his Water Certification from the State of Florida in 2000 and received his Wastewater Certification from the State of Florida in 2003. Mr. Miller has over 26 years of experience in the public utility industry. Mr. Miller has been employed by the District for 26 years. He was previously the Utilities Director/Asstant District Manager for the District until he was promoted in April 2024. He was assigned oversight responsibilities for the District's storm water drainage system and water/sewer utility. He prepares and administers the District's operating and capital budgets, is responsible for the oversight of all maintenance and upkeep of infrastructure and capital assets, and responsible for compliance and regulatory reporting as necessary.

Mr. Miller has a team of experienced staff, including:

- **Director of Office Administrations**, Maddie Maldonado has been with the District for 18 years;
- **Assistant Utilities Director**, TJ Bayer, has been with the District for 18 years;
- **Underground Utilities Superintendent**, Randy Garren, has been with the District 25 years; and
- **Chief Water Treatment Plant Operator**, Rick Riniolo, has been with the District 25 years.

Special District Services, Inc. ("SDS") has been contracted by the District to provide certain administrative services in support of the District. Established in 1993, SDS now provides management, administrative, accounting and budgeting, financing, and operations support to community development and special districts located primarily in Florida. Pursuant to the Agreement for Services – Administrative Services with the District (the "Administrative Services Agreement"), SDS provides certain administrative services associated with 1) the oversight of insurance requirements (general liability, health and workers compensation for District employees, and submittal of all insurance claims); 2) providing human resource services (preparation of bi-weekly payroll, including reporting of required employee deposits for benefits); 3) serving as the clerk for District Board meetings (secretarial and recording services, document and record filing in compliance with Florida Public Records Law, maintenance and retention of District records, including all District Board meeting minutes, policies, contracts, and other documents and records); 4) providing daily accounting, payroll, bill payment, and other accounting services; and 5) other administrative services as requested by the District (collectively, the "Administrative Services"). SDS has provided such Administrative Services to the District since 2008. For the upcoming Fiscal Year 2025, the Administrative Services billed to the System are estimated to be approximately \$53,840.

Grau & Associates, Certified Public Accountants serves as the District's independent external auditors. Grau & Associates is a professional association / licensed certified public accounting firm and is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. The firm has been retained to prepare the Fiscal Year 2023 Annual Report for the District. The company provides accounting and auditing services principally for governmental and non-profit entities. Pursuant to an engagement letter between the firm and the District, Grau & Associates has served as the District's external auditors for the Fiscal Years 2020 through 2023. The District has the option to renew such services for Fiscal Year 2024.

The following is a brief description of the responsibilities of the Utilities Department operation functions.

Administrative Division

This function includes 9 budgeted employees. This function is responsible for the oversight of financial operations, development of the annual operating budget, customer service-related activities, and billing.

Water Treatment Plant Division

This function includes 6 budgeted employees consisting of 5 licensed State of Florida certified operators and 1 Trainee. This function is responsible for the operations of the water supply and treatment facilities. The water treatment plant division oversees the supply, treatment, and storage of water. This function is also responsible for providing the District's water customers with a safe and reliable supply of drinking water to comply with all local, state, and federal standards for potable water quality.

Wastewater Treatment Plant Division

This function includes 6 budgeted employees consisting of 5 licensed State of Florida certified operators and 1 Trainee. The wastewater plant operations function is responsible for the operation, maintenance, and regulatory reporting for the wastewater treatment facilities and operation and maintenance of the 100% Reuse Irrigation Effluent Disposal facilities.

Underground Utilities Division

This function consists of 14 budgeted employees that include: 11 licensed State of Florida certified distribution operators and 3 Trainees. Their responsibilities include the maintenance of water mains, meters, wastewater gravity and force mains, fire hydrants, reuse mains, and lift stations throughout the District's total utility service area. In addition, this division provides prompt repair and maintenance of leaks, major line breaks, new installations, lift station repairs, correction of sewer backups, meter reading services and all customer service fieldwork.

Irrigation Division

This function consists of 1 budgeted employee that is a licensed State of Florida certified distribution operator. Their responsibilities include the maintenance of reclaimed water mains and pumping stations throughout the District's total utility service area. In addition, this division, with the assistance of the Underground Division, provides prompt repair and maintenance of leaks and major line breaks for all reclaimed water customers of the District.

Shop and Maintenance Operations Division

This function consists of 3 budgeted employees that include: 2 fleet and equipment mechanics and 1 Utility Plant Electrician Technician. Their responsibilities include the maintenance of District vehicles, equipment, and any other mechanical or electrical needs for the District. In addition, this division provides prompt repair and maintenance of anything else that may arise.

CAPITAL IMPROVEMENT PROGRAM

General

The District has planned certain capital improvements, repairs, and additions to the Water, Wastewater, and Irrigation Systems during the next six fiscal years (includes Fiscal Year 2024). The projected cost of such improvements is anticipated by the District to be approximately \$44.1 million. This amount will be funded from rate revenue, existing reserves (cash), and net proceeds from the Series 2024 Bonds for the next six years (reference Assumption No. 11 as discussed later in this Report regarding the projections of System operations). The projected cost of capital improvements was based on estimates made by the District's Consulting Engineer or as initially budgeted by the District. Table 9 at the end of this Report summarizes the projects and improvements identified by the District and its Consulting Engineers, which represents the capital improvement program to be funded by the District during the Forecast Period.

Capital Improvement Program Summary

The upgrade and expansion of the water supply, treatment, and brine (reject) disposal system are directly tied to the District's ability to serve new development and maintain the current level-of-service for existing customers. The following is a summary of the funding sources for the program:

	Total Capital Plan for the Forecast Period [1]
Water Projects	\$40,456,827
Wastewater Projects	2,874,648
Irrigation Projects	797,791
Total Capital Expenditures	<u>\$44,129,266</u>
Estimated Funding Sources:	
Water System Connection Fees	\$785,000
Wastewater System Connection Fees	0
Renewal and Replacement Fund	5,220,766
Current System Operations (rates)	1,728,000
General Fund Transfer	100,000
Series 2024 Bond Proceeds (including projected interest income)	<u>36,295,500</u>
Total Funding Sources	<u>\$44,129,266</u>

[1] Amounts derived from Table 9 at the end of this Report.

Renewal and Replacement Fund

Pursuant to the terms and conditions of the Master Indenture, the District must establish and maintain a Renewal and Replacement Fund ("R&R Fund"). With respect to the R&R Fund, such amounts shall be used by the District for the purpose of paying the costs of extensions, improvements, or additions to; or the replacement or renewal of capital assets of the System or extraordinary repairs of the System. The required annual deposit to such fund shall be at least equal to five percent (5%) of the Gross Revenues, excluding connection fees, derived from the operation of the System during the immediately preceding fiscal year or an amount as determined by the District's Consulting Engineer to be sufficient to pay renewal and replacement costs of the System (the "Renewal and Replacement Fund Requirement"). Typically, the District annually funds a deposit to the R&R Fund in order to accrue monies for facilities replacement and betterment. With respect to the deposit to the R&R Fund for the projected period reflected in the forecast of utility operations, the amount is greater than the minimum funding requirements of the Master Indenture. The projected deposit to the R&R Fund from System operations averages approximately 6.2% of prior year's Gross Revenues, excluding Connection Fees, which recognizes the annual accrual of funds to provide for the renewal and replacement of facility assets that have reached their useful service life as estimated by the District and its Consulting Engineer. For the projected six fiscal year period reflected in the Report, the R&R Fund deposit averages approximately \$801,000 annually. This amount is funded from utility rate and other unrestricted revenues. Funds are to be set aside in the R&R Fund for current or future projects as identified by the District.

HISTORICAL AND PROJECTED SYSTEM SALES AND CUSTOMER USAGE STATISTICS

General

This section of the Report summarizes the recent trends in Water, Wastewater, and Irrigation System customers, projected water production, wastewater treatment requirements, and associated sales and usage characteristics for the Water, Wastewater, and Irrigation Systems. The historical period reflected in this Report covers the Fiscal Years 2019 through 2023 and the projected period is for the Fiscal Years 2024 through 2029 (previously defined as the "Forecast Period"). Table 1 at the end of this Report presents for the Water System the historical customer accounts, billed sales, and water production for the historical period. Table 2 provides similar information regarding projected customer accounts, billed sales, and water production for the Forecast Period. Similar information regarding the historical and projected customers, billed wastewater flow, and treatment requirements for the District's wastewater and irrigation systems are also illustrated on the respective tables. The projection of System sales and customer statistics served as the basis for the estimation of revenues derived from the application of the current rates for monthly water, wastewater, and irrigation service as discussed later in this Report.

The following is a discussion of the historical and projected customer and sales statistics for the individual water, wastewater, and irrigation utility systems.

Water System

The Water System has experienced minimal growth in customers and water sales over the past several years due to the service area being essentially built out. Table 1 at the end of this Report summarizes the historical customer accounts in service, water sales, and average customer usage statistics by each specific customer class of the Water System. Table 3 provides projected statistics for the Fiscal Years 2024 to 2029, which recognizes known re-development which is either underway or in the planning process. The historical and projected customer accounts for the Water System are summarized below:

Water System [1]			
Fiscal Year	Retail Accounts [2]	Water Sales (000s Gallons) [2]	Average Monthly Use per Account (gallons)
Historical			
2019	6,793	445,372	5,464
2020	6,800	453,582	5,559
2021	6,811	467,444	5,719
2022	6,805	494,761	6,059
2023	6,812	497,211	6,083
Historical Growth	0.07%	2.79%	2.72%
Projected			
2024 [3]	6,805	492,352	6,029
2025	6,938	506,678	6,086
2026	7,479	557,690	6,214
2027	7,524	561,683	6,221
2028	7,535	562,547	6,221
2029	7,546	563,505	6,223
Projected Growth [4]	1.72%	2.11%	0.38%

[1] Amounts derived from Tables 1 and 3 at end of this Report.

[2] Reflects water accounts and sales to retail customers of System; amounts shown do not include service statistics for bulk or wholesale water sales to The Reserve Community Development District.

[3] Reflects estimated results based on 6 months of actual and 6 months of estimated data as provided by the District.

[4] Projected growth rate from Fiscal Year 2023 to Fiscal Year 2029.

As can be seen above, the Water System has incurred a historical growth rate of less than 0.1% in the average number of accounts served per year since Fiscal Year 2019. The projections of water sales during the Forecast Period were based on: 1) recent water capacity requests from existing customers and developers; 2) a review of historical trends in the average monthly use per account by customer class; 3) where appropriate, a review of actual water requirements for those commercial customers with similar water demands to those anticipated to be added during the Forecast Period; 4) a review of water and wastewater flow standards per account type (land use) used by the District in the evaluation of facilities; and 5) discussions with the District.

The Water System's active retail customer base consists primarily of individually metered residential customers, the majority being serviced through a 5/8- x 3/4-inch meter or service. As shown in the table below, the residential class accounts for approximately 92.5% of the total average number of customers (accounts) and 71.1% of the total Equivalent Residential Units (“ERU”) served by the Water System during the Fiscal Year 2023:

Average for the Period Ended September 30, 2023 [1]				
	Annual Average Customers [2]	Percent of Total Customers	Equivalent Residential Units [2]	Percent of Total ERUs
Residential Class	6,297	92.48%	6,297	71.14%
Commercial Class [3]	512	7.52%	2,554 [4]	28.86%
Total	6,809	100.00%	8,851	100.00%

[1] Amounts shown derived from information provided on Table 2.

[2] Amounts shown reflect customers receiving service; does not include ERUs that have been reserved through the Development Process.

[3] Includes multi-family residential service, commercial, and general service customers.

[4] For purposes of this comparison, ERU amounts based on meter size equivalent factors utilized by the Florida Public Service Commission which is based on the maximum water use demand of various meter sizes relative to a 3/4 inch meter.

As summarized on the table above, during Fiscal Year 2023, the Water System provided service to an average of approximately 8,851 ERUs, which is greater than the number of accounts (bills). An ERU represents the equivalent usage requirements of a single-family residential customer. Since commercial or multi-family customers are generally served by meters larger in size than the standard residential customer and have greater water use demands, it is useful to equate such customers on a basis equivalent to the residential class for a more consistent presentation of the total customer base served.

Based on recent historical trends in customer growth, discussions with members of the District, and a review of new developments in the planning and capacity reservation process, it has been assumed that water customers will increase over the Forecast Period. Based on data provided by the District, growth is expected to continue to be primarily commercial in nature and consistent with the land use requirements of the service area.

In addition, the forecast of water sales includes the provision for bulk water sales. The District and the Reserve CDD entered into the Interconnect Agreement on February 10, 1993, which was last amended on May 1, 2013, which provided the terms and conditions for both water and wastewater service by the District to the Reserve CDD (the "Reserve Agreement"). The Reserve Agreement includes provisions to automatically renew the agreement for five (5) year periods. Under the current terms of the Reserve Agreement, the next renewal will occur on or about November 2028 (Fiscal Year 2029). For the purposes of this Report, it has been assumed that the Reserve Agreement shall be renewed on or before November 2028. Additionally, the Reserve Agreement provided the rates to be charged by services, the capacity allocable to the Reserve CDD from the District, and required the Reserve CDD to pay connection fees on such reserved capacity

(equivalent to an Equivalent Residential Unit [ERU] factor equivalent to 250 gallons per day [gpd]). The rate for wholesale water service as provided in the Reserve Agreement includes a monthly base charge of \$724.10 and a consumption charge of \$3.06 per thousand gallons for the Fiscal Year 2024. The base charge is to escalate at the same percentage change as the adopted increase in the base charge for retail service. The corresponding consumption charge is equal to 80% of the District's adopted retail water rate billed on a per 1,000-gallon basis. The following reflects the projected annual water consumption levels and bulk water revenues during the Forecast Period:

Reserve CDD – Bulk Water Sales		
Fiscal Year	Metered Water Delivered [1]	Bulk Water Revenue [2]
2024 [3]	134,149	\$419,618
2025	134,819	\$421,671
2026	135,493	\$423,734
2027	136,171	\$425,807
2028	136,852	\$427,890
2029	137,536	\$429,984

[1] Reflects annual sales (in thousands of gallons) projected to be sold to the Reserve CDD. The bulk water sales are based on historical consumption levels and discussions with District staff.
 [2] Amounts shown do not recognize effects of recommended rate adjustments.
 [3] Based on 6 months of actual and 6 months of projected sales.

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Wastewater System

The historical and projected customer (account) statistics for the Wastewater System is shown on Tables 1 and 2 at the end of this Report and are summarized as follows:

Wastewater System [1]			
Fiscal Year	Retail Accounts [2]	Wastewater Sales (000s Gallons) [2]	Average Monthly Use per Account (gallons)
Historical			
2019	6,735	429,456	5,314
2020	6,743	444,514	5,494
2021	6,754	457,561	5,646
2022	6,747	475,983	5,879
2023	6,755	476,060	5,873
Historical Growth	0.07%	2.61%	2.53%
Projected			
2024 [3]	6,756	471,129	5,811
2025	6,889	486,591	5,886
2026	7,430	537,925	6,033
2027	7,475	541,942	6,042
2028	7,486	542,810	6,043
2029	7,497	543,773	6,044
Projected Growth [4]	1.75%	2.24%	0.48%

[1] Amounts derived from Tables 1 and 2 at end of this Report.

[2] Reflects wastewater accounts and sales to retail customers of System; amounts shown do not include service statistics for bulk or wholesale wastewater sales to The Reserve Community Development District.

[3] Reflects estimated year results based on 6 months of actual and 6 months of estimated data as provided by the District.

[4] Projected growth rate from Fiscal Year 2023 to Fiscal Year 2029.

As shown above, the wastewater customers of the System have experienced an average compound growth rate of 0.7% since Fiscal Year 2019. This historical growth rate is generally consistent with the rate of growth experienced by the Water System and is due to the District's general utility policies stating that all development within the District will receive both water and wastewater utility services, where considered appropriate. As can be seen above, the estimated new customer growth in wastewater accounts assumed for the Forecast Period is consistent with the growth assumed for the Water System.

In addition to providing retail wastewater service, the District is currently providing wholesale wastewater treatment and disposal service to the Reserve CDD. As previously discussed, the Reserve Agreement provides for the delivery of wastewater, rates for service, service requirements, and term of service on behalf of the parties. The rate for wholesale wastewater service as provided in the Reserve Agreement is equal to 80% of the adopted retail wastewater rate per 1,000 gallons, which is \$3.40 for the Fiscal Year 2024. During the Fiscal Year 2023, the Reserve CDD's wastewater usage amount was approximately 107 million gallons. The financial forecast assumes that wholesale wastewater sales for the Forecast Period would be consistent with recent trends which recognize minimal volatility in sales. The forecast of bulk wastewater flows was based on

1) discussions with the District management; and 2) a review of recent levels of wholesale wastewater treated for the Reserve CDD.

Reserve CDD – Bulk Wastewater Sales		
Fiscal Year	Metered Wastewater Received [1]	Bulk Wastewater Revenue [2]
2024 [3]	116,249	\$395,246
2025	116,539	\$396,234
2026	116,831	\$397,224
2027	117,123	\$398,217
2028	117,416	\$399,213
2029	117,709	\$400,211

[1] Reflects annual sales (in thousands of gallons) projected to be sold to the Reserve CDD. The bulk wastewater sales are based on historical consumption levels and discussions with District staff.
 [2] Amounts shown do not recognize effects of recommended rate adjustments.
 [3] Based on 6 months of actual and 6 months of projected sales.

Irrigation System

In addition to providing water and wastewater service, the District also has an irrigation utility, which provides for the distribution of irrigation quality ("IQ") water to the residents and commercial establishments throughout the District's service area. The Irrigation System is designed to rely, in part, on highly treated wastewater effluent as its primary source of irrigation quality water. Such supply is augmented using surface water and raw water derived from supply wells to the extent there is not enough treated effluent for irrigation purposes. The service area of the Irrigation System is consistent with the service area of the Water and Wastewater System, essentially all customers have IQ service available for their use. It should be noted, while IQ service is available to all customers, it is not a requirement for irrigation purposes. The System serves both retail users (e.g., single-family residence), on a high delivery pressure basis, and a golf course, classified as a large user, on a low-pressure basis. The difference between the two levels of service deals with: 1) quantity of delivery to the end user; and 2) the golf course must re-pump (pressurize) for its irrigation needs.

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As was previously discussed with respect to the Water and Wastewater Systems, the Irrigation System has also experienced little increase in customers served and IQ water sales over the past several years. Table 1 at the end of this Report summarizes the historical customer accounts in service since 2019. Table 3 provides projected information for Fiscal Years 2024 to 2029. The historical and projected customer accounts for the Irrigation System are summarized below:

Irrigation System [1]					
Fiscal Year	High Pressure Service (Retail) [2]			Total High Pressure Service Accounts	Low Pressure Service (Golf Course) (,000s of Gallons)
	Single-Family Residential Accounts	Multi-Family Residential Dwelling Units	Commercial Accounts		
Historical					
2019	5,176	1,017	380	5,556	44,795
2020	5,179	1,018	378	5,557	38,349
2021	5,185	1,019	378	5,563	35,898
2022	5,178	1,018	381	5,559	44,641
2023	5,176	1,018	379	5,555	44,641
Historical Growth	0.00%	0.02%	(0.05%)	(0.00%)	(0.09%)
Projected					
2024 [3]	5,194	1,018	377	6,589	43,590
2025	5,198	1,098	382	6,678	43,590
2026	5,202	1,298	387	6,887	43,590
2027	5,206	1,318	392	6,916	43,590
2028	5,210	1,318	392	6,920	43,590
2029	5,214	1,318	392	6,924	43,590
Projected Growth [4]	0.12%	4.40%	0.56%	3.74%	(0.40%)

[1] Amounts derived from Tables 1 and 3 at end of this Report.

[2] Reflects single-family residential accounts, multi-family residential dwelling units, and commercial acres served. Irrigation service is not metered for all retail (high pressure) accounts

[3] Reflects estimated year results based on 6 months of actual and 6 months of estimated data as provided by the District.

[4] Projected growth rate from Fiscal Year 2023 to Fiscal Year 2029.

As can be seen above, the Irrigation System has not experienced growth in average retail accounts served since the Fiscal Year 2019. The District charges a flat, or constant, rate per residential account or acre irrigated, thus revenues are not sensitive to changes in irrigation demands as a result of changes in irrigation practices or restrictions.

The growth in the Irrigation System’s customers and sales was based on the forecast of future development as identified by District staff. Based on discussions with the District, all new development is required to have an irrigation system installed as part of the extension of service. The purpose for this development policy includes, but is not limited to: 1) the need to dispose of effluent produced from the wastewater treatment facilities; and 2) provide a water conservation benefit and results in reduced ground water use which is considered favorable by the South Florida Water Management District. Therefore, the growth in the number of residences served and commercial irrigation (acres) requirements generally are expected to be consistent with the anticipated growth of the water and wastewater service area.

The District also provides low pressure irrigation water service to the St. Lucie West Golf Course. The District and PGA St. Lucie West, Inc. entered into an Irrigation Quality Water Supply Agreement dated June 23, 1995 (the "Irrigation Agreement"), which provides for the delivery of Irrigation water to the St. Lucie West Golf Course. Pursuant to the terms of the Irrigation Agreement, the District agreed to sell and deliver approximately 300,000 gallons per day of IQ water to the golf course, with a minimum take-or-pay provision of 50,000 gpd. The current rate is \$0.24 per 1,000 gallons which became effective on the onset of Fiscal Year 2024. The term of the Irrigation Agreement is for a period of 30 years with an optional 30-year renewal period. As can be seen on Table 1 and as previously summarized above, service to this large user fluctuates significantly, which is due primarily to weather conditions (rainfall, including level and frequency). For the purpose of this Report, it was assumed that low pressure irrigation sales to this customer would remain constant based on recent historical usage levels.

Ten Largest Customers

In order to provide additional information regarding the District's Water, Wastewater, and Irrigation System customer base, a summary of certain statistical information of the top ten largest retail customers on the basis of revenues has been presented based on information compiled by the District.

Top Ten Retail Customers [1]

Customer	Meter Size	Water Consumption (Gallons)	Rate Revenue	Percent of Rate Revenue
RV Resorts @ SLW Owners Assoc.	8"	8,293,490	\$110,715	1.17%
SHI-III WSL Port St Lucie LLC	8"	6,366,140	\$60,790	0.64%
ST LUCIE COUNTY SCHOOL BOARD	8"	6,419,080	\$56,223	0.59%
Indian River State College	2"	13,891,740	\$51,980	0.55%
Hadico Holdings LLC	3"	4,582,100	\$43,994	0.46%
Benderson Development CO	4"	4,036,040	\$41,886	0.44%
Waramaug PSL LLC	4"	3,488,510	\$39,319	0.41%
Shivam Properties LLC	2"	3,746,600	\$32,936	0.35%
Momtaz Food Management LLC	2"	2,818,110	\$25,937	0.27%
St Lucie West 2016 LLC	2"	2,651,550	\$23,876	0.25%
Total Top 10 Water and Wastewater Customers		56,293,360	\$487,656	5.14%

[1] Amounts shown were developed from information provided by the District for the Fiscal Year 2023. Figures were provided by the District and include water, wastewater, and irrigation revenues.

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RATES, FEES, AND CHARGES

General

The Master Indenture authorizing the issuance of the Series 2024 Bonds contains a rate covenant (Section 606. Rates). This covenant requires the District to fix, establish, and maintain such rates and collect fees, rentals, or other charges for the services and facilities of the System, so as to provide Net Revenues in each fiscal year to meet certain debt coverage relationships. Furthermore, the District covenants in the Master Indenture that it will periodically revise the rates, fees, and charges of the System so that the Net Revenues in each fiscal year are sufficient to meet the covenants of the District as reflected in such Master Indenture. In any year that the District shall fail to comply with the rate covenant requirements, the District shall cause the Rate Consultant to review the System rates, fees, charges, income, Gross Revenues, Operating Expenses and methods of operations, and to make written recommendations as to the methods by which the District may promptly seek to comply with the rate covenant requirements.

The sales revenues derived from the monthly rates or user charges, as presented in this Report associated with the projected operating results for the System, were developed based on the rates stated in Resolution No. 2023-09 (the "Rate Tariff") which was adopted by the District's Board of Supervisors at a public hearing held October 3, 2023. The rates became effective on November 1, 2023 and represented the implementation of a 5.0% rate adjustment (increase).

Water and Wastewater Rates

The monthly water and wastewater service rates reflected in the Rate Tariff as adopted by the District include: 1) a base facility charge (readiness-to-serve charge) which varies by meter size for the Water and Wastewater System and that serves as the minimum bill; and 2) a commodity charge based on metered water consumption for both the Water and Wastewater System.

Additionally, the water rates do not include a conservation-based pricing structure whereby the more a customer uses, the higher the price paid for such use, which is commonly used by utilities throughout Florida. As part of the consumptive use permitting process, the South Florida Water Management District generally requires utilities located within the boundaries of the water management district to have a water conservation promoting rate structure. However, because of the extensive Irrigation System located throughout the District, essentially all potable water use is considered by the District to be for "indoor" or essential use, thus making the application of water conservation promoting rate structure generally unnecessary. The District also bills all metered potable water the wastewater usage charge (no residential maximum billing threshold) in keeping with this same premise that essentially all potable water use is for indoor use and returned to the Wastewater System.

The following is a summary of the most recently adopted monthly water and wastewater service rates of the District:

Summary of Monthly Water and Wastewater Rates [1]		
	<u>Water</u>	<u>Wastewater</u>
Residential and Commercial Service		
Service Charge (per service meter)		
5/8 inch and 3/4 inch	\$17.00	\$21.26
1 inch	42.51	53.16
1 1/2 inch	85.03	106.28
2 inch	136.05	170.03
3 inch	272.06	340.07
4 inch	425.11	531.39
6 inch	850.22	1,062.81
8 inch	1,360.36	1,700.45
Commodity Charge (per 1,000 gallons of metered water use)		
	\$3.82	\$4.25 [2]

[1] Rates per Rate Tariff and became effective on November 1, 2023.

[2] The District does not apply a residential maximum billing threshold since all residential customers have an irrigation system and potable water use (basis for billing wastewater commodity charge) is considered as indoor use and subject to the wastewater flow charge.

Irrigation Rates

As previously mentioned, the District has an Irrigation System that provides IQ water to residential and commercial accounts or for land use throughout the utility service area. The rates as reflected in the Rate Tariff include a: 1) fixed or uniform service charge which is applied to all high-pressure users based on customer classification; and 2) a commodity charge based on metered irrigation water consumption for service applied to low pressure users (i.e., the St. Lucie West Golf Course). The following is a summary of the Fiscal Year 2024 Irrigation System rates for the District pursuant to the Rate Tariff:

Summary of Monthly Irrigation Rates [1]		
	<u>Service Charge</u>	<u>Commodity Charge</u>
High Pressure Service		
Residential Service		
Single-Family Dwelling Units	\$20.34 per unit	N/A
Multi-Family Dwelling Units [2]	\$14.25 per unit	N/A
Commercial Service		
Per Acre Irrigated	\$122.08 per acre	N/A
Low Pressure Service		
St. Lucie West Golf Course [3]	N/A	\$0.24

[1] Rates are subject to the same rate increases that are applied to the water and wastewater rates by the District from time to time.

[2] Reflects dwelling units such as apartments, townhouses, etc. which are individually metered for water and wastewater service but constructed generally with a high density per acre, thus limiting irrigation use.

[3] Reflects rate for service pursuant to the current terms and conditions of the Irrigation Agreement between the District and St. Lucie West Golf Course and is subject to price index rate increases.

Price Index Rate Adjustment

The District has adopted in Chapter III, of the Rules of St. Lucie West Services District, Chapter III, Section 26 which is an inflationary rate indexing policy. This policy allows for the water, wastewater, and irrigation rates for monthly service to be adjusted each October 1st (bills rendered) based on the percentage increase in the Consumer Price Index – U.S. City Average – All Urban Consumers Unadjusted as of July of the current year over the Consumer Price Index for the month of July of the immediately preceding year. Furthermore, the adjustment will not be less than 0.0% (result in a rate decrease) and not greater than 5.0%.

The District reviews the rates annually as part of the annual budget process, and has the budget reviewed by the Rate Consultant for reasonableness and rate covenant compliance purposes. The District has historically raised rates when required as shown below:

<u>Fiscal Year</u>	<u>Percent Rate Adjustment [1]</u>
2019	0.00%
2020	0.00%
2021	0.00%
2022	0.00%
2023	5.00%
2024	5.00%

[1] Reflects rate adjustments which became effective on October 1st of each fiscal year; rate adjustments were applied uniformly to the water, wastewater, and irrigation rates.

Water and Wastewater Connection Fees

In addition to the monthly rates for water, wastewater, and irrigation service, the District currently charges a Connection Fee based upon an equitable and proportionate share of the cost for: 1) water production and transmission facilities; and 2) wastewater treatment, collection, and effluent disposal facilities. The purpose of the Connection Fees is for paying or reimbursing the equitable share of the capital costs relating to the construction, expansion, or equipping of excess or unused capacity of the Water and Wastewater System to serve new development (customers). If an existing customer requests an increase in water or wastewater capacity due to re-development, an additional Connection Fee will be collected prior to development consistent with the net increase in demand.

The following table summarizes the Water and Wastewater System Connection Fees as stated in Resolution No. 2024-03 and in effect for Fiscal Year 2024. The District does not currently charge a Connection Fee for irrigation service.

Connection Fees – Per Equivalent Residential Unit [1][2][3]	
Service	Amount
Water	\$2,390.00
Wastewater	<u>1,930.00</u>
Total	<u>\$4,320.00</u>

[1] Amounts shown represent fees adopted by the Board of Supervisors on January 9, 2024 and are billed on an ERU basis.

[2] Amounts shown do not include Allowance for Funds Prudently Invested ("AFPI") fees.

[3] Pursuant to the Agreement between the District and the Reserve CDD, the District may increase the Connection Fees charged to the Reserve CDD. The increases, however, may not exceed, on a percentage basis, the increases applicable to other customers in the District's retail service area. For the Forecast Period, no increases in the current Connection Fees have been assumed.

Allowance for Funds Prudently Invested (AFPI) Fee

Because the District had to construct and have available water and wastewater capacity in advance of growth, the District has incurred certain carrying costs associated with such increased capacity. The Allowance for Funds Prudently Invested (AFPI) fee allows the District the opportunity to earn a fair rate of return on prudently constructed plant held for future use from the future customers to be served by that plant in the form of a charge paid by those customers. The District has adopted a policy of AFPI fee application by way of its Rate Tariff (Section 36), which applies the fee based on the amount or number of ERUs requested by a new development (new applicant). The application of the AFPI fee by the District occurs concurrent with the payment of the Connection Fee by a new development requesting service and is unrestricted revenue to the System. The current AFPI charges pursuant to Resolution No. 2024-03 are summarized below:

Fiscal Year 2024 – Allowance for Funds Prudently Invested Fees	
Description	Amount Per ERU
Water	\$395.00
Wastewater	<u>320.00</u>
Total	\$715.00

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Miscellaneous Service Charges

The District has also adopted a schedule of fees, charges, and deposits, which are applicable to one-time customer requested services. The fees are generally imposed to recover the cost of specific services such as water and wastewater taps and utility turn-on fees or a deposit to defray the risk for non-payment of services. The following is a summary of the miscellaneous service fees, charges, and deposits, which have been adopted by the District.

Customer Deposits

The District will request a deposit at the time-of-service application by a customer in order to defray the risk of non-payment for utility services. The deposit is based on the type of service (residential or commercial) and meter size requested by such customer. The water and wastewater deposit amounts for the System are as follows:

<u>Meter Size</u>	<u>Deposit Amount [1]</u>
5/8 x 3/4 inch [2]	\$100.00
1 inch	400.00
1-1/2 inch	600.00
2 inch	1,000.00
3 inch	1,200.00
4 inch	2,500.00
6 inch	5,000.00
8 inch	6,400.00

[1] Deposit amounts applicable to both residential and commercial service.

[2] Represents typical deposit for typical single-family residential service.

Water Meter Installation Charges

The District has adopted a fee for the installation of a water meter as requested by a customer for the initiation of water service. The installation fees are summarized as follows:

<u>Meter Size</u>	<u>Charges</u>
5/8 inch	\$150.00
3/4 inch	150.00
1 inch	600.00
1 ½ inch	700.00
2 inch	1,200.00
Meters greater than 2 inch	Actual Cost of Meter and Appurtenances plus \$100

Other Miscellaneous Service Charges

In addition to the above-referenced charges, the District also has several other charges, which are applicable to miscellaneous, or customer requested services. A summary of other miscellaneous charges imposed by the District which are common in the utility industry include the following:

<u>Charge/Fee Description</u>	<u>Amount</u>
Initial Connection Fee	\$25.00
Normal Connection Fee	\$25.00
Violation Reconnection Charge	
During Work Hours	\$25.00
After Work Hours	\$50.00
Returned Check Charge	\$25.00
Meter Test Charge	First Test No Charge; Thereafter \$25.00 per test
Engineering Review	At Cost
Engineering Inspection Fee	At Cost
Late Payment Fee	10% of Past Due Amount

Rate Comparisons

With respect to the water and wastewater rate comparisons, monthly costs are calculated reflecting a 5/8-inch meter at the average monthly consumption for this class of customers. Also included on the water and wastewater comparisons are bills calculated under the rates of other neighboring Florida utilities as of June 2024. The monthly bills for the various Florida utilities used for the comparisons are exclusive of local taxes. The comparison assuming a 5/8-inch meter service was prepared since this represents the majority of the water and wastewater customers served (essentially all of the single-family residential service) and the majority of the customers for the other utilities reflected in the comparison. The comparisons shown below does not include recognition of the application of the outside City surcharge, if any, by the municipalities shown on the comparison (assumes inside City service).

As can be seen in the comparison, the rates charged by the District produce bills that are competitive to the bills charged for similar service by other neighboring utilities. The average residential customer of the District uses approximately 3,300 gallons of monthly potable water service. For the purposes of this comparison, it has been calculated assuming 3,000 gallons of potable water and wastewater services and an allowance of 5,000 gallons of irrigation quality water for irrigation purposes (note that the irrigation use is unmetered, but this represents the typical water use for a customer that has an alternative water supply for irrigation purposes).

It should be noted, for purposes of this comparison, the other utilities generally use potable water for outdoor irrigation needs. Since the District has a separate irrigation system to meet irrigation demands and charges a separate fee for such service (which is encouraged to be used by District customers), it was necessary to prepare the comparisons recognizing these usage differences. The wastewater charges are based only on the potable water sales (indoor use) and billed accordingly. A comparison of

water, wastewater and irrigation monthly bills between the District and a number of utilities surveyed is summarized for the typical single-family residential customer below:

**Residential Service Assuming 3,000 Gallons of
Potable Water and Wastewater Service and 5,000 Gallons of Irrigation Service [1]**

	Water [2]	Wastewater [2]	Irrigation [2]	Total
St. Lucie West Services District				
Existing – Fiscal Year 2024	\$28.46	\$34.01	\$20.34	\$82.81
Proposed – Fiscal Year 2025	\$31.02	\$37.07	\$22.17	\$90.26
Other Neighboring Florida Utilities				
Brevard County – North Brevard	\$53.27	\$75.63	N/A	\$128.90
Brevard County – Barefoot Bay District	\$63.05	\$108.98	N/A	\$172.03
City of Melbourne	\$50.80	\$75.97	N/A	\$126.77
City of Port St. Lucie	\$52.12	\$82.59	N/A	\$134.71
Riviera Beach Utility District	\$55.26	\$55.02	N/A	\$110.28
City of Stuart	\$42.70	\$63.81	N/A	\$106.51
City of Vero Beach	\$36.65	\$69.45	N/A	\$106.10
City of West Melbourne	\$74.37	\$54.45	N/A	\$128.82
Fort Pierce Utilities Authority	\$59.61	\$81.35	N/A	\$140.96
Indian River County	\$34.33	\$43.73	N/A	\$78.06
Martin County	\$38.54	\$58.29	N/A	\$96.83
Okeechobee Utility Authority	\$74.08	\$90.49	N/A	\$164.57
Palm Beach County	\$40.68	\$42.61	N/A	\$83.29
Reserve Community Development District	\$39.16	\$42.66	N/A	\$80.30
Seacoast Utility Authority	\$57.37	\$28.51	N/A	\$85.88
South Martin Regional Utilities	\$40.48	\$67.83	N/A	\$108.31
St. Lucie County	\$78.05	\$95.21	N/A	\$173.26
City of Titusville	\$45.82	\$85.90	N/A	\$131.72
Town of Jupiter [3]	\$38.69	\$29.25	N/A	\$67.94
Village of Tequesta [3]	\$52.22	\$29.25	N/A	\$81.47
Village of Wellington	\$49.26	\$43.84	N/A	\$93.10
Other Florida Utilities' Average	\$51.26	\$63.09	N/A	\$114.35

[1] Amounts shown reflect residential rates believed to be in effect June 2024 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison presents the average residential usage for domestic water and wastewater service at 3,000 gallons per month and 5,000 gallons per month for irrigation services. Amounts reflect charges based on the District's average single-family residential usage statistics. The average usage for each of the Other Florida Utilities was not available.

[2] Amounts shown for other utilities assume 8,000 gallons of potable water service (which is also billed the applicable wastewater flow charges) since utilities do not have a system-wide irrigation system.

[3] Wastewater service provided by Loxahatchee River Environmental Control District.

HISTORICAL OPERATING RESULTS

General

The historical operating results for the System are presented for the Fiscal Years ended September 30, 2019, through 2023 (the "Historical Period"), and are shown in detail at the end of this Report in Table 11. The historical operating results were prepared based on financial information compiled and provided by the District and information included in the Annual Financial Report (the "Annual Audit") of the District for the respective Fiscal Years shown. In general, the historical operating results have been prepared in a manner consistent with the requirements of the Master Indenture relative to the determination of Net Revenues of the System. Therefore, the amounts shown reflect certain differences in the presentation of the financial results when compared to the Annual Audits of the District. Specifically, these major differences relate to: 1) the determination of Operating Expenses (i.e., depreciation and amortization expenses not recognized); 2) the development of interest income (i.e., does not include earnings on Connection Fees or Construction Fund balances, if any, which are restricted to such Funds); and 3) recognition of the total annual debt service payments as a System requirement presented on an accrued (funding) basis.

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Summary of Historical Operating Results

The historical operating results for the System are shown on Table 11 at the end of this Report and are summarized below:

Utility System Historical Operating Results and Debt Coverage Analysis [1]

	Fiscal Year Ended September 30,				
	2019	2020	2021	2022	2023
Total Rate Revenues [2]	\$9,110,585	\$9,388,645	\$9,537,997	\$9,702,624	\$10,296,421
Income and Funds from Other Sources:					
Other Operating Revenue [3]	\$153,377	\$84,725	\$109,588	\$120,134	\$182,483
Connection Fee Revenues	5,264	175,440	57,649	55,413	169,929
Allowance for Funds Prudently Invested	1,950	66,141	20,800	20,517	66,367
Interest Income (Unrestricted) [4]	16,038	5,708	318	308	211,078
Gross Revenues	\$9,287,214	\$9,720,659	\$9,726,352	\$9,898,996	\$10,926,278
Operating Expenses [5]	\$5,029,030	\$5,119,016	\$5,268,735	\$5,490,203	\$6,322,738
Net Revenue	\$4,258,184	\$4,601,643	\$4,457,617	\$4,408,793	\$4,603,540
Rate Covenant Test [6]					
Annual Debt Service [7]					
Series 2011 Bonds	\$1,695,449	\$1,687,216	\$1,677,945	\$1,672,636	\$1,666,116
Series 2013 Bonds	378,458	375,935	373,265	375,448	372,335
Series 2014 Bonds	526,547	542,175	546,235	539,965	543,695
Total Annual Debt Service	\$2,600,454	\$2,605,326	\$2,597,445	\$2,588,049	\$2,582,146
Annual Debt Service Coverage Allowance [8]	260,045	260,533	259,745	258,805	258,215
Reserve Account [9]	0	0	0	0	0
Renewal and Replacement Fund [10]	464,098	477,261	483,435	492,179	537,817
Repayment to Connection Fee Funds [11]	0	0	0	0	0
Required Deposits per Master Indenture	\$3,324,597	\$3,343,120	\$3,340,625	\$3,339,033	\$3,378,178
Coverage Ratio – Calculated	128.08%	137.65%	133.44%	132.04%	136.27%
Coverage Ratio – Required	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Amounts shown derived from information provided on Table 11 at the end of this Report.

[2] Amounts shown include: 1) retail customer water, wastewater, and irrigation sales; and 2) bulk sales to the Reserve CDD.

[3] Amounts shown include late fees, meter set fees, and miscellaneous fees.

[4] Amounts shown reflect investment earnings from funds and accounts established by the District that are considered unrestricted. See Table 11 for additional information.

[5] Pursuant to the Master Indenture, Operating Expenses do not include depreciation or amortization expenses.

[6] The Master Indenture requires the District to annually provide Net Revenues adequate to pay at least: 1) 110% of the Annual Debt Service on all Outstanding Bonds; 2) 100% of any required deposits to the Reserve Account; 3) 100% of any required deposits to the Renewal and Replacement Fund; and 4) 100% of any amounts required to be repaid to the Water Connection Fees Fund or Wastewater Connection Fees Fund.

[7] Amounts shown provided by the Investment Banker and confirmed by the Trustee for the Refunded Bonds.

[8] The Master Indenture requires Net Revenues sufficient to provide at least 110% of the total Annual Debt Service on the Outstanding Bonds. The Amounts shown represent the additional 10% allowance for covenant compliance above the actual Annual Debt Service.

[9] Pursuant to the Master Indenture, the District must maintain a balance in the Reserve Account equal to the Reserve Account Requirement as defined in the Master Indenture. The Reserve Account Requirement is assumed to be fully funded during the Forecast Period.

[10] Amounts reflect required transfers to the Renewal and Replacement Fund as required by the Master Indenture and is equal to five percent (5.0%) of the previous year's Gross Revenues, excluding connection fees revenues.

[11] Pursuant to the Master Indenture, the District must recognize 100% of any amounts required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund. No amounts have been borrowed or are required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund during the Historical Period or Forecast Period.

The District has historically maintained a positive liquidity position, including the maintenance of the Debt Service Reserve Account in the amount of \$2,524,602 during the Historical Period which allowed the District to fund all required deposits and meet the expenditure requirements of the System. The following is a summary of the reported cash and investment balances contained in the District Annual Audit for each year of the Historical Period based on financial information provided by the District:

Summary of Historical Period Reported Cash Balances by Fund [1]

	2019	2020	2021	2022	2023
Revenue / Surplus Funds	\$6,348,835	\$6,036,375	\$5,595,192	\$4,168,852	\$4,413,370
Rate Stabilization Fund	584,916	585,405	585,434	585,463	603,839
Renewal and Replacement Fund	1,688,791	2,109,727	3,551,380	4,443,277	5,124,575
Water Connection Fees Fund	1,284,043	1,288,125	1,388,253	1,421,091	1,498,002
Wastewater Connection Fees Fund	297,580	300,087	375,485	400,386	437,798
Construction Fund	0	0	0	0	0
Customer Deposits	189,742	181,492	200,771	211,321	188,650
Debt Service Reserve	2,524,602	2,524,602	2,524,602	2,524,602	2,524,602
Bond Principal and Interest Account	2,234,891	1,897,324	1,960,906	2,212,477	2,134,101
Total Cash and Investment Balances	\$15,153,400	\$14,923,137	\$16,182,023	\$15,967,469	\$16,924,937

[1] Figures for Fiscal Years 2019 through 2023 based on the District's Annual Audit.

1. The District annually sets aside funds received from System operations and through the receipt of Connection Fees to fund capital improvements of the System. For the Historical Period and recognizing the receipt of Connection Fees, the District reports that the amount of funds generated for System (including capital) purposes was as follows:

Summary of Available Annual Funds for Capital and System Purposes

	Fiscal Year Ended September 30,				
	2019	2020	2021	2022	2023
Net Available After Payment of All Required Deposits	\$933,587	\$1,258,523	\$1,116,996	\$1,069,761	\$1,225,362
R&R Fund Deposits [1]	464,098	477,261	483,435	492,179	537,817
Total Funds Generated	\$1,397,685	\$1,735,784	\$1,600,431	\$1,561,940	\$1,763,179

[1] Amounts reflect calculated transfers to the Renewal and Replacement Fund as required by the Master Indenture and are equal to five percent (5%) of the previous year's Gross Revenues, excluding connection fees.

2. The Debt service requirements shown for the Refunded Bonds during the Historical Period were derived from the actual debt service repayment schedules for each series of Refunded Bonds and have been reflected on an accrual basis (when the Debt Service Account was required to be funded as opposed to when the payments were made to Bondholders/investors) to be consistent with the flow of funds requirements as outlined in the Master Indenture.

PROJECTED OPERATING RESULTS

General

We have prepared projections of the operating results of the System for the six fiscal years (October 1 through September 30) 2024 through 2029. Projections were based on: 1) Historical Operating Results for Fiscal Years 2019 through 2023 as contained within the District's Annual Audits or financial statements; 2) the District adopted Fiscal Year 2024 budget for the System, including amendments thereto and adjustments made to recognize year-to-date operations through May 2024; 3) the District's preliminary budget information for Fiscal Year 2025, which is currently being prepared by District management; 4) discussions with District staff and its consultants regarding current and future utility trends associated with System expansion and capital improvements to the System; and 5) other information provided by the District.

Presented on Table 12 at the end of this Report are the financial projections for the System. The table includes annual projections of Gross Revenues, projected Operating Expenses, Annual Debt Service requirements paid through System revenues, and other required deposits to the various funds and accounts established by the Master Indenture, including the Renewal and Replacement Fund and the debt service Reserve Account, as well as balances available for capital outlay and other System purposes. Projected Gross Revenues include those from sales (rate revenues derived from retail and bulk customers), connection fees, AFPI fees, interest income on the estimated available unrestricted funds as defined in the Master Indenture, and other miscellaneous revenues derived from System operations. The projected sales revenue has been forecasted based on revenue anticipated to be derived from the existing and anticipated rates of the System. The projected debt service shown on Table 12 at the end of this Report is subject to change based upon the actual terms of the sale of the Series 2024 Bonds.

Projected sales revenue for the System is based on growth projections in customers and usage (as illustrated on Table 3 at the end of this Report). These forecasts were based on known growth occurring in the District's service territory and historical usage trends (through May 2024). Interest income has been estimated based on projected cash balances for the various accounts and funds created by the Master Indenture or maintained by the District available to the System. Projected Operating Expenses are based on various factors such as projected expense increases due to inflation, and projected changes in expenses due to anticipated changes in operations (e.g., utility plant additions). Funds received from the application of Connection Fees to new or re-development in the System have been assumed.

As discussed previously, Table 4 represents a summary of projected sales revenue by utility for the System. Included in the forecast of System operating revenue is additional rate revenue associated with an assumed price index and additional rate adjustments, which are anticipated to be necessary to meet the projected operating requirements of the System. Such increases, expressed as a percentage of the System sales revenue, are projected as follows:

Estimated Total System Rate Adjustment [1][2]

Fiscal Year	Price Index [3]	Additional Rate Adjustment	Total Rate Adjustment
2025	2.5%	6.5%	9.0%
2026	2.5%	6.5%	9.0%
2027	2.2%	1.3%	3.5%
2028	2.2%	1.3%	3.5%
2029	2.2%	1.3%	3.5%

- [1] Reflects estimated rate adjustments assumed for the development of the financial forecast in this Report and are anticipated to be implemented by the District.
- [2] The projected application of the price index and additional rate adjustments were assumed to be applied uniformly to the water, wastewater, and irrigation rates.
- [3] Price index based on the Consumer Price Index projections as published by the Congressional Budget Office as contained in the *Economic and Budget Outlook* dated January 2024.

Projected Operating Results - Principal Considerations and Assumptions

In the preparation of this Report and the conclusions that follow, we have made certain assumptions with respect to conditions that may occur in the future. While we believe the assumptions are reasonable for the purpose of this Report, they are dependent upon future events and actual conditions may differ from those assumed. In addition, for our projections, estimates, and studies, we have used and relied upon certain information and assumptions provided to us or prepared by others, including: 1) information and assumptions provided to us by the District such as data regarding historical financial information and historical customer and sales statistics and the capital improvement program requirements; 2) information contained in the District's Annual Financial Reports (audits); 3) information provided by the District's independent consulting engineers for the System; and 4) information provided by the District's Investment Banker relative to the financing contemplated with the issuance of the Series 2024 Bonds. While we believe the use thereof to be reasonable for the purpose of this Report, we offer no further assurances. To the extent that actual conditions differ from those assumed by us herein or from information or assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

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In making the projections and estimates summarized in this Report, the principal considerations and assumptions made by us, provided to us, or prepared by others include the following:

1. The adopted Fiscal Year 2024 Budget as amended and adjusted by the Board and the actual Fiscal Year 2023 and Fiscal Year-to-date 2024 results served as the basis for the Fiscal Year 2024 projection of the financial results. The Fiscal Year 2024 Budget represents the District's most recent adopted financial plan at the time of adoption and has been adjusted based on anticipated changes by District management in operations and costs based on known events and current year-to-date financial results since the adoption of such budget. With respect to the Fiscal Year 2025, the basis for such projections was predicated on the preliminary Fiscal Year 2025 Operating Budget, which is currently being prepared by District management. Such amounts were also reviewed by Ryper and were considered reasonable and incorporated into the Fiscal Year 2025 component of the Financial Forecast except for adjustments and assumptions as noted hereunder.
2. Projected revenues from current rates and charges for the District's water, wastewater, and irrigation systems have been based on: 1) the schedule of rates and charges currently in effect as of the date of this Report as documented in the Rate Tariff; and 2) the forecast of water and wastewater customers and sales (water use and billed wastewater flow) and irrigation accounts and acreage as shown on Table 3. Table 4 summarizes the projected rate revenues by utility and customer class under existing rates in effect for Fiscal Year 2024 as codified in the Rate Tariff, as well as summarizes the additional rate revenue anticipated by the imposition of projected price index and additional rate adjustments during the Forecast Period. The total projected rate adjustments have been presented to the District Board but such total projected increases have not yet been formally adopted. The financial forecast presented in this Report does assume that the District Board will adopt additional rate adjustments, which are designed to meet the requirements of the Master Indenture and the effects of inflation on operations and to maintain operating margins for future capital expenditure needs.

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3. The Reserve CDD is required to pay for monthly water and wastewater service associated with the use of the District System facilities, as a bulk user. Based on the terms of the Reserve Agreement, the District imposes a minimum monthly base charge and a volumetric charge equal to 80% of the District's adopted retail rate. The following is a summary of the estimated water sales and the corresponding sales revenues for the bulk water service assumed for the Forecast Period from the Reserve CDD:

Reserve CDD – Bulk Water System Sales

Fiscal Year	Annual Billed Water Sales (000s) [1]	Rate for Service (\$/1,000 gallons) [2]	Annual Base Charge [3] [4]	Bulk Water Revenue [4]
2024	134,149	\$3.06	\$9,124	\$419,618
2025	134,819	3.34	9,945	459,621
2026	135,493	3.64	10,840	503,438
2027	136,171	3.77	11,219	523,607
2028	136,852	3.90	11,612	544,585
2029	137,536	4.04	12,018	566,404

[1] Reflects projected annual usage for revenue projections based on historical consumption trends and discussions with District staff.

[2] Pursuant to the Reserve Agreement, the Reserve CDD's bulk water commodity rate per thousand gallons shall equal 80% of the District's retail rate.

[3] The base charge is a single rate applied to water and wastewater service; the full amount is shown for the Water System and no base charge is presented for the wastewater system.

[4] Amounts shown include additional revenues to be produced from proposed rate adjustments.

The following is a summary of the estimated billed wastewater flow and the corresponding sales revenues for the bulk wastewater service for the Forecast Period from the Reserve CDD:

Reserve CDD – Bulk Wastewater System Sales

Fiscal Year	Annual Billed Water Sales (000s) [1]	Rate for Service (\$/1,000 gallons) [2]	Annual Base Charge [3] [4]	Bulk Wastewater Revenue [4]
2024	116,249	\$3.40	\$0	\$395,246
2025	116,539	3.71	0	431,895
2026	116,831	4.04	0	471,942
2027	117,123	4.18	0	489,681
2028	117,416	4.33	0	508,087
2029	117,709	4.48	0	527,185

[1] Reflects projected annual usage for revenue projections based on historical consumption trends and discussions with District staff.

[2] Pursuant to the Reserve Agreement, the Reserve CDD's bulk wastewater commodity rate per thousand gallons is 80% of the District's retail rate.

[3] The base charge is a single rate applied to water and wastewater service; the full amount was presented for the Water System and no base charge is presented for the wastewater system.

[4] Amounts shown include additional revenues to be produced from proposed rate adjustments.

Based on recent trends in metered service to the Reserve CDD, the bulk sales to the Reserve CDD for water and wastewater service are anticipated to experience minimal growth during the Forecast Period.

4. As previously discussed, the District charges an AFPI Charge to new connections to recover the carrying cost of its capital investment in utility plant constructed in advance of future connections. The projected revenues from the application of the AFPI charge was based on: 1) the current rates as reflected in the Rate Tariff; and 2) the projected development for the service area (expressed in ERUs) as shown on Table 2 and as discussed with the District which recognize that certain customers have prepaid such fees pursuant to the development process and policies of the District. As discussed previously, the District's service area is nearly built-out and projected growth is primarily associated with the development and re-development of commercial and industrial (non-residential) parcels. A summary of the projected AFPI Charge revenues assumed for the Forecast Period is as follows:

Projected Allowance for Funds Prudently Invested Charge Revenues [*]			
<u>Fiscal Year</u>	<u>Water AFPI Revenues</u>	<u>Wastewater AFPI Revenues</u>	<u>Total System AFPI Revenues</u>
2024	\$100,330	\$81,280	\$181,610
2025	92,825	75,200	168,025
2026	185,650	150,400	336,050
2027	3,950	3,200	7,150
2028	4,345	3,520	7,865
2029	4,345	3,520	7,865

[*] Includes both residential and commercial ERUs reserved by Developers/Builders for subsequent development and re-development (not customer additions) within the District's utility service area.

5. Water meter installation fees were based on both the rates currently in effect as presented in the District's Rate Tariff, and the projection of water customer additions anticipated to occur during the Forecast Period as presented in this Report.
6. As previously mentioned, the District currently charges all new development a Connection Fee to recover the allocable capital cost of the water and wastewater capacity assigned to such new customer/property. The projection of the System Connection Fees for the Forecast Period was based on: 1) the estimate of new customer additions to the System as summarized on Table 2 at the end of this Report; 2) the current Connection Fees in effect for Fiscal Year 2024, pursuant to the Rate Tariff; and 3) the recognition of certain applicants for service having prepaid the Connection Fees which were assumed to develop and connect to the System during the Forecast Period based on discussions with the District.

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7. Included in the financial projections are other operating revenues associated with service initiation, late payment fees, backflow prevention inspections, and other related customer requested services revenues. For the purposes of this Report, other operating revenues were based on: 1) the estimated Fiscal Year 2024 and 2025 revenues as contained in the respective adopted and preliminary budgets; 2) a review of historical amounts received from such charges, including Fiscal Year-to-date 2024 reported revenues; 3) where appropriate, the growth in new customers served by the System; and 4) discussions with District staff. Based on a review of such sources, it was assumed that such revenues would remain generally constant based on the Fiscal Year 2024 revenue estimates during the Forecast Period.
8. The projected Operating Expenses associated with operation and maintenance of the District's utility facilities have been escalated from the Fiscal Years 2024 and 2025 amounts based upon several assumptions and the nature of the expense. With respect to the Fiscal Year 2024, such budgeted amounts were compared to actual Fiscal Year 2023 and fiscal year-to-date 2024 results for reasonableness and were adjusted based on the prior results and discussions with the District staff. Fiscal Year 2025 projections represent preliminary budget amounts and have been discussed with District management during the budget preparation process. A summary of the projected Operating Expenses for the Forecast Period is included on Table 6 at the end of this Report. These projected Operating Expenses were escalated for the Forecast Period based on the following assumptions:
 - a. Based on discussions with District staff, utility system salaries and wages were assumed to increase between 2.1% - 2.2% annually for Fiscal Years 2026 through 2029 to reflect cost of living adjustments and allowances for salary adjustments such as promotions and merit increases. Personnel benefits (i.e., contributions toward retirement, health insurance, FICA, etc.) were escalated consistently with salaries and wages, with the exception being for health insurance and worker's compensation insurance premiums (discussed below). Furthermore, it was assumed that all employee positions as identified in the Fiscal Year 2024 and 2025 Budgets would remain filled (position fully funded) during the year, and no allowance for employee vacancies was assumed.
 - b. The cost of medical insurance and workers compensation is escalated at 4.5% annually in Fiscal Years 2026 through 2029 to reflect the anticipated increases in the cost of health insurance which is consistent with historical trends per discussions with the District.
 - c. The proposed Fiscal Year 2025 Budget includes a new Underground Utilities trainee position. The total incremental personnel expense of this position, including benefits, was estimated by District management to be \$45,000. No additional personnel were assumed for Fiscal Years 2026 through 2029 based on discussions with the District.

- d. The projected Fiscal Year 2025 Operating Expenses such as contractual services, professional services, and operating supplies were projected to increase 2.1% to 2.2% annually and reflect the projected increases in the Consumer Price Index ("CPI") as published by the Congressional Budget Office ("CBO") as contained in the *Economic and Budget Outlook* dated January 2024. This CPI index also served as the basis for the determination of the price index rate adjustments as discussed earlier in this Report.
- e. With respect to the projection of variable costs for water and wastewater operations, which included the cost for purchased power and chemicals for the water and wastewater treatment facilities, such projections were determined utilizing the cost of the expense for water production and wastewater treatment to the District's customers as outlined in the District's Fiscal Year 2024 Adopted Budget and the preliminary Fiscal Year 2025 Budget. These costs were escalated during the Forecast Period based on recent historical trends and input from District staff. Power costs were anticipated to increase by 3.5% to 4.5% annually to reflect additional increases in the cost of fuel. In addition to the cost of power, the cost of chemicals was escalated by 3.0% annually.
- f. A contingency allowance of 1.5% of total Operating Expenses was recognized in each fiscal year of the Forecast. This allowance has been included in order to have additional funds to meet unknown or unplanned expenditures throughout each fiscal year and to recognize potential changes in the revenues which may occur due to weather, conservation, and other factors. This allowance increases the projected revenue requirements of the combined utility systems (water, wastewater, and irrigation) by approximately \$119,700 annually during the Forecast Period and is included as an Operating Expense for the determination of the projected Net Revenues of the System.
- g. An allowance for bad debt expense equal to 0.25% of sales revenues has been made to recognize that a certain amount of revenues will be considered as uncollectible and written off throughout the year. This expenditure was projected based on the total sales revenue projected for each year during the Forecast Period and increased the projected Operating Expenses of the combined utility systems by approximately \$31,300 annually during the Forecast Period.
- h. Repair and Maintenance operating expenses were escalated based upon a factor of 3.0% over the Forecast Period, reflecting the observed trends in increased construction materials costs used in the repair and maintenance of existing water, wastewater, and irrigation vehicles and infrastructure and the assumption that as the utility plants age, the need / frequency for such repairs and maintenance will increase.

- i. Although considered a System operating expense for financial reporting purposes, depreciation and amortization expenses have not been recognized as a component of the Operating Expenses consistent with the provisions of the Master Indenture since such amounts represent non-cash expenses.
9. The District staff is currently responsible for the daily operations, customer service, and billing activities of the facilities. With respect to the daily accounting and financial reporting, budgeting, and cash disbursements of the District (includes both the System and the General Fund), the District has entered into an Administrative Services Agreement with SDS. The cost of these services is considered an Operating Expense of the System. Approximately 60.0% of the base contract amount is allocated to the Water and Sewer Fund, and approximately 40.0% is allocated to the General Fund. For the Fiscal Year 2025, the estimated contract amount was approximately \$53,840. The agreement allows for out-of-pocket expenditures and an annual increase to the base contract amount based on increases in the Consumer Price Index. Based on discussions with the District and a review of historical trends, the cost for these services has been increased 2.1% to 2.2% annually in Fiscal Years 2026 through 2029 to allow for general inflationary effects on the cost of providing these services.
10. As of October 1, 2023, the District had a total principal amount of \$22,525,000 outstanding of utility revenue bonds issued pursuant to the provisions of the Master Indenture (previously defined as the "Refunded Bonds") as summarized below:

<u>Refunded Bonds</u>	<u>Outstanding as of October 1, 2023 [1]</u>
Refunded Bonds: [2]	
Series 2011 Bonds	\$11,225,000
Series 2013 Bonds	2,850,000
Series 2014 Bonds	10,215,000
	<hr/>
Total Refunded Bonds	\$24,290,000
Principal Due 10/1/2024	<hr/> (1,765,000)
Total Refunded Bonds after 10/1/2024	\$22,525,000

[1] Except as noted below, the amounts shown reflect the outstanding principal amount of the Bonds after the payment that was due and payable on October 1, 2023.

[2] Amount shown does not include any change in principal amount outstanding as a result the issuance of the Series 2024 Bonds.

The debt service requirements included in this Report recognize that the Refunded Bonds are anticipated to be refunded with proceeds from the Series 2024 Bonds (discussed in following assumption).

11. The District is currently anticipating the issuance of the Series 2024 Bonds pursuant to the terms of the Master Indenture for the purpose of refunding all of the Refunded Bonds along with providing funding for the Project. The Annual Debt Service payments for the Series 2024 Bonds were derived from the estimated debt service schedule as provided by the District's Investment Banker. The assumptions provided by the Investment Banker with respect to the debt service on the Series 2024 Bonds include: 1) total principal amount of the bonds estimated at approximately \$60,270,000; 2) assumed average annual coupon interest rates on the serial and term bonds that comprise the Series 2024 Bonds of 4.43%; 3) a repayment period of approximately twenty (20) years with combined debt service payments being essentially level; 4) funding for the Series 2024 Bonds debt service Reserve Account in an amount necessary to meet the Reserve Account Requirement; 5) funding interest due on the Series 2024 Bonds to 10/1/2025; and 6) the payment of issuance expenses associated with the Series 2024 Bonds. It was further assumed that the Series 2024 Bonds would be dated and issued on or about November 7, 2024. Based on information provided by the Investment Banker, it is estimated that the maximum annual Debt Service Payment will be approximately \$4,611,530 during the life of the Series 2024 Bonds. For the remainder of the Forecast Period, no additional parity bonds or subordinate debt was recognized to fund the capital program needs of the System.
12. The capital improvement program for the System was based on information derived from: 1) the adopted Fiscal Year 2024 Budget and preliminary 2025 Budget; 2) information provided by the District, including amounts spent to date on all construction-work-in-progress for all outstanding capital projects currently being performed; and 3) assumptions prepared by the District's Consulting Engineer relative to the capital needs of the System. Table 9 at the end of this Report provides a detailed listing of the capital projects for the System during the Forecast Period. Included in the capital improvement program is the use of a portion of the funds on deposit in the R&R Fund to finance recurring capital projects (i.e., essentially the betterment or replacement of assets). The recognition of this revenue requirement is necessary in order to allow the District a funding mechanism to continue to provide high quality service (i.e., maintain same level of service) to its customers as the System ages.

Capital Improvement Project Funding [1]

	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
Total System Capital Costs	\$2,933,933	\$12,627,445	\$26,131,198	\$862,915	\$849,635	\$724,140
Anticipated Funding Sources:						
Water Connection Fees	\$185,000	\$600,000	\$0	\$0	\$0	\$0
Wastewater Connection Fees	0	0	0	0	0	0
Renewal & Replacement Fund	1,757,433	720,695	762,948	640,915	659,635	679,140
System Operations	891,500	314,000	65,500	222,000	190,000	45,000
General Fund Transfers	100,000	0	0	0	0	0
Series 2024 Bond Proceeds [2]	0	10,992,750	25,302,750	0	0	0
Total Funding Sources	\$2,933,933	\$12,627,445	\$26,131,198	\$862,915	\$849,635	\$724,140

[1] Amounts derived from Table 9 at the end of this Report.
 [2] Interest income in the Project Fund is anticipated at 4% with level monthly withdrawals through 11/3/2027.

As reflected in the Master Indenture which outlines the terms for the issuance of the Series 2024 Bonds, the System is required to and will establish and make annual deposits into the R&R Fund. The R&R Fund has been established to provide a dedicated source of monies for the funding of capital improvements related to the renewal, replacement, betterment, and upgrade of existing System utility assets. Based on the provisions of the Master Indenture, the minimum deposit to the R&R Fund shall be calculated as an amount equal to five percent (5.0%) of the Gross Revenues, excluding connection fees, from the preceding Fiscal Year of the System (or some other amount as determined by the Consulting Engineer, and as defined in the Master Indenture as the Renewal and Replacement Fund Requirement). For the purposes of developing the funding requirements from rates, and based on discussions with District staff, a recognized average deposit to the R&R Fund during the Forecast Period of approximately 6.2% of the previous years' Gross Revenues was recognized, which is greater than the R&R Fund Requirement as reflected in the Master Indenture. This additional deposit was based on: 1) the recognition of the funding required to appropriate monies for the CIP; and 2) maintaining a un-appropriated reserve balance in the R&R Fund. For the Forecast Period the following annual transfers to the R&R Fund were assumed:

Fiscal Year	R&R Fund Requirement [1]	Additional Deposit [2]	Total Recognized Deposit
2024	\$537,817	\$200,000	\$737,817
2025	553,263	200,000	753,263
2026	612,252	200,000	812,252
2027	719,234	100,000	819,234
2028	727,435	100,000	827,435
2029	753,728	100,000	853,728

[1] Represents 5.0% of previous year's Gross Revenues, excluding connection fees, as defined in Master Indenture.

[2] Reflects additional deposits funded from Rate Revenues above the R&R Fund Requirement assumed for the financial forecast reflected in this Report.

18. The District budgets capital outlay expenditures for furniture, fixtures, equipment, vehicles, and other related items as an operating expenditure of the System (as part of the operating budget). Since such expenditures represent a capital expenditure as opposed to an operating expense, such expenditures were reclassified as a capital expense after the payment of Operating Expenses. Although this adjustment does not affect the total revenue requirements funded from the overall revenues of the System, it does improve the amount of funds available for debt service coverage. Furthermore, this departmental capital outlay expenditure requirement is in addition to the transfer to the R&R Fund recognized annually.

19. Interest income has been recognized as an available revenue source to fund the expenditure needs of the System. For the Forecast Period, interest income was based on estimated balances in unrestricted funds as defined in the Master Indenture and other available fund balances established by the District. We have assumed that any interest earnings on the R&R Fund, Connection Fee Funds, or the Construction Fund established from proceeds derived from the issuance of the Series 2024 Bonds, will be retained in the respective funds and not be available for the determination of the Net Revenues of the System. Although these earnings are considered as available for capital project funding, the earnings are not being considered as being available to fund utility Operating Expenses since such earnings are restricted to each respective account pursuant to the Master Indenture.

In the development of the estimated interest earnings, an average interest rate of 1.25% was assumed to be earned on the estimated average fund balances for the unrestricted funds and accounts during the Forecast Period based on recent earnings performance and discussions with District staff. No interest earnings, for operations purposes, were assumed on monies on deposit in the Construction Fund (Series 2024 Bond proceeds) since these monies are appropriated for the Project. A summary of the interest earnings projected for each year of the Forecast Period as well as the estimated cash balances by individual fund or account is presented in Table 10 at the end of this Report. The projected interest income recognized during the Forecast Period is summarized below:

Summary of Projected Interest Earnings [1]

	Fiscal Year Ending September 30					
	2024	2025	2026	2027	2028	2029
Unrestricted Interest Earnings						
Revenue Account and Surplus Fund [2]	\$80,489	\$79,857	\$87,523	\$94,160	\$101,159	\$112,860
Rate Stabilization Account	7,548	7,548	7,548	7,548	7,548	7,548
Customer Deposits	0	0	0	0	0	0
Total Unrestricted Interest Earnings	\$88,037	\$87,405	\$95,071	\$101,708	\$108,707	\$120,408
Restricted Interest Earnings	\$17,534	\$11,574	\$12,215	\$13,782	\$16,111	\$18,447
Renewal & Replacement Fund	0	0	0	0	0	0
Construction Fund (Series 2024 Bonds)	4,947	7,407	14,280	21,587	22,086	22,602
Water Connection Fees Fund	4,560	10,516	19,151	25,150	25,654	26,173
Wastewater Connection Fee Fund	22,984	14,698	14,882	15,068	15,256	15,447
Debt Service Reserve Account	8,000	8,000	14,400	14,400	14,400	14,400
Debt Service Fund (Sinking Fund) [3]	\$58,025	\$52,195	\$74,928	\$89,987	\$93,507	\$97,069
Total Restricted Interest Earnings [4]	\$146,062	\$139,600	\$169,999	\$191,695	\$202,214	\$217,477
Total System Interest Earnings	\$80,489	\$79,857	\$87,523	\$94,160	\$101,159	\$112,860

[1] Amounts derived from Table 10.
 [2] Includes earnings on the Revenue Account, Operating and Maintenance Fund, and Surplus Funds, all as defined in the Master Indenture.
 [3] Includes interest earnings on the Principal Account and Interest Account.
 [4] Interest income on balances in the Renewal & Replacement Fund, Water and Wastewater Connection Fee Funds, and the Construction Fund established from Series 2024 Bond proceeds were considered as being restricted to such accounts and not available to be included in the determination of the Net Revenues of the System based on the provisions of the Master Indenture.

20. As provided by the Master Indenture, the District has established a Rate Stabilization Account, which was funded from available unrestricted operating reserves of the System. At the end of Fiscal Year 2023, the Rate Stabilization Account has an approximate balance of \$603,839 on deposit. The Master Indenture allows the District to use the funds on deposit in the Rate Stabilization Account to fund principal and interest payments on the Series 2024 Bonds when funds in the Revenue Account are deemed insufficient. However, it has been assumed that the District will not utilize these funds during the remainder of the Forecast Period.
21. All contracts, agreements, statutes, rules, and regulations which have been relied upon by us in preparing this Report and the projected operating results contained herein will be fully enforceable and remain in effect in accordance with their terms and conditions, and such terms and conditions will be complied with by the parties involved throughout the Forecast Period. We make no representations or warranties and provide no opinion concerning the enforceability or legal interpretation of such contractual and legal requirements.

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Summary of Projected Operating Results

As shown on Table 12 and summarized below, projections have been prepared for the operating results of the System. Such projections were prepared in accordance with our understanding of the flow of funds prescribed by the Master Indenture and the assumptions and considerations used in the projections described earlier.

Projected of Operating Results and Debt Coverage Analysis [1]

	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
System Rate Revenue [2]	\$10,687,587	\$11,874,131	\$13,780,947	\$14,346,464	\$14,869,918	\$15,413,460
Other Operating Revenue [3]	76,840	97,550	163,100	83,760	78,330	78,330
Connection Fee Revenues	1,097,280	1,015,200	2,030,400	31,740	35,093	35,093
AFPI Revenues	181,610	168,025	336,050	7,150	7,865	7,865
Interest Income [4]	88,037	87,405	95,071	101,708	108,707	120,408
Transfer From Rate Stabilization Fund [5]	0	0	0	0	0	0
Gross Revenues	\$12,131,354	\$13,242,311	\$16,405,568	\$14,570,822	\$15,099,913	\$15,655,156
Operating Expenses [6]	\$7,514,991	\$8,024,839	\$8,248,579	\$8,470,980	\$8,736,562	\$8,940,950
Net Revenues	\$4,616,363	\$5,217,471	\$8,156,989	\$6,099,842	\$6,363,352	\$6,714,207
Rate Covenant Test [7]						
Annual Debt Service: [8]						
Series 2011 Bonds	\$1,658,385	\$0	\$0	\$0	\$0	\$0
Series 2013 Bonds	369,075	0	0	0	0	0
Series 2014 Bonds	547,095	0	0	0	0	0
Series 2024 Bonds	0	2,552,786	4,607,005	4,608,180	4,610,530	4,609,530
Total Annual Debt Service	\$2,574,555	\$2,552,786	\$4,607,005	\$4,608,180	\$4,610,530	\$4,609,530
Annual Debt Service Coverage Allowance [9]	257,456	255,279	460,701	460,818	461,053	460,953
Reserve Account [10]	0	0	0	0	0	0
Renewal and Replacement Fund [11]	537,817	551,704	611,356	718,758	726,954	753,241
Repayment to Connection Fee Funds [12]	0	0	0	0	0	0
Required Deposit Per Master Indenture	\$3,369,828	\$3,359,768	\$5,679,062	\$5,787,756	\$5,798,537	\$5,823,724
Coverage Ratio – Calculated	136.99%	155.29%	143.63%	105.39%	109.74%	115.29%
Coverage Ratio – Required	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Footnotes:

- [1] Amounts shown derived from information provided on Table 12 at the end of this Report.
- [2] Amounts shown reflect the projected increase in rate revenue collections assuming the adoption and implementation of the following rate adjustments:
- | Proposed Rate Adjustments | Fiscal Year Ending September 30, | | | | | |
|---------------------------|----------------------------------|-------|-------|-------|-------|-------|
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| | N/A | 9.00% | 9.00% | 3.50% | 3.50% | 3.50% |
- [3] Amounts include late fees, meter set fees, and miscellaneous fees.
- [4] Amounts shown reflect investment earnings from funds and accounts established by the District that are considered unrestricted.
- [5] Amounts represent the use of or deposits to Rate Stabilization Account as provided by the Master Indenture.
- [6] Pursuant to the Master Indenture, Operating Expenses do not include depreciation or amortization expenses.
- [7] The Master Indenture requires the District to annually provide Net Revenues adequate to pay at least: 1) 110% of the Annual Debt Service on all Outstanding Bonds; 2) 100% of any required deposits to the Reserve Account; 3) 100% of any required deposits to the Renewal and Replacement Fund; and 4) 100% of any amounts required to be repaid to the Water or Wastewater Connection Fees Funds.
- [8] Amounts shown provided by the Investment Banker and confirmed by the Trustee for the Refunded Bonds.
- [9] The Master Indenture requires Net Revenues sufficient to provide at least 110% of the total Annual Debt Service on the Outstanding Bonds. The Amounts shown represent the additional 10% allowance for covenant compliance above the actual Annual Debt Service.
- [10] Pursuant to the Master Indenture, the District must maintain a balance in the Reserve Account equal to the Reserve Account Requirement as defined in the Master Indenture. The Reserve Account Requirement is assumed to be fully funded during the Forecast Period.
- [11] Amounts reflect required transfers to the Renewal and Replacement Fund as required by the Master Indenture and is equal to five percent (5.0%) of the previous year's Gross Revenues, excluding connection fees revenues.
- [12] Pursuant to the Master Indenture, the District must recognize 100% of any amounts required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund. No amounts have been borrowed or are required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund during the Forecast Period.

FINDINGS AND CONCLUSIONS

Based upon the principal considerations, assumptions, and the results of our studies and analyses, as summarized in this Report, which should be read in its entirety in conjunction with the following, we are of the opinion that:

1. The projected growth in customers and usage of the System represent reasonable projections for the purposes of this Report.
2. The System revenues for the Fiscal Years ending September 30, 2024 through 2029 under the District approved rates, plus projected additional annual rate revenue based on System growth and the assumed rate adjustments as discussed in this Report should be sufficient to: 1) pay all projected Operating Expenses; 2) pay the estimated debt service on Series 2024 Bonds; 3) make annual deposits in an amount equal to the Renewal and Replacement Fund Requirement which is available for additions, extensions, and improvements to the System; and 4) meet the rate covenant of the Master Indenture.
3. The recently approved District rates for water and wastewater service are comparable to charges for similar service (including irrigation use) provided by other neighboring utilities.

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ST. LUCIE WEST SEVICES DISTRICT

**PRELIMINARY FEASIBILITY REPORT
UTILITY REVENUE AND REFUNDING BONDS, SERIES 2024**

LIST OF TABLES AND APPENDICES

Table No.	Title
1	Summary of Historical Customer and Sales Statistics
2	Customer Growth Assumptions
3	Summary of Projected Customer and Usage Statistics
4	Summary of Projected Revenue from Existing Rates
5	Development of Connection and AFPI Fee Projections
6	Summary of Projected Operating Expenses
7	Summary of Escalation Factors
8	Determination of Annual Renewal and Replacement Fund Deposit
9	Estimated Six-Year Capital Improvement Program
10	Projected Fund Balances and Interest Income Determination
11	Historical Operating Results and Debt Service Coverage
12	Projected Operating Results and Debt Service Coverage

Table 1
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Historical Customer and Sales Statistics [1] [2]

Line No.	Description	Fiscal Year Ended September 30,					
		2019	2020	2021	2022	2023	2024
Water System							
Residential Service							
1	Average Annual Accounts	6,289	6,292	6,302	6,295	6,297	6,293
2	Total Sales (000's)	238,670	253,338	255,025	256,680	253,523	250,633
3	Average Monthly Use Per Account	3,163	3,355	3,372	3,398	3,355	3,319
Commercial Service							
4	Average Annual Accounts	504	508	509	510	515	519
5	Total Sales (000's)	206,702	200,244	212,419	238,081	243,688	241,719
6	Average Monthly Use Per Account	34,177	32,848	34,777	38,902	39,432	38,812
Total Retail Water Service							
7	Average Annual Accounts	6,793	6,800	6,811	6,805	6,812	6,812
8	Total Retail Sales (000's)	445,372	453,582	467,444	494,761	497,211	492,352
9	Average Monthly Use Per Account (gallons)	5,464	5,559	5,719	6,059	6,083	6,023
Reserve Community Development District							
10	Total Accounts	1	1	1	1	1	1
11	Total Sales (000's)	95,436	111,494	133,215	152,313	154,307	134,149
12	Total Water Accounts	6,794	6,801	6,812	6,806	6,813	6,813
13	Total Water Sales (000's)	540,808	565,076	600,659	647,074	651,518	626,501
14	Total Water Production (000's)	605,900	613,200	648,605	692,770	730,000	748,250
15	Average Daily Flow (MGD)	1.660	1.680	1.777	1.898	2.000	2.050
16	Maximum Daily Flow (MGD)	1.794	1.859	2.137	2.600	2.917	2.858
17	Unbilled Water (As % of Production)	10.74%	7.85%	7.39%	6.60%	10.75%	16.27%
Wastewater System							
Residential Service							
18	Average Annual Accounts	6,289	6,292	6,301	6,293	6,296	6,292
19	Total Billed Flow (000's)	238,670	253,338	257,722	256,680	253,503	250,628
20	Average Monthly Use Per Account	3,163	3,355	3,408	3,399	3,355	3,319
Commercial Service							
21	Average Annual Accounts	446	451	453	454	459	464
22	Total Billed Flow (000's)	190,786	191,176	199,839	219,303	222,557	220,502
23	Average Monthly Use Per Account	35,648	35,324	36,762	40,254	40,406	39,602
Total Retail Wastewater Service							
24	Average Annual Accounts	6,735	6,743	6,754	6,747	6,755	6,756
25	Total Billed Flow (000's)	429,456	444,514	457,561	475,983	476,060	471,129
26	Average Monthly Use Per Account (gallons)	5,314	5,494	5,646	5,879	5,873	5,811
27		258,781	280,022	292,066	285,704	292,178	318,490
Reserve Community Development District							
28	Total Accounts	1	1	1	1	1	1
29	Total Metered Flow (000's)	94,455	102,208	106,604	104,282	106,645	116,249

Footnotes on Page 2 of 2.

Table 1
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Historical Customer and Sales Statistics [1] [2]

Line No.	Description	Fiscal Year Ended September 30,					
		2019	2020	2021	2022	2023	2024
30	Total Wastewater Accounts	6,736	6,744	6,755	6,748	6,756	6,757
31	Total Wastewater Sales (000's)	523,911	546,722	564,165	580,265	582,705	587,378
32	Total Wastewater Treated (000's)	508,698	530,847	547,783	563,416	565,785	570,322
33	Average Daily Flow (MGD)	1.394	1.454	1.501	1.544	1.550	1.563
34	Average Maximum 3 Month Flow (MGD)	1.501	1.499	1.632	1.548	1.615	1.612
35	Wastewater Treated Per Retail Account	61.506	63.568	65.321	68.050	67.970	67.210
Irrigation Service							
High Pressure							
Residential Service							
36	Average Annual Accounts [3]	5,176	5,179	5,185	5,178	5,176	5,194
37	Total Sales (000's)	N/A	N/A	N/A	N/A	N/A	N/A
38	Average Monthly Use Per Account	N/A	N/A	N/A	N/A	N/A	N/A
Multifamily Service [3]							
39	Average Annual Dwelling Units	1,017	1,018	1,019	1,018	1,018	1,018
40	Total Sales (000's)	N/A	N/A	N/A	N/A	N/A	N/A
41	Average Monthly Use Per Account	N/A	N/A	N/A	N/A	N/A	N/A
Commercial Service [3]							
42	Average Annual Acres Billed	380	378	378	381	379	377
43	Total Sales (000's)	N/A	N/A	N/A	N/A	N/A	N/A
44	Average Monthly Use Per Account (gallons)	N/A	N/A	N/A	N/A	N/A	N/A
Total High Pressure							
45	Total Accounts/Acres	5,556	5,557	5,563	5,559	5,555	5,571
46	Total Sales	N/A	N/A	N/A	N/A	N/A	N/A
Low Pressure (Golf Course)							
47	Average Annual Accounts	1	1	1	1	1	1
48	Total Sales (000's)	44,795	38,349	35,898	44,641	44,641	43,590
49	Average Monthly Use Per Account (gallons)	3,732,890	3,195,788	2,991,500	3,720,083	3,720,083	3,632,462
50	Total Irrigation Sales (000's)	N/A	N/A	N/A	N/A	N/A	N/A

[1] Customer sales statistics are based on detailed customer billing information and monthly operating reports (MORs) as provided by
[2] Amounts shown for the Fiscal Year 2024 are based on a last 12 month average as of March 2024.
[3] Amount shown are estimated based on information provided by the District.

Table 2
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Customer Growth Assumptions

Line No.	Description	ERU Factor	Estimated 2024	Projected Fiscal Year Ending September 30,				
				2025	2026	2027	2028	2029
WATER SYSTEM								
Residential Service								
1	Normal Growth		N/A	5	5	5	5	5
2	Reserve CDD Acquisition		N/A	0	0	0	0	0
3	Incremental Growth		N/A	0	0	0	0	0
4	Total Account Growth		(4)	5	5	5	5	5
5	Total Annual Average Accounts	1.0	6,293	6,298	6,303	6,308	6,313	6,318
6	Average Annual ERUs		6,293	6,298	6,303	6,308	6,313	6,318
7	Average Monthly Use per Account		3,319	3,340	3,340	3,340	3,340	3,340
8	Total Sales (000's)		250,633	252,424	252,624	252,825	253,025	253,225
Commercial Service								
Estimated Growth By Meter Size:								
9	Incremental Growth - ERCs		0	128	536	35	0	0
10	5/8 x 3/4 - inch		0	0	0	5	5	5
11	Full 3/4 - inch		0	0	0	0	0	0
12	1 - inch		0	0	0	0	1	1
13	1 -1/2 - inch		0	0	0	0	0	0
14	2 - inch		0	0	0	0	0	0
15	3 - inch		0	0	0	0	0	0
16	4 - inch		0	0	0	0	0	0
17	6 - inch		0	0	0	0	0	0
18	8 - inch		0	0	0	0	0	0
19	Total Number of Accounts by Meter Size		0	128	536	40	6	6
Totals by Meter Size								
20	Incremental Growth - ERCs	1.0	0	128	664	699	699	699
21	5/8 x 3/4 - inch	1.0	149	149	149	154	159	164
22	Full 3/4 - inch	1.5	0	0	0	0	0	0
23	1 - inch	2.5	133	133	133	133	134	135
24	1 -1/2 - inch	5.0	60	60	60	60	60	60
25	2 - inch	8.0	148	148	148	148	148	148
26	3 - inch	16.0	8	8	8	8	8	8
27	4 - inch	25.0	12	12	12	12	12	12
28	6 - inch	50.0	0	0	0	0	0	0
29	8 - inch	80.0	2	2	2	2	2	2
30	Total Annual Average Accounts		512	640	1,176	1,216	1,222	1,228
31	Average Annual ERUs		2,554	2,682	3,218	3,258	3,265	3,273
32	Average Monthly Use per Account		38,812	33,106	21,617	21,166	21,108	21,056
33	Average Monthly Use per ERC		7,887	7,900	7,900	7,900	7,900	7,900
34	Total Sales (000's)		241,719	254,254	305,066	308,858	309,522	310,280
Reserve CDD								
35	Total Annual Average Accounts		1	1	1	1	1	1
36	Average Monthly Use per Account		11,179,049	11,234,945	11,291,119	11,347,575	11,404,313	11,461,334
37	Total Sales (000's)		134,149	134,819	135,493	136,171	136,852	137,536
38	Total Annual Average Accounts		6,806	6,939	7,480	7,525	7,536	7,547
39	Total Water Sales (000's)		626,501	641,497	693,184	697,854	699,399	701,041
40	Total Account Growth		-0.06%	1.95%	7.80%	0.60%	0.15%	0.15%
41	Total Water Sales Growth		-3.84%	2.39%	8.06%	0.67%	0.22%	0.23%

Table 2
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Customer Growth Assumptions

Line No.	Description	ERU Factor	Estimated 2024	Projected Fiscal Year Ending September 30,				
				2025	2026	2027	2028	2029
WASTEWATER SYSTEM								
Residential Service								
42	Normal Growth		N/A	5	5	5	5	5
43	Reserve CDD Acquisition		N/A	0	0	0	0	0
44	Incremental Growth		N/A	0	0	0	0	0
45	Total Account Growth		0	5	5	5	5	5
46	Total Annual Average Accounts	1.0	6,292	6,297	6,302	6,307	6,312	6,317
47	Average Annual ERUs		6,292	6,297	6,302	6,307	6,312	6,317
48	Average Monthly Use per Account		3,319	3,340	3,340	3,340	3,340	3,340
49	Total Sales (000's)		250,628	252,384	252,584	252,785	252,985	253,185
Commercial Service								
Estimated Growth By Meter Size:								
50	Incremental Growth - ERCs		0	128	536	35	0	0
51	5/8 x 3/4 - inch		0	0	0	5	5	5
52	Full 3/4 - inch		0	0	0	0	0	0
53	1 - inch		0	0	0	0	1	1
54	1 -1/2 - inch		0	0	0	0	0	0
55	2 - inch		0	0	0	0	0	0
56	3 - inch		0	0	0	0	0	0
57	4 - inch		0	0	0	0	0	0
58	6 - inch		0	0	0	0	0	0
59	8 - inch		0	0	0	0	0	0
60	Total Number of Accounts by Meter Size		0	128	536	40	6	6
Totals by Meter Size								
61	Incremental Growth - ERCs	1.0	0	128	664	699	699	699
62	5/8 x 3/4 - inch	1.0	135	135	135	140	145	150
63	Full 3/4 - inch	1.5	0	0	0	0	0	0
64	1 - inch	2.5	121	121	121	121	122	123
65	1 -1/2 - inch	5.0	54	54	54	54	54	54
66	2 - inch	8.0	134	134	134	134	134	134
67	3 - inch	16.0	7	7	7	7	7	7
68	4 - inch	25.0	11	11	11	11	11	11
69	6 - inch	50.0	0	0	0	0	0	0
70	8 - inch	80.0	2	2	2	2	2	2
71	Total Annual Average Accounts		464	592	1,128	1,168	1,174	1,180
72	Average Annual ERUs		2,327	2,455	2,991	3,031	3,038	3,046
73	Average Monthly Use per Account		39,602	32,968	21,080	20,630	20,572	20,522
74	Average Monthly Use per ERC		7,896	7,950	7,950	7,950	7,950	7,950
75	Total Sales (000's)		220,502	234,207	285,341	289,157	289,825	290,588
Reserve CDD								
76	Total Annual Average Accounts		1	1	1	1	1	1
77	Average Monthly Use per Account		9,687,390	9,711,609	9,735,888	9,760,228	9,784,628	9,809,090
78	Total Sales (000's)		116,249	116,539	116,831	117,123	117,416	117,709
Total Wastewater Accounts								
79	Total Annual Average Accounts		6,757	6,890	7,431	7,476	7,487	7,498
80	Total Wastewater Sales (000's)		587,378	603,130	654,756	659,064	660,225	661,482
81	Total Account Growth		0.01%	1.97%	7.85%	0.61%	0.15%	0.15%
82	Total Sales Growth		0.80%	2.68%	8.56%	0.66%	0.18%	0.19%

Table 2
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Customer Growth Assumptions

Line No.	Description	ERU Factor	Estimated 2024	Projected Fiscal Year Ending September 30,				
				2025	2026	2027	2028	2029
IRRIGATION SERVICE								
Residential Service								
83	Normal Growth		0	4	4	4	4	4
84	Incremental Growth		0	0	0	0	0	0
85	Total Account Growth		0	4	4	4	4	4
86	Total Annual Average Accounts		5,194	5,198	5,202	5,206	5,210	5,214
87	Average Monthly Use per Account		0	0	0	0	0	0
88	Total Sales (000's)		0	0	0	0	0	0
Multifamily Service								
89	Normal Growth		0	80	200	20	0	0
90	Incremental Growth		0	0	0	0	0	0
91	Total Account Growth		0	80	200	20	0	0
92	Total Annual Average Accounts		1,018	1,098	1,298	1,318	1,318	1,318
93	Average Monthly Use per Account		0	0	0	0	0	0
94	Total Sales (000's)		0	0	0	0	0	0
Commercial Service								
95	Normal Growth		0	5	5	5	0	0
96	Incremental Growth		0	0	0	0	0	0
97	Total Growth in Annual Acres Billed		0	5	5	5	0	0
98	Total Annual Average Acres Billed		377	382	387	392	392	392
99	Average Monthly Use per Account		0	0	0	0	0	0
100	Total Sales (000's)		0	0	0	0	0	0
Low Pressure Service (Golf Course)								
101	Normal Growth		0	0	0	0	0	0
102	Incremental Growth		0	0	0	0	0	0
103	Total Account Growth		0	0	0	0	0	0
104	Total Annual Average Accounts		1	1	1	1	1	1
105	Average Monthly Use per Account		3,632,462	3,632,462	3,632,462	3,632,462	3,632,462	3,632,462
106	Total Sales (000's)		43,590	43,590	43,590	43,590	43,590	43,590
Total Irrigation Accounts								
107	Total Annual Average Accounts/Acres		6,590	6,679	6,888	6,917	6,921	6,925
108	Total Sales (000's)		43,590	43,590	43,590	43,590	43,590	43,590
109	Total Account Growth		0.24%	1.35%	3.13%	0.42%	0.06%	0.06%
110	Total Sales Growth		-2.36%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 3
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Customer and Usage Statistics [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
WATER SYSTEM							
Residential Service							
1	Average Annual Accounts	6,293	6,298	6,303	6,308	6,313	6,318
2	Total Sales (000's)	250,633	252,424	252,624	252,825	253,025	253,225
3	Average Monthly Use per Account	3,319	3,340	3,340	3,340	3,340	3,340
Commercial Service							
4	Average Annual Accounts	512	640	1,176	1,216	1,222	1,228
5	Total Sales (000's)	241,719	254,254	305,066	308,858	309,522	310,280
6	Average Monthly Use per Account	39,342	33,106	21,617	21,166	21,108	21,056
Total Retail Water Service							
7	Average Annual Accounts	6,805	6,938	7,479	7,524	7,535	7,546
8	Total Sales (000's)	492,352	506,678	557,690	561,683	562,547	563,505
9	Average Monthly Use per Account (gallons)	6,029	6,086	6,214	6,221	6,221	6,223
Reserve CDD							
10	Total Annual Average Accounts	1	1	1	1	1	1
11	Total Sales (000's)	134,149	134,819	135,493	136,171	136,852	137,536
12	Total Annual Average Accounts	6,806	6,939	7,480	7,525	7,536	7,547
13	Total Water Sales (000's)	626,501	641,497	693,184	697,854	699,399	701,041
14	Total Water Production (000's)	686,226	702,652	759,266	764,381	766,073	767,872
15	Average Daily Flow (MGD)	1.880	1.925	2.080	2.094	2.099	2.104
16	Peak Day Flow (MGD)	2.268	2.323	2.510	2.527	2.532	2.538
17	Unbilled Water (As % of Production)	8.70%	8.70%	8.70%	8.70%	8.70%	8.70%
WASTEWATER SYSTEM							
Residential Service							
18	Average Annual Accounts	6,292	6,297	6,302	6,307	6,312	6,317
19	Total Billed Flow (000's)	250,628	252,384	252,584	252,785	252,985	253,185
20	Average Monthly Use per Account	3,319	3,340	3,340	3,340	3,340	3,340
Commercial Service							
21	Average Annual Accounts	464	592	1,128	1,168	1,174	1,180
22	Total Billed Flow (000's)	220,502	234,207	285,341	289,157	289,825	290,588
23	Average Monthly Use per Account	39,602	32,968	21,080	20,630	20,572	20,522
Total Retail Wastewater Service							
24	Average Annual Accounts	6,756	6,889	7,430	7,475	7,486	7,497
25	Total Billed Sales (000's)	471,129	486,591	537,925	541,942	542,810	543,773
26	Average Monthly Use Per Account (gallons)	5,811	5,886	6,033	6,042	6,043	6,044
Reserve CDD							
27	Total Annual Average Accounts	1	1	1	1	1	1
28	Total Billed Sales (000's)	116,249	116,539	116,831	117,123	117,416	117,709
29	Total Annual Average Accounts	6,757	6,890	7,431	7,476	7,487	7,498
30	Total Wastewater Sales (000's)	587,378	603,130	654,756	659,064	660,225	661,482
31	Total Wastewater Treated (000's)	570,322	695,215	740,951	745,023	746,240	747,457
32	Average Daily Flow (MGD)	1.563	1.905	2.030	2.041	2.044	2.048
33	Average Maximum 3 Month Flow (MGD)	1.646	2.007	2.139	2.151	2.154	2.158
34	Average Wastewater Treated Per Retail Acco	84.417	84.000	84.000	84.000	84.000	84.000

Footnotes on Page 2 of 2.

Table 3
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Customer and Usage Statistics [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
IRRIGATION SERVICE							
Residential Service							
35	Average Annual Accounts	5,194	5,198	5,202	5,206	5,210	5,214
36	Total Sales (000's)	0	0	0	0	0	0
37	Average Monthly Use per Account	0	0	0	0	0	0
Multifamily Service							
38	Average Annual Accounts	1,018	1,098	1,298	1,318	1,318	1,318
39	Total Sales (000's)	0	0	0	0	0	0
40	Average Monthly Use per Account	0	0	0	0	0	0
Commercial Service							
41	Average Annual Acres Billed	377	382	387	392	392	392
42	Total Sales (000's)	0	0	0	0	0	0
43	Average Monthly Use per Account	0	0	0	0	0	0
Total High Pressure Service							
44	Average Annual Accounts/Acres	6,589	6,678	6,887	6,916	6,920	6,924
45	Total Sales (000's)	0	0	0	0	0	0
46	Average Monthly Use per Account	0	0	0	0	0	0
Low Pressure Service (Golf Course)							
47	Average Annual Accounts	1	1	1	1	1	1
48	Total Sales (000's)	43,590	43,590	43,590	43,590	43,590	43,590
49	Average Monthly Use Per Account (gallons)	3,632,462	3,632,462	3,632,462	3,632,462	3,632,462	3,632,462
50	Total Annual Average Accounts/Acres	6,590	6,679	6,888	6,917	6,921	6,925
51	Total Irrigation Sales (000's)	<u>43,590</u>	<u>43,590</u>	<u>43,590</u>	<u>43,590</u>	<u>43,590</u>	<u>43,590</u>

Footnotes:

[1] Amounts shown for the Fiscal Year 2024 are based on a last 12 month average as of March 2024.

Table 4
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Revenues from Existing Rates [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
Water Sales Revenue							
Residential Service							
1	Base Charge	\$ 1,283,772	\$ 1,284,792	\$ 1,285,812	\$ 1,286,832	\$ 1,287,852	\$ 1,288,872
2	Volumetric Charge	957,419	964,259	965,025	965,790	966,556	967,321
3	Total Residential	\$ 2,241,191	\$ 2,249,051	\$ 2,250,837	\$ 2,252,622	\$ 2,254,408	\$ 2,256,193
Commercial Service							
4	Base Charge	\$ 521,071	\$ 547,183	\$ 656,527	\$ 664,687	\$ 666,217	\$ 667,747
5	Volumetric Charge	923,367	971,250	1,165,352	1,179,838	1,182,374	1,185,270
6	Total Multifamily	\$ 1,444,438	\$ 1,518,433	\$ 1,821,879	\$ 1,844,524	\$ 1,848,591	\$ 1,853,016
7	Total Water Revenue - Retail Service	\$ 3,685,628	\$ 3,767,484	\$ 4,072,715	\$ 4,097,146	\$ 4,102,998	\$ 4,109,210
Bulk Service - Reserve							
8	Base Charge	\$ 9,124	\$ 9,124	\$ 9,124	\$ 9,124	\$ 9,124	\$ 9,124
9	Volumetric Charge	410,495	412,547	414,610	416,683	418,766	420,860
10	Total Bulk Service	\$ 419,618	\$ 421,671	\$ 423,734	\$ 425,807	\$ 427,890	\$ 429,984
11	Revenue Adjustment [2]	(18,428)	(18,837)	(20,364)	(20,486)	(20,515)	(20,546)
12	Adjusted Total Water Revenue	\$ 4,086,819	\$ 4,170,318	\$ 4,476,085	\$ 4,502,467	\$ 4,510,373	\$ 4,518,648
Wastewater Sales Revenue							
Residential Service							
13	Base Charge	\$ 1,605,215	\$ 1,606,491	\$ 1,607,766	\$ 1,609,042	\$ 1,610,317	\$ 1,611,593
14	Volumetric Charge	1,065,167	1,072,631	1,073,483	1,074,334	1,075,186	1,076,038
15	Total Residential	\$ 2,670,382	\$ 2,679,122	\$ 2,681,249	\$ 2,683,376	\$ 2,685,504	\$ 2,687,631
Commercial Service							
16	Base Charge	\$ 593,427	\$ 626,083	\$ 762,827	\$ 773,032	\$ 774,945	\$ 776,859
17	Volumetric Charge	937,132	995,380	1,212,699	1,228,917	1,231,756	1,234,999
18	Total Residential	\$ 1,530,559	\$ 1,621,462	\$ 1,975,526	\$ 2,001,949	\$ 2,006,702	\$ 2,011,858
19	Total Wastewater Revenue - Retail Service	\$ 4,200,941	\$ 4,300,584	\$ 4,656,775	\$ 4,685,325	\$ 4,692,205	\$ 4,699,489
Bulk Service - Reserve							
20	Base Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
21	Volumetric Charge	395,246	396,234	397,224	398,217	399,213	400,211
22	Total Bulk Service	\$ 395,246	\$ 396,234	\$ 397,224	\$ 398,217	\$ 399,213	\$ 400,211
23	Revenue Adjustment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
24	Adjusted Total Wastewater Revenue	\$ 4,596,187	\$ 4,696,818	\$ 5,053,999	\$ 5,083,543	\$ 5,091,418	\$ 5,099,700

Table 4
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Revenues from Existing Rates [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
Irrigation Sales Revenue							
Residential & Multifamily Service							
25	Base Charge	\$ 1,441,830	\$ 1,456,486	\$ 1,491,662	\$ 1,496,058	\$ 1,497,035	\$ 1,498,011
26	Volumetric Charge	0	0	0	0	0	0
27	Total Residential	\$ 1,441,830	\$ 1,456,486	\$ 1,491,662	\$ 1,496,058	\$ 1,497,035	\$ 1,498,011
Commercial Service							
28	Base Charge	\$ 552,290	\$ 559,615	\$ 566,940	\$ 574,264	\$ 574,264	\$ 574,264
29	Volumetric Charge	0	0	0	0	0	0
30	Total Residential	\$ 552,290	\$ 559,615	\$ 566,940	\$ 574,264	\$ 574,264	\$ 574,264
31	Revenue Adjustment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Golf Course							
32	Base Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
33	Volumetric Charge	10,462	10,462	10,462	10,462	10,462	10,462
34	Total Bulk Service	\$ 10,462	\$ 10,462	\$ 10,462	\$ 10,462	\$ 10,462	\$ 10,462
35	Revenue Adjustment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
36	Total Irrigation Revenue	\$ 2,004,581	\$ 2,026,562	\$ 2,069,063	\$ 2,080,784	\$ 2,081,761	\$ 2,082,737
37	Adjusted Total Irrigation Revenue	\$ 2,004,581	\$ 2,026,562	\$ 2,069,063	\$ 2,080,784	\$ 2,081,761	\$ 2,082,737
38	Total System Rate Revenue	<u>\$ 10,687,587</u>	<u>\$ 10,893,698</u>	<u>\$ 11,599,148</u>	<u>\$ 11,666,794</u>	<u>\$ 11,683,552</u>	<u>\$ 11,701,084</u>
System Other Operating Revenues							
39	Meter Set Fees	\$ 4,040	\$ 19,950	\$ 81,150	\$ 6,750	\$ 1,650	\$ 1,650
40	Initial Connection Fees	0	4,800	9,150	4,210	3,880	3,880
41	Miscellaneous Income	5,000	5,000	5,000	5,000	5,000	5,000
42	Late Fees	38,000	38,000	38,000	38,000	38,000	38,000
43	Backflow Prevention	25,000	25,000	25,000	25,000	25,000	25,000
44	Tanker Truck Water Service	4,800	4,800	4,800	4,800	4,800	4,800
45	Total System Other Operating Revenues	\$ 76,840	\$ 97,550	\$ 163,100	\$ 83,760	\$ 78,330	\$ 78,330

Footnotes

- [1] Amounts shown based on i) the customer sales forecasts assumed for the System as shown on Table 2 and Table 3 and ii) the rates adopted by the Board of Supervisors as reflected in Resolution No. 2023-09 which became effective October 1, 2023.
- [2] Downward adjustments to revenue, if any, made to reconcile estimated (calculated) revenues with actual revenues reported by the District.

Table 5
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Development of Connection and AFPI Fee Projections [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
Projected New Water Connections - ERCs							
1	Residential Normal Growth - ERCs	0	5	5	5	5	5
2	Residential Incremental Growth - ERCs	0	0	0	0	0	0
3	Commercial Normal Growth - ERCs	0	0	0	5	6	6
4	Commercial Incremental Growth - ERCs	254	230	465	0	0	0
5	The Reserve - ERCs	0	0	0	0	0	0
6	Total ERC's Added	254	235	470	10	11	11
Projected New Wastewater Connections							
7	Residential Normal Growth - ERCs	0	5	5	5	5	5
8	Residential Incremental Growth - ERCs	0	0	0	0	0	0
9	Commercial Normal Growth - ERCs	0	0	0	5	6	6
10	Commercial Incremental Growth - ERCs	254	230	465	0	0	0
11	The Reserve	0	0	0	0	0	0
12	Total ERC's Added	254	235	470	10	11	11
Water Connections Charged Current Period							
13	Residential	0	5	5	5	5	5
14	Commercial	254	230	465	5	6	6
15	The Reserve	0	0	0	0	0	0
16	Total ERC's Charged	254	235	470	10	11	11
Wastewater Connections Charged Current Period							
17	Residential	0	5	5	5	5	5
18	Commercial	254	230	465	5	6	6
19	The Reserve	0	0	0	0	0	0
20	Total ERC's Charged	254	235	470	10	11	11
Connection Fees (per ERC)							
21	Residential Development - Water	\$2,390	\$2,390	\$2,390	\$1,545	\$1,545	\$1,545
22	Residential Development - Wastewater	1,930	1,930	1,930	1,450	1,450	1,450
23	Multi-Family Development - Water	1,673	1,673	1,673	1,082	1,082	1,082
24	Multi-Family Development - Wastewater	1,351	1,351	1,351	1,015	1,015	1,015
25	Commercial Development - Water	2,390	2,390	2,390	1,916	1,916	1,916
26	Commercial Development - Wastewater	1,930	1,930	1,930	1,438	1,438	1,438
27	The Reserve - Water	1,000	1,000	1,000	1,000	1,000	1,000
28	The Reserve - Wastewater	900	900	900	900	900	900
Water Connection Fees							
29	Residential Development	\$0	\$11,950	\$11,950	\$7,725	\$7,725	\$7,725
30	Commercial Development	607,060	549,700	1,111,350	9,578	11,493	11,493
31	Sub Total:	607,060	561,650	1,123,300	17,303	19,218	19,218
32			0				
33	The Reserve - Bulk Water	0	0	0	0	0	0
34	Percent Existing Prepaid	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	Sub Total:	0	0	0	0	0	0
36	Water Connection Fees Recognized for Forecast	\$607,060	\$561,650	\$1,123,300	\$17,303	\$19,218	\$19,218

Footnotes on Page 2 of 2.

Table 5
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Development of Connection and AFPI Fee Projections [1]

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
Wastewater Connection Fees							
37	Residential Development	\$0	\$9,650	\$9,650	\$7,250	\$7,250	\$7,250
38	Commercial Development	490,220	443,900	897,450	7,188	8,625	8,625
39	Sub Total:	490,220	453,550	907,100	14,438	15,875	15,875
40	The Reserve - Bulk Wastewater	0	0	0	0	0	0
41	Percent Existing Prepaid	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
42	Sub Total:	0	0	0	0	0	0
43	Wastewater Connection Fees Recognized for For	\$490,220	\$453,550	\$907,100	\$14,438	\$15,875	\$15,875
44	Total System Connection Fees	\$1,097,280	\$1,015,200	\$2,030,400	\$31,740	\$35,093	\$35,093
Allowance for Funds Prudently Invested (AFPI)							
45	Residential Development - Water	\$395	\$395	\$395	\$395	\$395	\$395
46	Residential Development - Wastewater	320	320	320	320	320	320
47	Multi-Family Development - Water	395	395	395	395	395	395
48	Multi-Family Development - Wastewater	320	320	320	320	320	320
49	Commercial Development - Water	395	395	395	395	395	395
50	Commercial Development - Wastewater	320	320	320	320	320	320
AFPI Revenues							
51	Residential Development	\$0	\$3,575	\$3,575	\$3,575	\$3,575	\$3,575
52	Commercial Development	181,610	164,450	332,475	3,575	4,290	4,290
53	AFPI Fees Recognized for Forecast	\$181,610	\$168,025	\$336,050	\$7,150	\$7,865	\$7,865

Footnotes:

[1] Rates as published in the current tariffs by the District and are not subject to annual indexing or proposed rate increases.

Table 6
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending September 30,						
		Budgeted [1]	Budgeted [2]	Escalation Basis	Projections			
		2024	2025		2026	2027	2028	2029
BOARD OF SUPERVISORS								
1	Executive Salaries	\$12,000	\$12,000	Constant	\$12,000	\$12,000	\$12,000	\$12,000
2	FICA	918	918	Constant	918	918	918	918
3	Other Contractual Services	0	0	Inflation	0	0	0	0
4	Board Meeting Expenses	2,493	2,548	Inflation	2,604	2,659	2,714	2,774
5	Contingencies	0	0	Inflation	0	0	0	0
6	TOTAL BOARD OF DIRECTORS	\$15,411	\$15,466		\$15,522	\$15,577	\$15,632	\$15,692
DISTRICT MANAGER								
7	Management Contract	\$34,983	\$28,927	Mgmt	\$29,564	\$30,214	\$30,878	\$31,557
8	Travel & Per Diem	1,697	1,750	Inflation	1,788	1,826	1,864	1,905
9	TOTAL DISTRICT MANAGER	\$36,680	\$30,677		\$31,352	\$32,040	\$32,742	\$33,462
FINANCE								
10	Dissemination Agent	\$4,626	\$4,769	Inflation	\$4,874	\$4,977	\$5,081	\$5,193
11	Arbitrage	2,400	2,400	Constant	2,400	2,400	2,400	2,400
12	Accounting Services	52,140	53,287	Inflation	54,459	55,603	56,771	58,020
13	Auditing	18,785	19,367	Inflation	19,793	20,209	20,633	21,087
14	Banking Services	24,750	25,517	Marginal	25,772	26,030	26,290	26,553
15	Property & Casualty Insurance	329,102	329,102	Insurance	342,266	355,957	370,195	385,003
16	Environmental Insurance Policy Renewal	0	0	Input	0	0	36,000	0
17	Bad Debt [3]	24,700	27,500	Calculated	32,000	33,300	34,500	35,800
18	TOTAL FINANCE	\$456,503	\$461,943		\$481,566	\$498,476	\$551,871	\$534,056
PROPERTY CONTROL								
19	Building & Land Rental	\$2,297	\$2,368	Inflation	\$2,420	\$2,471	\$2,523	\$2,579
20	Vehicle Leasing	0	0	Inflation	0	0	0	0
21	Computer Software/Licensing	15,612	16,096	Inflation	16,450	16,796	17,148	17,526
22	Computer Hardware/Supplies	30,891	31,849	Inflation	32,549	33,233	33,931	34,677
23	TOTAL PROPERTY CONTROL	\$48,800	\$50,313		\$51,420	\$52,499	\$53,602	\$54,781
UTILITY RATE CONSULTANT								
24	Other Contractual Services	\$40,748	\$20,011	Inflation	\$20,451	\$20,881	\$21,319	\$21,788
25	TOTAL RATE CONSULTANT	\$40,748	\$20,011		\$20,451	\$20,881	\$21,319	\$21,788
CLERK TO THE BOARD								
26	Court Recording Services	\$0	\$0	Inflation	\$0	\$0	\$0	\$0
27	Other Contractual Services	12,930	13,331	Other/Cont	13,624	13,910	14,202	14,515
28	Postage & Freight	1,959	2,020	Inflation	2,064	2,108	2,152	2,199
29	Printing & Binding	2,816	2,903	Inflation	2,967	3,029	3,093	3,161
30	Legal Ads	2,151	2,218	Inflation	2,266	2,314	2,363	2,415
31	TOTAL CLERK TO THE BOARD	\$19,856	\$20,472		\$20,922	\$21,361	\$21,810	\$22,290
LEGAL SERVICES								
32	General Counsel	\$41,111	\$42,385	Inflation	\$43,318	\$44,228	\$45,156	\$46,150
33	Special Counsel	8,767	8,767	Marginal	8,855	8,943	9,033	9,123
34	TOTAL LEGAL SERVICES	\$49,878	\$51,152		\$52,173	\$53,171	\$54,189	\$55,273
ENGINEERING SERVICES								
35	Engineering Services	\$98,739	\$101,800	Inflation	\$104,040	\$106,224	\$108,455	\$110,841
36	TOTAL ENGINEERING SERVICES	\$98,739	\$101,800		\$104,040	\$106,224	\$108,455	\$110,841

Table 6
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending September 30,						
		Budgeted [1]	Budgeted [2]	Escalation	Projections			
		2024	2025	Basis	2026	2027	2028	2029
ADMINISTRATION DIVISION								
Personnel								
37	Regular Salaries	\$486,035	\$561,102	Labor	\$573,446	\$585,489	\$597,784	\$610,935
38	Additional Employee Costs	0	0	Calculated	0	0	0	0
39	Overtime	7,603	7,839	Labor	8,011	8,179	8,351	8,535
40	Arbitration Settlement	0	0	Labor	0	0	0	0
41	FICA	41,683	47,667	Labor	48,716	49,739	50,784	51,901
42	Retirement Contributions	46,766	53,808	Labor	54,992	56,147	57,326	58,587
43	Health Insurance	717,488	789,237	HealthComp	824,752	861,866	900,650	941,180
44	Workers Comp	45,001	47,251	HealthComp	49,377	51,599	53,921	56,348
45	Unemployment Compensation	2,605	2,686	Labor	2,745	2,802	2,861	2,924
46	Employee Compensation Study	0	0	Inflation	0	0	0	0
47	Travel & Per Diem	0	0	Inflation	0	0	0	0
48	Uniforms & Rentals	4,326	4,460	Inf/Emp	4,558	4,654	4,752	4,856
49	Subscriptions & Dues	0	0	Inf/Emp	0	0	0	0
50	Training & Education Costs	15,454	15,933	Constant	15,933	15,933	15,933	15,933
51	Vehicle Allowance	12,079	12,453	Constant	12,453	12,453	12,453	12,453
52	Annual PTO	10,703	11,035	Labor	11,278	11,514	11,756	12,015
53	Cell Stipend	1,695	1,748	Inflation	1,786	1,823	1,862	1,903
Operating								
54	Other Contractual Services	\$235,347	\$242,643	Other/Cont	\$247,981	\$253,188	\$258,505	\$264,193
55	Website Maintenance	5,412	5,580	Other/Cont	5,703	5,822	5,945	6,075
56	Operating Supplies	14,066	14,502	Other/Cont	14,821	15,132	15,450	15,790
57	Storm Water Fees	45,000	45,000	Storm	45,000	45,000	45,000	45,000
58	Telephone & Cell Service	14,059	14,495	Other/Cont	14,814	15,125	15,442	15,782
59	Postage & Freight	35,006	36,091	Other/Cont	36,885	37,660	38,451	39,297
60	Equipment Leasing	3,180	3,279	Other/Cont	3,351	3,421	3,493	3,570
61	Vehicle Maintenance	0	0	V Repair	0	0	0	0
62	Equipment Maintenance	2,877	2,966	E Repair	3,055	3,147	3,241	3,338
63	Miscellaneous Expenses	0	0	Other/Cont	0	0	0	0
64	Contingencies - Hurricane	0	0	Constant	0	0	0	0
65	Office Supplies	5,096	5,147	Marginal	5,198	5,250	5,303	5,356
66	Fuel & Lubricants - Vehicle	71,708	76,728	Fuel	79,919	83,244	86,707	90,314
67	Fuel & Lubricants - Equipment	18,237	19,514	Fuel	20,325	21,171	22,052	22,969
68	Minor Construction Expenses	1,772	1,827	Other/Cont	1,867	1,906	1,946	1,989
69	Project Maintenance Fees	11,685	11,685	Other/Cont	11,942	12,193	12,449	12,723
70	Contingency [4]	107,900	115,300	Calculated	118,500	121,700	125,600	128,500
71	Electricity Services	6,486	7,070	Electric	7,317	7,573	7,838	8,113
72	Capital Outlay	0	0	Inflation	0	0	0	0
73	TOTAL ADMINISTRATION DIVISION	\$1,969,269	\$2,157,044		\$2,224,727	\$2,293,734	\$2,365,856	\$2,440,578

Table 6
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending September 30,						
		Budgeted [1]	Budgeted [2]	Escalation	Projections			
		2024	2025	Basis	2026	2027	2028	2029
WATER TREATMENT PLANT DIVISION								
Personnel								
74	Regular Salaries	\$353,003	\$363,946	Labor	\$371,953	\$379,764	\$387,739	\$396,269
75	Additional Employee Costs	0	0	Calculated	0	0	0	0
76	Overtime	67,825	69,928	Labor	71,466	72,967	74,499	76,138
77	FICA	32,619	33,630	Labor	34,370	35,091	35,828	36,616
78	Retirement Contributions	37,875	39,049	Labor	39,908	40,746	41,601	42,517
79	Health Insurance	0	0	HealthComp	0	0	0	0
80	Workers Comp	0	0	HealthComp	0	0	0	0
81	Travel & Per Diem	0	0	Inflation	0	0	0	0
82	Uniforms & Rentals	3,397	3,502	Inflation	3,579	3,655	3,731	3,813
83	Subscriptions & Dues	0	0	Inflation	0	0	0	0
84	Training & Education Costs	5,226	5,388	Constant	5,388	5,388	5,388	5,388
85	Annual PTO	4,046	4,171	Labor	4,263	4,353	4,444	4,542
86	Cell Stipend	1,512	1,559	Inflation	1,593	1,627	1,661	1,697
Operating								
87	Other Contractual Services	\$76,820	\$79,201	Other/Cont	\$80,944	\$82,644	\$84,379	\$86,236
88	Operations & Maintenance Services	2,267	2,337	Other/Cont	2,389	2,439	2,490	2,545
89	Laboratory Services	37,106	38,256	Other/Cont	39,098	39,919	40,757	41,654
90	Operating Supplies	7,502	7,735	Other/Cont	7,905	8,071	8,240	8,421
91	Electricity Services	273,007	297,578	Electric	307,993	318,773	329,930	341,477
92	Vehicle Maintenance	93,195	96,084	V Repair	98,967	101,936	104,994	108,143
93	Plant Maintenance	0	0	E Repair	0	0	0	0
94	Miscellaneous Expenses	0	0	Other/Cont	0	0	0	0
95	Chemicals	455,802	469,932	Chem	484,030	498,551	513,507	528,912
96	Water Conservation Grant Program	12,000	12,000	Constant	12,000	12,000	12,000	12,000
97	Backflow Prevention Program	25,000	25,000	Constant	25,000	25,000	25,000	25,000
98	TOTAL WATER TREATMENT PLANT DIVISION	\$1,488,202	\$1,549,296		\$1,590,844	\$1,632,921	\$1,676,189	\$1,721,370
WASTEWATER TREATMENT PLANT DIVISION								
Personnel								
99	Regular Salaries	\$375,003	\$386,628	Labor	\$395,134	\$403,432	\$411,904	\$420,966
100	Additional Employee Costs	0	0	Calculated	0	0	0	0
101	Overtime	54,501	56,191	Labor	57,427	58,633	59,864	61,181
102	FICA	33,267	34,298	Labor	35,053	35,789	36,540	37,344
103	Retirement Contributions	38,655	39,854	Labor	40,730	41,586	42,459	43,393
104	Health Insurance	0	0	HealthComp	0	0	0	0
105	Workers Comp	0	0	HealthComp	0	0	0	0
106	Travel & Per Diem	0	0	Inflation	0	0	0	0
107	Uniforms & Rentals	2,776	2,862	Inflation	2,925	2,986	3,049	3,116
108	Subscriptions & Dues	0	0	Inflation	0	0	0	0
109	Training & Education Costs	5,548	5,720	Constant	5,720	5,720	5,720	5,720
110	Annual PTO	4,203	4,333	Labor	4,429	4,522	4,617	4,718
111	Cell Stipend	1,154	1,190	Inflation	1,216	1,241	1,268	1,295
Operating								
112	Other Contractual Services	\$43,235	\$44,575	Other/Cont	\$45,556	\$46,513	\$47,489	\$48,534
113	Operations & Maintenance Services	9,904	10,211	Other/Cont	10,436	10,655	10,879	11,118
114	Laboratory Services	34,718	35,794	Other/Cont	36,582	37,350	38,134	38,973
115	Operating Supplies	18,237	18,802	Other/Cont	19,216	19,620	20,032	20,472
116	Sludge Disposal	132,303	166,404	Sludge	171,696	177,070	182,612	188,420
117	Electricity Services	220,964	240,851	Electric	249,281	258,005	267,036	276,382
118	Vehicle Maintenance	0	0	V Repair	0	0	0	0
119	Plant Maintenance	96,965	99,971	E Repair	102,970	106,059	109,241	112,518
120	Miscellaneous Expenses	0	0	Other/Cont	0	0	0	0
121	Chemicals	127,556	131,510	Chem	135,456	139,519	143,705	148,016
122	Capital Outlay	0	0	Inflation	0	0	0	0
123	TOTAL WASTEWATER TREATMENT PLANT DIVISION	\$1,198,989	\$1,279,195		\$1,313,825	\$1,348,699	\$1,384,548	\$1,422,167

Table 6
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending September 30,						
		Budgeted [1]	Budgeted [2]	Escalation Basis	Projections			
		2024	2025		2026	2027	2028	2029
UNDERGROUND UTILITIES DIVISION								
Personnel								
124	Regular Salaries	\$683,642	\$784,835	Labor	\$802,101	\$818,945	\$836,143	\$854,538
125	Additional Employee Costs	0	0	Calculated	0	0	0	0
126	Overtime	110,008	133,418	Labor	136,353	139,217	142,140	145,268
127	FICA	61,381	70,933	Labor	72,494	74,016	75,571	77,233
128	Retirement Contributions	71,429	82,643	Labor	84,461	86,235	88,046	89,983
129	Health Insurance	0	0	HealthComp	0	0	0	0
130	Workers Comp	0	0	HealthComp	0	0	0	0
131	Travel & Per Diem	0	0	Inflation	0	0	0	0
132	Uniforms & Rentals	7,118	7,339	Inflation	7,500	7,658	7,818	7,990
133	Subscriptions & Dues	0	0	Inflation	0	0	0	0
134	Training & Education Costs	9,468	9,468	Constant	9,468	9,468	9,468	9,468
135	Annual PTO	6,049	6,237	Labor	6,374	6,508	6,644	6,790
136	Cell Stipend	2,662	2,745	Inflation	2,805	2,864	2,924	2,988
Operating								
137	Other Contractual Services	205,955	212,340	Other/Cont	217,011	221,568	226,221	231,198
138	Operations & Maintenance Services	129,391	133,402	Other/Cont	136,337	139,200	142,123	145,250
139	Operating Supplies	92,642	95,514	Other/Cont	97,615	99,665	101,758	103,997
140	Electricity Services	62,141	67,734	Electric	70,104	72,558	75,098	77,726
141	Vehicle Maintenance	35,264	36,357	V Repair	37,448	38,571	39,728	40,920
142	Lift Station Maintenance	26,943	27,778	E Repair	28,612	29,470	30,354	31,265
143	Miscellaneous Expenses	0	0	Other/Cont	0	0	0	0
144	Capital Outlay	0	0	Inflation	0	0	0	0
145	TOTAL UNDERGROUND UTILITIES DIVISION	\$1,504,093	\$1,670,742		\$1,708,683	\$1,745,943	\$1,784,037	\$1,824,615
IRRIGATION								
Personnel								
146	Regular Salaries	\$54,958	\$56,662	Labor	\$57,908	\$59,124	\$60,366	\$61,694
147	Additional Employee Costs	0	0	Calculated	0	0	0	0
148	Overtime	4,875	5,026	Labor	5,137	5,245	5,355	5,473
149	FICA	4,670	4,815	Labor	4,921	5,024	5,130	5,243
150	Retirement Contributions	5,385	5,552	Labor	5,674	5,793	5,915	6,045
151	Health Insurance	0	0	HealthComp	0	0	0	0
152	Workers Comp	0	0	HealthComp	0	0	0	0
153	Travel & Per Diem	0	0	Inflation	0	0	0	0
154	Uniforms & Rentals	668	689	Inflation	704	719	734	750
155	Training & Education Costs	1,040	1,072	Constant	1,072	1,072	1,072	1,072
156	Annual PTO	918	946	Labor	967	988	1,008	1,031
157	Cell Stipend	298	307	Inflation	314	321	327	335
Operating								
158	Other Contractual Services	33,515	34,554	Other/Cont	35,314	36,056	36,813	37,623
159	Operations & Maintenance Services	39,859	41,095	Other/Cont	41,999	42,881	43,781	44,744
160	Laboratory Services	266	274	Other/Cont	280	286	292	299
161	Operating Supplies	7,655	7,892	Other/Cont	8,066	8,235	8,408	8,593
162	Electricity Services	185,300	201,977	Electric	209,046	216,363	223,936	231,773
163	Vehicle Maintenance	0	0	V Repair	0	0	0	0
164	Equipment Maintenance	0	0	E Repair	0	0	0	0
165	Maintenance - Irrigation	31,202	31,920	E Repair	32,877	33,864	34,879	35,926
166	Miscellaneous Expenses	0	0	Other/Cont	0	0	0	0
167	Chemicals	532	548	Chem	565	582	599	617
168	Water Quality Monitoring	0	0	Inflation	0	0	0	0
169	Capital Outlay	0	0	Inflation	0	0	0	0
170	TOTAL IRRIGATION	\$371,141	\$393,330		\$404,845	\$416,552	\$428,616	\$441,217

Table 6
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending September 30,						
		Budgeted [1]	Budgeted [2]	Escalation Basis	Projections			
		2024	2025		2026	2027	2028	2029
SHOP & MAINTENANCE OPERATIONS								
Personnel								
171	Regular Salaries	\$141,007	\$145,378	Labor	\$148,577	\$151,697	\$154,882	\$158,290
172	Overtime	7,733	7,973	Labor	8,148	8,319	8,494	8,681
173	FICA	11,556	11,914	Labor	12,176	12,432	12,693	12,972
174	Retirement Contributions	13,387	13,802	Labor	14,105	14,401	14,704	15,027
175	Uniforms	1,392	1,435	Inflation	1,467	1,498	1,529	1,563
176	Training & Education Costs	4,595	4,737	Constant	4,737	4,737	4,737	4,737
177	Annual PTO	1,846	1,903	Labor	1,945	1,986	2,028	2,072
178	Cell Stipend	468	483	Inflation	493	503	514	525
Operating								
179	Operations & Maintenance Services	15,095	15,563	Other/Cont	15,905	16,239	16,580	16,945
180	Disposal Fees	1,951	2,011	Other/Cont	2,056	2,099	2,143	2,190
181	Operating Supplies	6,375	6,573	Other/Cont	6,717	6,858	7,002	7,156
182	Machinery and Equipment	11,278	11,628	Inflation	11,883	12,133	12,388	12,660
183	Capital Outlay	0	0	Inflation	0	0	0	0
184	TOTAL SHOP & MAINTENANCE OPERATIONS	\$216,683	\$223,399		\$228,210	\$232,903	\$237,694	\$242,819
185	Total Operating Expenses	\$7,514,991	\$8,024,839		\$8,248,579	\$8,470,980	\$8,736,562	\$8,940,950
186	Annual Increase Percentage		<u>6.78%</u>		<u>2.79%</u>	<u>2.70%</u>	<u>3.14%</u>	<u>2.34%</u>

Footnotes:

- [1] Amounts derived from the SLWSD Final Amended Budget for Fiscal Year 2024.
- [2] Amounts derived from the SLWSD Proposed Budget for Fiscal Year 2025.
- [3] Bad Debt Expense estimated at approximately 0.50% of retail rate revenues.
- [4] Reflects adjustments to Operating and Maintenance Expenses for contingencies based on the following percentages for each Fiscal Year:

2024	2025	2026	2027	2028	2029
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Table 7
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Summary of Escalation Factors

Line No.	Description	Reference	Escalation Factors			
			2026	2027	2028	2029
1	Constant Factor	Constant	1.00000	1.00000	1.00000	1.00000
2	General Inflation (Consumer Price Index)	Inflation	1.02200	1.02100	1.02100	1.02200
3	Labor	Labor	1.02200	1.02100	1.02100	1.02200
4	Water Customer Flow + Inflation	Cust-Water	1.02200	1.02100	1.02100	1.02200
5	Sewer Customer Flow + Inflation	Cust-Sewer	1.02200	1.02100	1.02100	1.02200
6	Irrigation Customer Flow + Inflation	Cust-Irr	1.02200	1.02100	1.02100	1.02200
7	Total Customer Flow + Inflation	Accts-Total	1.02200	1.02100	1.02100	1.02200
8	Rate Revenue	Revenue	1.00000	1.00000	1.00000	1.00000
9	Vehicle Repair and Maintenance	V Repair	1.03000	1.03000	1.03000	1.03000
10	Equipment Repair and Maintenance	E Repair	1.03000	1.03000	1.03000	1.03000
11	Electricity	Electric	1.03500	1.03500	1.03500	1.03500
12	Chemicals	Chem	1.03000	1.03000	1.03000	1.03000
13	Fuel	Fuel	1.04160	1.04160	1.04160	1.04160
14	Sludge Disposal	Sludge	1.03180	1.03130	1.03130	1.03180
15	Commodity/Inflation - Water	Comm-W	1.02200	1.02100	1.02100	1.02200
16	Commodity/Inflation - Sewer	Comm-S	1.02200	1.02100	1.02100	1.02200
17	Commodity/Inflation - Irrigation	Comm-I	1.02200	1.02100	1.02100	1.02200
18	Inflation/Employee Growth	Inf/Emp	1.02200	1.02100	1.02100	1.02200
19	Property/General Insurance Liability	Insurance	1.04000	1.04000	1.04000	1.04000
20	Marginal Escalator	Marginal	1.01000	1.01000	1.01000	1.01000
21	Marginal 2%	Marginal2	1.02000	1.02000	1.02000	1.02000
22	Elimination Factor	Eliminate	0.00000	0.00000	0.00000	0.00000
23	Stormwater Fees	Storm	1.00000	1.00000	1.00000	1.00000
24	Management Contract	Mgmt	1.02199	1.02200	1.02199	1.02198
25	Other Contractual, Operations, Misc.	Other/Cont	1.02200	1.02100	1.02100	1.02200
26	Employee Health and Workmans Comp Ins	HealthComp	1.04500	1.04500	1.04500	1.04500

Table 8
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Determination of Annual Renewal and Replacement Fund Deposit

Line No.	Description	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
1	Gross Revenues - Preceding Fiscal Year	\$10,926,278	\$12,131,354	\$13,242,311	\$16,405,568	\$14,570,822	\$15,099,913
2	Less: Connection Fee Revenues	(\$169,929)	(\$1,097,280)	(\$1,015,200)	(\$2,030,400)	(\$31,740)	(\$35,093)
3	Adjusted Gross Revenues	\$10,756,349	\$11,034,074	\$12,227,111	\$14,375,168	\$14,539,082	\$15,064,820
	Renewal and Replacement Fund Requirement [1]						
4	Minimum Funding Requirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5	Minimum Funding Amount	\$537,817	\$551,704	\$611,356	\$718,758	\$726,954	\$753,241
	Additional Deposits						
6	Above Minimum Requirement - Fixed Amount	200,000	200,000	200,000	100,000	100,000	100,000
7	Total Deposit Recognized	\$737,817	\$751,704	\$811,356	\$818,758	\$826,954	\$853,241
8	Estimated Ending Cash Balance [2]	\$910,414	\$952,997	\$1,013,620	\$1,205,245	\$1,388,675	\$1,581,223

Footnotes:

- [1] The Master Indenture requires the District to annually deposit an amount of money equal to: 1) 5.0% of the Gross Revenues, excluding Connection Fee Revenues, for the preceding Fiscal Year; or 2) such greater or lesser amount as may be certified to the District and the Trustee by the Consulting Engineer.
- [2] Amounts shown represent end of year Renewal and Replacement Fund balance as derived from Table 10.

Table 9
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024
Estimated Six Year Capital Improvement Program [1]

Line No.	Description	Funding Source	Budgeted 2024	Adjustments	Adjusted 2024	Fiscal Years Ending September 30,						Total
						2025	2026	2027	2028	2029		
Capital Additions and Replacements												
1	Lift Station Renewal & Replacement	RR	\$265,833	\$0	\$265,833	\$268,491	\$271,176	\$273,888	\$276,627	\$279,393	\$1,635,408	
2	Emergency Renewal & Replacement Projects	RR	224,400	0	224,400	250,000	262,500	275,625	289,406	303,877	1,605,808	
3	Structural Repairs Sewer Manholes	RR	33,000	0	33,000	33,660	34,334	35,020	35,721	36,435	208,170	
4	Security Cameras	RR	10,000	0	10,000	10,000	0	0	0	0	20,000	
5	Protective Coating Manholes	RR	29,700	0	29,700	30,294	30,900	31,518	32,148	32,791	187,351	
6	Replacement Meters	RR	2,500	0	2,500	2,500	2,500	2,500	2,500	2,500	15,000	
7	WWTF Plant Painting a sealing tanks	RR	500,000	0	500,000	0	0	0	0	0	500,000	
8	Reuse Irrigation Pump Station Improvements	RR	100,000	0	100,000	100,000	0	0	0	0	200,000	
9	Replacement Backflow Preventers	RR	125,000	0	125,000	0	0	0	0	0	125,000	
10	Cleanwell/Transfer Pump Expansion - 1st Funding Source	WCF	25,000	0	25,000	0	0	0	0	0	25,000	
11	Potable Water Flushing Devices	RR	60,000	0	60,000	0	0	0	0	0	60,000	
12	Irrigation (Association) Emergency R&R Projects	RR	7,000	0	7,000	5,000	5,000	5,000	5,000	5,000	32,000	
13	Irrigation SCADA conversion	RR	15,000	0	15,000	15,750	16,538	17,364	18,233	19,144	102,029	
14	High Service Pump Station Control Upgrade	RR	30,000	0	30,000	0	0	0	0	0	30,000	
15	Utility Road re-paving	RR	5,000	0	5,000	0	0	0	0	0	10,000	
16	Irrigation stormwater transfer line	RR	350,000	0	350,000	0	0	0	0	0	350,000	
17	PLC Upgrade UF Split	RR	0	0	0	0	140,000	0	0	0	140,000	
18	PLC Upgrade GF Split	GF	100,000	0	100,000	0	0	0	0	0	100,000	
Series 2024 Bond Projects [2]												
19	New Water Supply Wells	2024 Bonds	\$0	\$0	\$0	\$0	\$3,375,000	\$0	\$0	\$0	\$3,375,000	
20	New Raw Water Transmission Main	2024 Bonds	0	0	0	0	515,500	0	0	0	515,500	
21	Upgrades to ROWTP Cartridge Filtration	2024 Bonds	0	0	0	0	442,500	0	0	0	442,500	
22	Upgrades to ROWTP High-Pressure Pumping Capacity	2024 Bonds	0	0	0	0	1,190,000	0	0	0	1,190,000	
23	Now ROWTP Membrane Skid	2024 Bonds	0	0	0	0	7,417,500	0	0	0	7,417,500	
24	Upgrades to Calcity Contractors	2024 Bonds	0	0	0	0	591,500	0	0	0	591,500	
25	Upgrades to Transfer Pumps	2024 Bonds	0	0	0	0	288,500	0	0	0	288,500	
26	Upgrades to High-Service Pumps	2024 Bonds	0	0	0	0	489,500	0	0	0	489,500	
27	Underground Injection Well	2024 Bonds	0	0	0	6,650,000	6,650,000	0	0	0	13,300,000	
28	Underground Injection Well Site	2024 Bonds	0	0	0	546,250	546,250	0	0	0	1,092,500	
Redundancy Projects												
29	Upgrades to ROWTP Degasser and Odor Control System	2024 Bonds	\$0	\$0	\$0	\$1,047,500	\$1,047,500	\$0	\$0	\$0	\$2,095,000	
30	Upgrades to ROWTP Chlorine Contact Chamber/Clear Well	2024 Bonds	0	0	0	623,750	623,750	0	0	0	1,247,500	
31	Chemical Feed System Replacements	2024 Bonds	0	0	0	533,750	533,750	0	0	0	1,067,500	
32	Electrical System Upgrades	2024 Bonds	0	0	0	1,341,250	1,341,250	0	0	0	2,682,500	
33	I & C System Upgrades	2024 Bonds	0	0	0	250,250	250,250	0	0	0	500,500	
34	Design Engineering Cost - Expansion Related	WCF	160,000	0	160,000	600,000	0	0	0	0	760,000	
35	Total Capital Additions and Replacements		\$2,042,433	\$0	\$2,042,433	\$12,313,445	\$26,065,698	\$640,915	\$659,635	\$679,140	\$42,401,266	
Other Capital Improvements												
36	Capital Outlay - Administration - Equipment	Rates	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$45,000	
37	Capital Outlay - Administration - Building	Rates	33,000	0	33,000	0	0	0	0	0	33,000	
38	Capital Outlay - WTP - Building	Rates	35,000	0	35,000	50,000	0	0	0	0	85,000	
39	Capital Outlay - WTP - Equipment	Rates	0	0	0	45,000	0	0	45,000	0	90,000	
40	Capital Outlay - WWTP - Equipment	Rates	0	0	0	150,000	0	0	0	0	150,000	
41	Capital Outlay - Underground Utilities - Equipment	Rates	95,000	685,000	780,000	45,000	55,000	45,000	45,000	45,000	1,015,000	
42	Capital Outlay - Underground Utilities - Building	Rates	5,000	12,000	17,000	5,000	0	0	0	0	22,000	
43	Capital Outlay - Underground Utilities - New Meters	Rates	2,500	0	2,500	2,500	0	0	0	0	5,000	
44	Capital Outlay - Irrigation Operations - Equipment	Rates	0	0	0	0	0	60,000	0	0	60,000	
45	Capital Outlay - Shop & Maint. Operations - Equipment	Rates	4,000	0	4,000	16,500	10,500	72,000	100,000	0	203,000	
46	Capital Outlay - Shop & Maint. Operations - Building	Rates	0	20,000	20,000	0	0	0	0	0	20,000	
47	Total Other Capital Improvements		\$174,500	\$717,000	\$891,500	\$314,000	\$65,500	\$222,000	\$190,000	\$45,000	\$1,728,000	
48	Total System Capital Costs		\$2,216,933	\$717,000	\$2,933,933	\$12,627,445	\$26,131,198	\$862,915	\$849,635	\$724,140	\$44,129,266	

Table 9
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024
Estimated Six Year Capital Improvement Program [1]

Line No.	Description	Funding Source	Budgeted 2024	Adjustments	Adjusted 2024	Fiscal Years Ending September 30,						Total
						2025	2026	2027	2028	2029		
Funding Sources												
49	Renewal and Replacement Fund	RR	\$1,757,433	\$0	\$1,757,433	\$720,695	\$762,948	\$640,915	\$659,635	\$679,140	\$5,220,766	
50	Water System Connection Fees	WCF	185,000	0	185,000	600,000	0	0	0	0	785,000	
51	Series 2024 Bond Proceeds	2024 Bonds	0	0	0	10,992,750	25,302,750	0	0	0	36,295,500	
52	General Fund Transfer	GF	100,000	0	100,000	0	0	0	0	0	100,000	
53	Rate Revenue	Rates	174,500	717,000	891,500	314,000	65,500	222,000	190,000	45,000	1,728,000	
54	Total Funding Sources		<u>\$2,216,933</u>	<u>\$717,000</u>	<u>\$2,933,933</u>	<u>\$12,627,445</u>	<u>\$26,131,198</u>	<u>\$862,915</u>	<u>\$849,635</u>	<u>\$724,140</u>	<u>\$44,129,266</u>	

Footnotes:

[1] Capital Improvement Program as provided by the District and its Consulting Engineer.

[2] Amounts shown for individual Series 2024 Bond Projects include the estimated cost of construction, design engineering, studies, permitting services, and engineering services during construction on a "per project" basis.

Table 10
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Projected Fund Balances and Interest Income Determination

Line No.	Key[1]	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
Summary of Projected Ending Fund Balances [2]							
1	Revenue Account And Surplus Fund [3]	\$6,096,686	\$6,680,468	\$7,323,195	\$7,742,359	\$8,443,134	\$9,614,476
2	Rate Stabilization Account	603,839	603,839	603,839	603,839	603,839	603,839
3	Renewal And Replacement Fund	910,414	952,997	1,013,620	1,205,245	1,388,675	1,581,223
4	Reserve Account	1,175,867	1,190,565	1,205,447	1,220,515	1,235,771	1,251,218
5	Debt Service Fund [4]	0	0	0	0	0	0
6	Construction Fund (Series 2024 Bonds)	0	25,302,750	0	0	0	0
7	Customer Deposits	186,254	199,554	253,654	258,154	259,254	260,354
8	Water Connection Fees Fund	611,705	580,762	1,718,342	1,757,232	1,798,536	1,840,356
9	Wastewater Connection Fees Fund	614,488	1,078,554	2,004,805	2,044,393	2,085,922	2,127,970
10	Total Funds Ending Balance	<u>\$10,199,252</u>	<u>\$36,589,488</u>	<u>\$14,122,902</u>	<u>\$14,831,735</u>	<u>\$15,815,129</u>	<u>\$17,279,435</u>
REVENUE ACCOUNT AND SURPLUS FUND [3]							
11	Beginning Balance	\$6,781,475	\$6,096,686	\$6,680,468	\$7,323,195	\$7,742,359	\$8,443,134
	Transfers In						
12	Deposits from Rate Revenues	\$0	\$583,782	\$642,728	\$419,164	\$700,775	\$1,171,343
13	Transfer From Surplus Fund	0	0	0	0	0	0
14	Total Transfers In	0	583,782	642,728	419,164	700,775	1,171,343
	Transfers Out						
15	Funding of Current Period Operations	684,789	0	0	0	0	0
16	Capital Improvements Funded from Reserves	0	0	0	0	0	0
17	Transfer to Rate Stabilization Fund	0	0	0	0	0	0
18	Transfer Out for Series 2011 Bonds	0	0	0	0	0	0
19	Transfer Out to Surplus Fund	0	0	0	0	0	0
20	Customer Refund for Overcharge	0	0	0	0	0	0
21	Transfer to R&R Fund	0	0	0	0	0	0
22	Total Transfers Out	684,789	0	0	0	0	0
23	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
24	Interest Income	80,489	79,857	87,523	94,160	101,159	112,860
25	Recognition of Interest Earnings in Revenue Requirements	80,489	79,857	87,523	94,160	101,159	112,860
26	Ending Balance	<u>\$6,096,686</u>	<u>\$6,680,468</u>	<u>\$7,323,195</u>	<u>\$7,742,359</u>	<u>\$8,443,134</u>	<u>\$9,614,476</u>
27	Target Working Capital - 90 Days-Operating Reserves and Rate Stabilization Funds	90 1,853,011	1,978,727	2,033,896	2,088,735	2,154,221	2,204,618
28	Estimated Days of Working Capital	325	331	351	360	378	417
29	Adequacy / (Inadequacy) to Target	4,847,514	5,305,579	5,893,138	6,257,463	6,892,752	8,013,698
RATE STABILIZATION ACCOUNT							
30	Beginning Balance	\$603,839	\$603,839	\$603,839	\$603,839	\$603,839	\$603,839
31	Transfers In from Rate Revenues	0	0	0	0	0	0
32	Transfer In from Operating Reserve Account	0	0	0	0	0	0
33	Transfers Out to Rate Revenues	0	0	0	0	0	0
34	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
35	Interest Income	7,548	7,548	7,548	7,548	7,548	7,548
36	Recognition of Interest Earnings in Revenue Requirements	7,548	7,548	7,548	7,548	7,548	7,548
37	Ending Balance	<u>603,839</u>	<u>603,839</u>	<u>603,839</u>	<u>603,839</u>	<u>603,839</u>	<u>603,839</u>
RENEWAL AND REPLACEMENT FUND							
38	Beginning Balance	\$1,912,496	\$910,414	\$952,997	\$1,013,620	\$1,205,245	\$1,388,675
39	Transfers In from R&R Deposits	737,817	751,704	811,356	818,758	826,954	853,241
40	Transfer In from Operating Reserve Account	0	0	0	0	0	0
41	Transfers Out for Capital Improvement Projects	1,757,433	720,695	762,948	640,915	659,635	679,140
42	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
43	Interest Income	17,534	11,574	12,215	13,782	16,111	18,447
44	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
45	Ending Balance	<u>\$910,414</u>	<u>\$952,997</u>	<u>\$1,013,620</u>	<u>\$1,205,245</u>	<u>\$1,388,675</u>	<u>\$1,581,223</u>

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Table 10
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Projected Fund Balances and Interest Income Determination

Line No.	Key[1]	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
RESERVE ACCOUNT		R					
46	Beginning Balance	\$2,524,602	\$1,175,867	\$1,190,565	\$1,205,447	\$1,220,515	\$1,235,771
47	Transfers From Additional Senior Lien Bond Proceeds	0	0	0	0	0	0
48	Transfer to Operating Account	0	0	0	0	0	0
49	Net Transfer Out For Liquidation of Refunded Bonds	1,371,719	0	0	0	0	0
50	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
51	Interest Income	22,984	14,698	14,882	15,068	15,256	15,447
52	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
53	Ending Balance	<u>\$1,175,867</u>	<u>\$1,190,565</u>	<u>\$1,205,447</u>	<u>\$1,220,515</u>	<u>\$1,235,771</u>	<u>\$1,251,218</u>
DEBT SERVICE FUND [4]		R					
Annual Sinking Fund Deposit							
54	Total Debt Service	\$2,574,555	\$2,552,786	\$4,607,005	\$4,608,180	\$4,610,530	\$4,609,530
55	Average Balance	643,600	638,200	1,151,800	1,152,000	1,152,600	1,152,400
56	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
57	Interest Income	8,000	8,000	14,400	14,400	14,400	14,400
58	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
CONSTRUCTION FUND (Series 2024 Bonds)		R					
59	Beginning Balance	\$0	\$0	\$25,302,750	\$0	\$0	\$0
Transfers In							
60	Transfers In for Capital Improvement Projects - New Debt No. 1	0	36,295,500	0	0	0	0
61	Transfers In for Capital Improvement Projects - New Debt No. 2	0	0	0	0	0	0
62	Total Transfers In	0	36,295,500	0	0	0	0
Transfers Out							
63	Transfers Out for Capital Improvement Projects	0	10,992,750	25,302,750	0	0	0
64	Transfers Out (Change Orders / Other)	0	0	0	0	0	0
65	Total Transfers Out	0	10,992,750	25,302,750	0	0	0
66	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
67	Interest Income	0	0	0	0	0	0
68	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
69	Ending Balance	<u>\$0</u>	<u>\$25,302,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CUSTOMER DEPOSITS		U					
70	Beginning Balance	\$186,254	\$186,254	\$199,554	\$253,654	\$258,154	\$259,254
71	Transfers In from New Accounts	0	13,300	54,100	4,500	1,100	1,100
72	Transfers Out from Account Retirements	0	0	0	0	0	0
73	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
74	Interest Income	0	0	0	0	0	0
75	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
76	Ending Balance	<u>\$186,254</u>	<u>\$199,554</u>	<u>\$253,654</u>	<u>\$258,154</u>	<u>\$259,254</u>	<u>\$260,354</u>
WATER CONNECTION FEES FUND		R					
77	Beginning Balance	\$184,698	\$611,705	\$580,762	\$1,718,342	\$1,757,232	\$1,798,536
Transfers In							
78	Connection Fees	607,060	561,650	1,123,300	17,303	19,218	19,218
79	Other Transfers In - Prepaid Reserve Connection Fee	0	0	0	0	0	0
80	Total Transfers In	607,060	561,650	1,123,300	17,303	19,218	19,218
Transfers Out of Fund							
81	Transfers Out for Capital Improvements	185,000	600,000	0	0	0	0
82	Transfer Out for Series 2011 Bonds	0	0	0	0	0	0
83	Transfers Out to Pay Debt Service	0	0	0	0	0	0
84	Total Transfers Out	185,000	600,000	0	0	0	0
85	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
86	Interest Income	4,947	7,407	14,280	21,587	22,086	22,602
87	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
88	Ending Balance	<u>\$611,705</u>	<u>\$580,762</u>	<u>\$1,718,342</u>	<u>\$1,757,232</u>	<u>\$1,798,536</u>	<u>\$1,840,356</u>

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Table 10
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Projected Fund Balances and Interest Income Determination

Line No.	Key[1]	Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
WASTEWATER CONNECTION FEES FUND							
	R						
89	Beginning Balance	\$119,708	\$614,488	\$1,078,554	\$2,004,805	\$2,044,393	\$2,085,922
	Transfers In						
90	Connection Fees	490,220	453,550	907,100	14,438	15,875	15,875
91	Other Transfers In - Prepaid Reserve Connection Fee	0	0	0	0	0	0
92	Total Transfers In	490,220	453,550	907,100	14,438	15,875	15,875
	Transfers Out of Fund						
93	Transfers Out for Capital Improvements	0	0	0	0	0	0
94	Transfers Out to Pay Debt Service	0	0	0	0	0	0
95	Total Transfers Out	0	0	0	0	0	0
96	Interest Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
97	Interest Income	4,560	10,516	19,151	25,150	25,654	26,173
98	Recognition of Interest Earnings in Revenue Requirements	0	0	0	0	0	0
99	Ending Balance	<u>\$614,488</u>	<u>\$1,078,554</u>	<u>\$2,004,805</u>	<u>\$2,044,393</u>	<u>\$2,085,922</u>	<u>\$2,127,970</u>
Summary of Interest Earnings							
100	Revenue Fund	\$80,489	\$79,857	\$87,523	\$94,160	\$101,159	\$112,860
101	Renewal & Replacement Fund	17,534	11,574	12,215	13,782	16,111	18,447
102	Rate Stabilization Fund	\$7,548	7,548	7,548	7,548	7,548	7,548
103	Surplus Fund	0	0	0	0	0	0
104	Senior Lien Reserve Account	\$22,984	14,698	14,882	15,068	15,256	15,447
105	Debt Service Fund	8,000	8,000	14,400	14,400	14,400	14,400
106	Construction Fund (Previous And Future)	0	0	0	0	0	0
107	Customer Deposits	0	0	0	0	0	0
108	Water Connection Fees Fund	4,947	7,407	14,280	21,587	22,086	22,602
109	Wastewater Connection Fees Fund	4,560	10,516	19,151	25,150	25,654	26,173
110	Total Interest Earnings	<u>\$146,062</u>	<u>\$139,600</u>	<u>\$169,999</u>	<u>\$191,695</u>	<u>\$202,214</u>	<u>\$217,477</u>
111	Total Unrestricted Interest Earnings	<u>\$88,037</u>	<u>\$87,405</u>	<u>\$95,071</u>	<u>\$101,708</u>	<u>\$108,707</u>	<u>\$120,408</u>
112	Total Restricted Interest Earnings	<u>58,025</u>	<u>52,195</u>	<u>74,928</u>	<u>89,987</u>	<u>93,507</u>	<u>97,069</u>

Footnotes:

- [1] (U) = Interest Earnings unrestricted, assumed available to meet system expenditure requirements
- (R) = Interest Earnings restricted, assumed not available to meet system expenditure requirements
- [2] Estimated Fiscal Year 2024 beginning fund balances provided by Special District Services, Inc and are net of prior fiscal year appropriations.
- [3] Amounts shown include funds on deposit in the Revenue Account, Surplus Fund, Cash Depository, and Operating and Maintenance Fund.
- [4] Amounts shown include funds on deposit in the Interest Account, and Principal Account.

Table 11
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Historical Operating Results and Debt Service Coverage Analysis

Line No.	Fiscal Year Ending September 30,					
	2019	2020	2021	2022	2023	
Rate Revenues [1]						
1	Retail Rate Revenue	\$8,542,076	\$8,763,863	\$8,823,434	\$8,938,810	\$9,484,881
2	Bulk Sales Revenue [2]	568,509	624,782	714,563	763,814	811,540
3	Total Rate Revenues	\$9,110,585	\$9,388,645	\$9,537,997	\$9,702,624	\$10,296,421
Income and Funds from Other Sources						
4	Other Operating Revenue [3]	\$153,377	\$84,725	\$109,592	\$120,134	\$182,483
5	Connection Fee Revenues	5,264	175,440	57,649	55,413	169,929
6	Allowance for Funds Prudently Invested (AFPI)	1,950	66,141	20,800	20,517	66,367
7	Interest Income [4]	16,038	5,708	318	308	211,078
8	Transfer (To) / From Rate Stabilization Fund [5]	0	0	0	0	0
9	Gross Revenues	\$9,287,214	\$9,720,659	\$9,726,356	\$9,898,996	\$10,926,278
Operating Expenses [6]						
10	Personnel Services	\$2,292,726	\$2,337,183	\$2,490,462	\$2,385,134	\$3,057,395
11	Contractual Services	735,402	712,134	647,755	732,201	705,808
12	Water & Sewer Operations	1,817,640	1,734,835	1,780,313	2,188,322	2,324,020
13	Repairs & Maintenance	183,262	334,864	350,205	184,546	235,515
14	Total Operating Expenses	\$5,029,030	\$5,119,016	\$5,268,735	\$5,490,203	\$6,322,738
15	Net Revenue	\$4,258,184	\$4,601,643	\$4,457,621	\$4,408,793	\$4,603,540
Rate Covenant Test [7]						
Annual Debt Service [8]						
16	Utility Revenue Refunding Bonds, Series 2011	\$1,695,449	\$1,687,216	\$1,677,945	\$1,672,636	\$1,666,116
17	Utility Revenue Refunding Bonds, Series 2013	378,458	375,935	373,265	375,448	372,335
18	Utility Revenue Refunding Bonds, Series 2014	526,547	542,175	546,235	539,965	543,695
19	Total Annual Debt Service	\$2,600,454	\$2,605,326	\$2,597,445	\$2,588,049	\$2,582,146
20	Annual Debt Service Coverage Allowance [9]	260,045	260,533	259,745	258,805	258,215
21	Reserve Account [10]	0	0	0	0	0
22	Renewal and Replacement Fund [11]	464,098	477,261	483,435	492,179	537,817
23	Repayment to Water & Wastewater Connection Fee Funds [12]	0	0	0	0	0
24	Required Deposits Per Master Indenture	\$3,324,597	\$3,343,120	\$3,340,625	\$3,339,033	\$3,378,178
25	Coverage Ratio - Calculated	128.08%	137.65%	133.44%	132.04%	136.27%
26	Coverage Ratio - Required	100.00%	100.00%	100.00%	100.00%	100.00%
27	Amount Available for Other System Expenditures	\$933,587	\$1,258,523	\$1,116,996	\$1,069,761	\$1,225,362

Footnotes:

[1] During the Historical Period, the District implemented the following rate adjustments to the retail and bulk service rates:

	Fiscal Year Ending September 30,				
	2019	2020	2021	2022	2023
Water System Rates	0.00%	0.00%	0.00%	0.00%	5.00%
Wastewater System Rates	0.00%	0.00%	0.00%	0.00%	5.00%
Irrigation System Rates	0.00%	0.00%	0.00%	0.00%	5.00%

[2] Amounts shown reflect bulk water and wastewater sales revenues received from the Reserve CDD, under the terms and conditions of the Reserve Agreement. Water and wastewater services billed to the Reserve CDD recognizes: 1) a monthly base charge; and 2) volumetric charges equal to 80% of the District's retail service rates for water and wastewater services.

[3] Amounts include late fees, meter set fees, and miscellaneous fees. For the Fiscal Year 2023, the District reported grant revenues of \$4,009, these amounts have been excluded for the purposes of calculating Gross Revenues.

[4] Amounts shown reflect investment earnings from funds and accounts established by the District that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available as a component of Gross Revenues).

	Fiscal Year Ending September 30,				
	2019	2020	2021	2022	2023
Annual Financial Report - Interest Revenue	\$25,204	\$8,600	\$537	\$594	\$ 418,299.00
Less: Restricted Interest Revenue (Connection Fee and R&R Funds)	(9,166)	(2,892)	(219)	(286)	(207,221)
Recognized Interest Revenue	\$16,038	\$5,708	\$318	\$308	\$211,078

[5] Amounts represent the use of or deposits to Rate Stabilization Funds as established by the Master Indenture for the outstanding Bonds.

[6] Pursuant to the Master Indenture, Operating Expenses do not include depreciation or amortization expenses.

[7] The Master Indenture requires the District to annually provide Net Revenues adequate to pay at least: 1) 110% of the Annual Debt Service on all Outstanding Bonds; 2) 100% of any required deposits to the Reserve Account; 3) 100% of any required deposits to the Renewal and Replacement Fund; and 4) 100% of any amounts required to be repaid to the Water Connection Fees Fund or Wastewater Connection Fees Fund.

[8] Amounts shown provided by the Investment Banker and confirmed by the Trustee for the Refunded Bonds.

[9] The Master Indenture requires Net Revenues sufficient to provide at least 110% of the total Annual Debt Service on the Outstanding Bonds. The Amounts shown represent the additional 10% allowance for covenant compliance above the actual Annual Debt Service.

[10] Pursuant to the Master Indenture, the District must maintain a balance in the Reserve Account equal to the Reserve Account Requirement as defined in the Master Indenture. The Reserve Account Requirement is assumed to be fully funded during the Forecast Period.

[11] Amounts reflect required transfers to the Renewal and Replacement Fund as required by the Indenture, and is equal to five percent (5.0%) of the previous year's Gross Revenues, excluding connection fees revenues.

[12] Pursuant to the Master Indenture, the District must recognize 100% of any amounts required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund. No amounts have been borrowed or are required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund during the Historical Period or Forecast Period.

Table 12
St. Lucie West Services District
Preliminary Feasibility Report - Utility Revenue and Refunding Bonds, Series 2024

Projected Operating Results and Debt Service Coverage

Line No.		Fiscal Year Ending September 30,					
		2024	2025	2026	2027	2028	2029
1	Water, Wastewater, Irrigation, and Bulk Rate Revenues	\$10,687,587	\$11,874,131	\$13,780,947	\$14,346,464	\$14,869,918	\$15,413,460
2	Total Rate Revenue Recognized [1]	\$10,687,587	\$11,874,131	\$13,780,947	\$14,346,464	\$14,869,918	\$15,413,460
	Income and Funds from Other Sources						
3	Other Operating Revenue [2]	76,840	97,550	163,100	83,760	78,330	78,330
3	Connection Fee Revenues	1,097,280	1,015,200	2,030,400	31,740	35,093	35,093
4	Allowance for Funds Prudently Invested (AFPI)	181,610	168,025	336,050	7,150	7,865	7,865
5	Interest Income [3]	88,037	87,405	95,071	101,708	108,707	120,408
6	Transfer (To) / From Rate Stabilization Fund [4]	0	0	0	0	0	0
7	Gross Revenues	\$12,131,354	\$13,242,311	\$16,405,568	\$14,570,822	\$15,099,913	\$15,655,156
8	Total Operating Expenses [5]	\$7,514,991	\$8,024,839	\$8,248,579	\$8,470,980	\$8,736,562	\$8,940,950
9	Net Revenue	\$4,616,363	\$5,217,471	\$8,156,989	\$6,099,842	\$6,363,352	\$6,714,207
	Rate Covenant Test [6]						
	Annual Debt Service: [7]						
10	Utility Revenue Refunding Bonds, Series 2011	\$1,658,385	\$0	\$0	\$0	\$0	\$0
11	Utility Revenue Refunding Bonds, Series 2013	369,075	0	0	0	0	0
12	Utility Revenue Refunding Bonds, Series 2014	547,095	0	0	0	0	0
13	Utility Revenue and Revenue Refunding Bonds, Series 20:	0	2,552,786	4,607,005	4,608,180	4,610,530	4,609,530
14	Total Annual Debt Service	\$2,574,555	\$2,552,786	\$4,607,005	\$4,608,180	\$4,610,530	\$4,609,530
15	Annual Debt Service Coverage Allowance [8]	257,456	255,279	460,701	460,818	461,053	460,953
16	Reserve Account [9]	0	0	0	0	0	0
17	Renewal and Replacement Fund [10]	537,817	551,704	611,356	718,758	726,954	753,241
18	Repayment to Water and Wastewater Connection Fee Fund	0	0	0	0	0	0
19	Required Deposits Per Master Indenture	\$3,369,828	\$3,359,768	\$5,679,062	\$5,787,756	\$5,798,537	\$5,823,724
20	Coverage Ratio - Calculated	136.99%	155.29%	143.63%	105.39%	109.74%	115.29%
21	Coverage Ratio - Required	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
22	Amount Available for Other System Expenditures	\$1,246,535	\$1,857,703	\$2,477,927	\$312,086	\$564,815	\$890,483

Footnotes:

[1] Amounts shown reflect projected increase in rate revenue collections assuming the adoption and implementation of the following rate adjustments:

	Fiscal Year Ending September 30,					
	2024	2025	2026	2027	2028	2029
Water System Rates	0.00%	9.00%	9.00%	3.50%	3.50%	3.50%
Wastewater System Rates	0.00%	9.00%	9.00%	3.50%	3.50%	3.50%
Irrigation System Rates	0.00%	9.00%	9.00%	3.50%	3.50%	3.50%

[2] Amounts include late fees, meter set fees, and miscellaneous fees.

[3] Amounts shown reflect investment earnings from funds and accounts established by the District that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available as a component of Gross Revenues).

[4] Amounts represent the use of or deposits to Rate Stabilization Funds as established by the Master Indenture for the Outstanding Bonds.

[5] Pursuant to the Indenture, Operating Expenses do not include depreciation or amortization expenses.

[6] The Master Indenture requires the District to annually provide Net Revenues adequate to pay at least: 1) 110% of the Annual Debt Service on all Outstanding Bonds;

2) 100% of any required deposits to the Reserve Account; 3) 100% of any required deposits to the Renewal and Replacement Fund; and 4) 100% of any amounts required to be repaid to the Water Connection Fees Fund or Wastewater Connection Fees Fund.

[7] Amounts shown provided by the Investment Banker and confirmed by the Trustee for the Refunded Bonds.

[8] The Master Indenture requires Net Revenues sufficient to provide at least 110% of the total Annual Debt Service on the Outstanding Bonds. The Amounts shown represent the additional 10% allowance for covenant compliance above the actual Annual Debt Service.

[9] Pursuant to the Master Indenture, the District must maintain a balance in the Reserve Account equal to the Reserve Account Requirement as defined in the Master Indenture.

The Reserve Account Requirement is assumed to be fully funded during the Forecast Period.

[10] Amounts reflect required transfers to the Renewal and Replacement Fund as required by the Indenture, and is equal to five percent (5.0%) of the previous year's Gross Revenues, excluding connection fees revenues.

[11] Pursuant to the Master Indenture, the District must recognize 100% of any amounts required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund.

No amounts have been borrowed or are required to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund during the Historical Period or Forecast Period.

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 4 Consider Approval of Bond Counsel Agreement with Nabors, Giblin & Nickerson, P.A.

Summary

For your review and approval regarding Bond Counsel Agreement with Nabors, Giblin & Nickerson, P.A. for the issuance of the Utility Revenue Bond Series 2024.

Recommendation

Staff recommend approval of the Bond Counsel Agreement with Nabors, Giblin & Nickerson, P.A. for the issue of the Utility Revenue Bond Series 2024 for the not to exceed amount of \$45,000.00.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

BOND COUNSEL AGREEMENT

This Bond Counsel Agreement (this "Agreement") is entered into this 9th day of July, 2024, by and between the **ST. LUCIE WEST SERVICES DISTRICT** (the "District"), an independent special district organized and existing under the provisions of Chapter 190, Florida Statutes, as amended, and **NABORS, GIBLIN & NICKERSON, P.A.**, a Florida professional service corporation ("Nabors Giblin").

W I T N E S S E T H:

WHEREAS, the District plans to issue utility revenue bonds, in one or more series (the "Bonds"), in order to finance the acquisition, construction and/or equipping of certain water supply, sewer and waste water management facilities benefiting residents of the District; and

WHEREAS, the District desires to engage Nabors Giblin as bond counsel in connection with the issuance and sale of the Bonds, on the terms and conditions hereinafter set forth; and

WHEREAS, Nabors Giblin desires to accept engagement as bond counsel for the District in connection with the issuance and sale of the Bonds, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, which shall be deemed an integral part of this Agreement, and of the covenants and agreements herein contained, the District and Nabors Giblin, both intending to be legally bound hereby, agree as follows:

1. BOND COUNSEL.

(a) Duties. Nabors Giblin shall serve as bond counsel to the District in connection with the issuance of the Bonds. The duties of Nabors Giblin as bond counsel shall include the following:

(i) prepare all indentures, including a Master Indenture and Supplemental Indenture(s) with respect to the Bonds, and other documents relating to the Bonds, said duty to be performed in cooperation with the financial advisors and/or underwriters engaged by the District;

(ii) if requested by the District, prepare validation pleadings, including the proposed final judgment, in connection with the validation of the Bonds and appear as attorneys of record with the District Counsel at the validation hearing;

(iii) review all disclosure documents, including official statements, prepared or authorized by the District insofar as such documents contain descriptions of the Bonds and summaries of contracts or other documents relevant to the Bonds; provided, however, that Nabors Giblin shall have no responsibility for the disclosure documents insofar as such documents describe the financial circumstances of the offering or any other statistical projects or data, and provided further, that Nabors Giblin shall have no responsibility to the purchasers of the Bonds for state or federal securities law compliance in connection with the offering of the Bonds;

(iv) review all underwriters' proposals as requested by the District, prepare all closing documents, and attend and be responsible for the closing, as well as attend drafting and informational meetings regarding the Bonds; and

(v) render opinions in written form at the time the Bonds are to be authenticated and delivered, which opinions shall cover the legality of the Bonds and the exemption of the Bonds from federal income taxation.

(b) Fees and Expenses for Services Rendered as Bond Counsel. The District shall pay to Nabors Giblin, as a fee for services rendered pursuant to this Section 1 such amounts as mutually agreed upon between the parties hereto and commensurate with the work performed. Such fee shall not exceed \$45,000.00 per issue. Such fee shall be paid by the District to Nabors Giblin only from the proceeds derived by the District from the sale of the Bonds and, if the Bonds are not sold, then no fees shall be paid by the District for services rendered pursuant to this Section 1.

The foregoing fee shall include all out-of-pocket expenses incurred by Nabors Giblin in connection with services rendered hereunder, and no other expenses shall be payable by the District in connection with bond counsel services.

2. TERMINATION. This Agreement may be terminated by the District, or by Nabors Giblin, with or without cause, upon fifteen (15) days prior written notice to the other. If the District terminates Nabors Giblin for any reason, then no compensation shall be paid to Nabors Giblin for any services theretofore rendered pursuant to Section 1 of this Agreement.

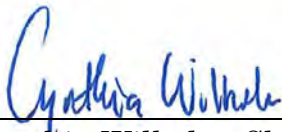
3. CONSTRUCTION. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

IN WITNESS WHEREOF, the District and Nabors Giblin have executed this Agreement as of the date set forth above.

ST. LUCIE WEST SERVICES DISTRICT

By: _____
Chairman/Vice Chairman

NABORS, GIBLIN & NICKERSON, P.A.

By:  _____
Cynthia Wilhelm, Shareholder

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 5 Consider Resolution No. 2024-07 – Authorizing Issuance of Not Exceeding \$40,000,000 Utility Revenue Bonds

Summary

Presented for Board review and approval is a resolution that, if adopted, would:

Authorize issuance of Not Exceeding \$40,000,000 St. Lucie West Services District Utility Revenue Bonds, in one or more series (“Bonds”)

Approve a form of Master Indenture for the Bonds, as more particularly described in Exhibit B to the Resolution, and appoint a Trustee under the Master Indenture

Approve the Project to be financed with the Bonds, consisting of the design, permitting, acquisition, construction and installation of certain water and wastewater utility improvements and facilities and associated professional fees and incidental costs, as more particularly described in Exhibit A to the Resolution

Describe certain details of the Bonds

Authorize commencing validation proceedings for the Bonds

Make certain findings and authorize certain actions relating to the Bonds

Recommendation

Staff recommends approving Resolution No. 2024-07 authorizing issuance of the Bonds and making the related approvals, authorizations, and determinations described above.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

RESOLUTION NO. 2024-07

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$40,000,000 ST. LUCIE WEST SERVICES DISTRICT UTILITY REVENUE BONDS, IN ONE OR MORE SERIES; APPROVING THE FORM OF A MASTER TRUST INDENTURE; APPOINTING A TRUSTEE; AUTHORIZING THE COMMENCEMENT OF VALIDATION PROCEEDINGS RELATING TO THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of St. Lucie West Services District (the "Board" and the "District" respectively) has determined to proceed at this time with the validation of not to exceed \$40,000,000 in principal amount of St. Lucie West Services District Utility Revenue Bonds in one or more Series (collectively, the "Bonds") to be issued under and pursuant to a Master Trust Indenture, dated as of the first day of the first month in which the first Bonds are issued thereunder (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), to be amended and supplemented by supplemental trust indentures relating to one or more Series of Bonds (the "Supplemental Indentures"), between the District and the Trustee (collectively, the Master Indenture as amended and supplemented from time to time by the Supplemental Indentures is hereinafter referred to as the "Indenture");

WHEREAS, the Bonds are to be issued to pay all or a part of the costs of the design, permitting, acquisition, construction and installation of certain water and wastewater utility improvements and facilities and associated professional fees and incidental costs, all as permitted by Chapter 190, Florida Statutes (the "Act"), and as described generally in Exhibit A (the "Project");

WHEREAS, the Board finds that the provision of the Project is an appropriate public purpose and is in the best interests of the District, its landowners and residents; and

WHEREAS, in conjunction with the commencement of the validation proceedings relating to the Bonds, it is necessary to approve the form of the Master Indenture and to provide for various other matters with respect to the Bonds;

NOW, THEREFORE, BE IT RESOLVED that

1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture.

2. Master Indenture; Appointment of Trustee. Attached hereto as Exhibit B is the form of Master Indenture, which form is hereby authorized and approved, subject to such changes, additions, deletions and insertions as shall be approved by the Board in a subsequent resolution or resolutions authorizing the issuance of a specific Series of Bonds thereunder. U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida is hereby appointed as Trustee under the Master Indenture.

3. Approval of Project. The Project constitutes community development services and facilities within the jurisdiction of the District, is considered a "project" within the meaning of the Act, and is an appropriate public purpose. It is necessary and proper for the health, safety, and welfare of the District and its landowners and inhabitants that the Project be planned, financed, acquired, constructed, reconstructed, equipped and installed by the District.

4. Description of Bonds. The Bonds shall be dated, shall be in the aggregate principal amount not to exceed \$40,000,000, shall mature, shall be subject to mandatory and optional redemption on the terms, at the times and prices and in the manner, and shall bear interest at the rates to be provided in the Supplemental Indenture relating to the respective Series of Bonds and in the subsequent resolution or resolutions establishing the details of the Bonds. The Bonds shall be initially signed by the manual signature of the Chairman or Vice Chairman and initially countersigned by the manual signature of the Secretary or Assistant Secretary and shall be authenticated by the manual signature of the Trustee. The Bonds shall be in the general form of Bonds which is attached to the Master Indenture. The Bonds, when executed and delivered by the District, shall be the legal, valid, binding obligations of the District, enforceable in accordance with their terms.

The Bonds, and interest thereon, shall not be deemed to constitute a debt, liability or obligation of the State of Florida, or of any political subdivision thereof but shall be solely payable from the Pledged Funds, as defined in the Master Indenture. Neither the full faith and credit, nor any taxing power of the District, St. Lucie County, Florida, or the State of Florida, or of any political subdivision thereof is pledged for the payment of the principal of or interest on the Bonds.

5. Commencement of Validation Proceedings. Torcivia, Donlon, Goddeau & Rubin, P.A., the District's General Counsel, is hereby authorized to file a complaint in the Circuit Court in and for St. Lucie County, Florida, against the State of Florida, and the taxpayers, property owners, and citizens of the District, including non-residents owning property or subject to taxation therein, and all others having or claiming any right, title, or interest in property to be affected by the issuance of the Bonds or to be affected in any way thereby in accordance with

the provisions of Chapter 75, Florida Statutes, and to take any and all further action which shall be necessary in order to achieve a final non-appealable order of validation with respect to the Bonds.

The Chairman or Vice Chairman or any other member of the Board is authorized to sign any pleadings and to offer testimony in any such proceedings for and on behalf of the District. The officers and agents of the District, including without limitation, the General Manager and Consulting Engineer, are hereby also authorized to offer testimony for and on behalf of the District in connection with such proceedings.

6. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the commencement of the validation proceedings for the Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirements of Section 286.011, Florida Statutes.

7. Other Actions. The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary, and all other members, officers and employees of the Board and the District are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Bonds and the consummation of all transactions in connection therewith, including the execution of all necessary or desirable certificates, documents, papers, and agreements and the undertaking and fulfillment of all transactions referred to in or contemplated by the Indenture and this Resolution.

Notwithstanding anything herein to the contrary, no Series of Bonds may be issued or delivered until the District adopts a subsequent resolution and/or Supplemental Indenture fixing the details of such Series of Bonds, whether specified by the Board or delegated to a Designated Member, as may be defined in such subsequent resolution.

8. Effective Date. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Intentionally Left Blank]

PASSED in Public Session of the Board of Supervisors of St. Lucie West Services District, this 9th day of July, 2024.

**ST. LUCIE WEST SERVICES
DISTRICT**

Attest:

Secretary/Assistant Secretary

Chairman/Vice Chairman,
Board of Supervisors

Exhibit A – Description of Project
Exhibit B – Form of Master Trust Indenture

EXHIBIT A
DESCRIPTION OF PROJECT
(attached hereto)

EXHIBIT B
FORM OF MASTER TRUST INDENTURE
(attached hereto)

MASTER TRUST INDENTURE

BETWEEN

ST. LUCIE WEST SERVICES DISTRICT

AND

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of [Dated Date]

**ST. LUCIE WEST SERVICES DISTRICT
UTILITY REVENUE BONDS**

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EXHIBIT A – FORM OF BOND
EXHIBIT B – FORM OF REQUISITION

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE (the "Master Indenture") is dated as of [Dated Date], between **ST. LUCIE WEST SERVICES DISTRICT** (the "District"), a local unit of special-purpose government organized and existing under the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended (the "Act") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association having the authority to exercise corporate trust powers.

WHEREAS, the District is authorized by the Act, particularly by Section 190.012(1)(b) of the Act, to own and operate water supply, sewer and waste water management facilities, or any combination thereof, and to construct and operate connecting intercepting and outlet sewers and sewer mains and pipes and water mains and conduits or pipelines, in and along and under any street, alley, highway or other public place or ways, and to dispose of any effluent, residue or other byproduct of such system or sewer system; and

WHEREAS, the District is authorized by the Act, particularly by Section 190.011(10) of the Act, to raise by user charges or fees authorized by resolution of the Board of Supervisors of the District, amounts of money which are necessary for the conduct of the District activities and services and to enforce their receipt and collection in the manner prescribed by resolution not inconsistent with law;

WHEREAS, the District is authorized by the Act, particularly by Section 190.016(8) of the Act, to issue revenue bonds, from time to time without limitation as to amount, secured by, or payable from, the gross or net pledge of the revenues to be derived from any project or combination of projects, from the rates, fees, or other charges to be collected from the users of any project or projects, from any revenue producing undertaking or activity of the District or from any other source or pledged security; provided, however, that, pursuant to the Act, such bonds shall not constitute an indebtedness of the District, and the approval of the qualified electors shall not be required unless such bonds are additionally secured by the full faith and credit and taxing power of the District;

WHEREAS, the Bonds (hereinafter defined) and any obligations issued on parity therewith pursuant to this Master Indenture shall be secured by the Trust Estate (hereinafter defined) provided herein; and

WHEREAS, the Trust Estate shall consist of revenues, moneys and funds derived from the operation of the Utility System (hereinafter defined); and

WHEREAS, all acts and things necessary to constitute this Master Indenture a valid pledge and assignment of the Trust Estate have been done and performed;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners (hereinafter defined) thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and the payment of any Hedge Payments (hereinafter defined) in accordance with the terms thereof and any Hedge Agreements (hereinafter defined) according to their tenor and effect and to secure the performance and observance by the District of all the covenants expressed or implied herein and in the Bonds and any Hedge Agreements, does hereby grant, bargain, sell, convey, mortgage, assign, pledge and grant, without recourse, a lien in the hereafter described Trust Estate to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the District hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the District to the Pledged Funds (hereinafter defined); provided, however, the Bonds and Hedge Payments shall not be secured by, or payable from, any revenues or moneys derived from the ownership, operation or management of any property other than the Utility System; and

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms hereof (except for moneys and securities held in the Rebate Fund and moneys required to pay Operating Expenses), including any investment earnings thereon, all in accordance with the provisions hereof; and

GRANTING CLAUSE THIRD

Any proceeds derived from any Bond Insurance Policy or Credit Facility (each as hereinafter defined), any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, pledged, hypothecated or otherwise subjected hereto, as and for additional security herewith, by the District or any other Person (hereinafter defined) on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; provided, however, proceeds of any Bond Insurance Policy or Credit Facility shall be utilized in accordance with the terms thereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, to the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Master Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds, except as otherwise specifically provided herein with respect to the Bonds;

PROVIDED, HOWEVER, that the Owners of the Bonds and recipients of any Hedge Payments shall be entitled to payment only from the moneys, funds and property described in the foregoing Granting Clauses;

AND FURTHER PROVIDED, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, the Hedge Payments and the principal of, redemption premium, if any, and interest on the Bonds and any Hedge Agreements due or to become due thereon, at the times and in the manner mentioned in the Bonds and as provided in Article II hereof according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article II hereof, or shall provide, as permitted hereby, for the payment thereof in accordance with Article VII hereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms hereof to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as provided in Article VII hereof, this Master Indenture and the rights hereby granted shall cease, terminate and be void and the Trustee shall thereupon cancel and discharge this Master Indenture and execute and deliver to the District such instruments in writing as shall be requisite to evidence the discharge hereof;

THIS MASTER INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the Trust Estate is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds, or any part thereof, and with the recipients of any Hedge Payments as follows:

[Remainder of Page Intentionally Left Blank]

ARTICLE I
DEFINITIONS AND USE OF PHRASES

Section 101. Definitions. As used in this Master Indenture and the recitals hereto, the following terms and phrases shall have the following meanings:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment of the Capital Appreciation Bonds prior to maturity thereof, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

"Act" shall mean Chapter 190, Florida Statutes, as amended from time to time.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Article V hereof on a parity with the Bonds.

"Annual Audit" shall mean the annual audit prepared pursuant to the requirements of Section 608 hereof.

"Annual Budget" shall mean the annual budget prepared pursuant to the requirements of Section 605 hereof.

"Annual Debt Service" shall mean the aggregate amount of Debt Service coming due on the Bonds during each applicable Fiscal Year.

"Authorized Investments" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the District:

(a) United States Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the United States Government, including but not limited to: United States Treasury bills, bonds, notes, and STRIPS; Resolution Funding Corporation Interest STRIPS; and United States Agency for International Development (US AID) guaranteed notes (including stripped securities) provided that any US AID security shall mature at least ten (10) Business Days prior to any cash flow or escrow requirement, and debt

obligations, participations or other instruments issued or fully guaranteed by any United States federal agency, instrumentality, corporation, or government-sponsored enterprise, including but not limited to: Fannie Mae, Freddie Mac, the Federal Home Loan Banks, and the Federal Farm Credit System;

(b) United States dollar denominated debt obligations of a multilateral organization of governments for which the United States government is a participant, shareholder, and/or voting member with minimum ratings of AA-/Aa3 (or the equivalent) or A-1/P-1 (or the equivalent) by any Rating Agency, including but not limited to: the Inter-American Development Bank, International Bank for Reconstruction & Development, African Development Bank, Asian Development Bank, and the International Finance Corporation;

(c) United States dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a United States or foreign corporation, financial institution, non-profit, or other entity with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any Rating Agency;

(d) Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any state or with minimum ratings of A-/A3 (or the equivalent) or SP-1/MIG 1 (or the equivalent) by any Rating Agency;

(e) Mortgage-backed securities, backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a United States federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations and REMICs;

(f) Asset-backed securities whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans with minimum ratings of AAA/Aaa (or the equivalent) or A-1+/P-1 (or the equivalent) by any Rating Agency;

(g) Non-negotiable interest bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of this State or in national banks organized under the laws of the United States and doing business in this State, provided that any such deposits are secured or collateralized, if required by state or federal law;

(h) Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or whose short-term obligations are rated, at

the time of purchase, in one of the two highest rating categories, without regard to gradation, by any Rating Agency;

(i) United States dollar denominated commercial paper issued or guaranteed by a United States or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with minimum ratings of A-1/P-1 (or the equivalent) by any Rating Agency;

(j) Bankers' acceptances issued, drawn on, or guaranteed by a United States bank or United States branch of a foreign bank with minimum ratings of A-1/P-1 (or the equivalent) by any Rating Agency;

(k) Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7;

(l) Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "AA-" or "Aa3" by any Rating Agency;

(m) Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "BBB-" or "Baa3" by any Rating Agency under which obligations described in (b) and/or (c) above are delivered;

(n) Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" by any nationally recognized rating agency, provided that obligations described in (b) shall be valued at least weekly and posted at a margin of 104% with a third-party custodian, and obligations described in (c) shall be valued at least weekly and posted at a margin of 105% with a third-party custodian;

(o) Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes;

(p) Funds deposited with the SBA are invested in the pooled investment account, an external investment pool administered by the State of Florida and operated in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940; and

(q) other investments permitted by Florida law and directed by the District.

Under all circumstances, the Trustee shall be entitled to rely that any investment directed by the District is permitted under this Master Indenture and is a legal investment of funds for the District.

"Authorized District Officer" shall mean the person or persons at the time designated to act on behalf of the District by written certificate furnished to the Trustee containing the specimen signature(s) of such person or persons and signed on behalf of the District by its duly authorized officer. Such certificate may designate an alternate or alternates.

"Balloon Bonds" shall mean Bonds of a Series designated as such by a Supplemental Indenture entered into in connection with the issuance thereof, for which either (a) no serial maturities or Sinking Fund Installments prior to the maturity thereof have been established, or (b) the aggregate of such serial maturities and Sinking Fund Installments that have been established is less than the amount necessary to amortize such Bonds on a substantially level debt service basis.

"Board" shall mean the Board of Supervisors of the District, the governing body of the District.

"Bond Counsel" shall mean such attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America. Bond Counsel shall be selected by the District unless otherwise provided herein.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy or policies issued by an Insurer or Insurers guaranteeing the scheduled payment of the principal of and interest on any portion of the Bonds.

"Bond Register" shall mean the registration books maintained pursuant to Section 205 hereof.

"Bonds" shall mean any debt obligations, including Additional Bonds, issued pursuant to this Master Indenture and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Article V hereof.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Trustee's or Paying Agent's (if the Trustee is not also the Paying Agent) Principal Office is lawfully closed.

"Capital Appreciation Bonds" shall mean those Bonds so designated by Supplemental Indenture of the District, which may be either Serial Bonds or Term Bonds and which shall bear interest payable solely at maturity or redemption. In

the case of Bonds that convert to or from Capital Appreciation Bonds with interest payable prior to maturity or redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time interest accrues and is not payable to the Owner thereof until maturity or redemption.

"Chairman" shall mean the Chairman of the Board or, in his or her absence or unavailability, the Vice Chairman of the Board.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Connection Fees" shall mean, collectively, the Water Connection Fees and the Wastewater Connection Fees.

"Construction Account" shall mean the separate account of the Construction Fund established pursuant to Section 402(i) hereof.

"Construction Fund" shall mean the fund established pursuant to Section 402(i) hereof.

"Consulting Engineers" shall mean an engineering firm or firms of reputation for skill and experience with respect to the construction and operation of facilities similar to the Utility System, which is duly licensed under the laws of the State and designated by the District to perform the duties of the Consulting Engineers under the provisions hereof.

"Cost," when used in connection with a Project, shall mean: (a) the District's cost of construction; (b) costs of acquisition by or for the District of such Project; (c) costs of land and interests therein and the cost of the District incidental to such acquisition; (d) the cost of any indemnity and surety bonds and premiums for insurance during construction; (e) all interest due to be paid on the Bonds and other obligations relating to the Utility System during the period of acquisition and construction of such Project and for such period subsequent to completion as the District shall determine; (f) engineering, legal and other consultant fees and expenses; (g) costs and expenses of the financing, including audits, fees and expenses of any Paying Agent, Trustee or depository; (h) amounts, if any, required by this Master Indenture to be paid into the Interest Account upon the issuance of any Series of Bonds; (i) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the District incurred for such Project; (j) costs of machinery, equipment and supplies and reserves required by the District for the commencement of operation of such Project or continuation of operation of such Project; and (k) any other costs properly attributable to such construction or acquisition or the issuance of indebtedness which finances such Project, as determined by generally accepted accounting principles applicable to public utility systems similar to the Utility System, and shall include reimbursement to the District for any such items of Cost heretofore

paid by the District. Any Supplemental Indenture may provide for additional items to be included in the aforesaid Costs.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the District. Counterparty shall also include any guarantor of such entity's obligations under such Hedge Agreement.

"Credit Bank" shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a Credit Facility, as designated in the Supplemental Indenture providing for the issuance of such Bonds.

"Credit Facility" shall mean as to any particular Series of Bonds, an irrevocable letter of credit, a line of credit or other credit or legal liquidity facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Indenture providing for the issuance of such Bonds.

"Debt Service" shall mean, at any time, the aggregate amount in the then applicable period of time of (a) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds, (b) principal of Outstanding Serial Bonds maturing in such period of time, and (c) the Sinking Fund Installments herein designated with respect to such period of time. For purposes of this definition, (i) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment in the year it becomes due, (ii) subject to the provisions of Section 621 hereof, with respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, and (iii) the amount on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted.

With respect to Balloon Bonds, the unamortized principal coming due on the final maturity date thereof shall be ignored and in lieu thereof there shall be added to the Debt Service for the applicable period of time in which such final maturity occurs and to each year thereafter through the thirtieth (30th) anniversary of the issuance of such Bonds (the "Reamortization Period") the amount of substantially level principal and interest payments (assuming for such purposes such interest rate as a financial advisor selected by the District and having experience in the pricing of municipal bonds shall determine is a reasonable estimate of the rate that such Balloon Bonds would bear based upon such Reamortization Period and the characteristics of such Balloon Bonds) that if paid in each year during the Reamortization Period would be sufficient to pay in full the unamortized portion of such Balloon Bonds by such anniversary.

"Debt Service Reserve Fund Policy Agreement" shall mean any agreement securing the obligations of the District to repay draws, expenses and accrued interest associated with a Reserve Account Letter of Credit or Reserve Account Insurance Policy.

"Debt Service Fund" shall mean the fund established pursuant to Section 402(c) hereof.

"District" shall mean the St. Lucie West Services District, and also includes any authority or other governmental entity to which may hereafter be transferred some or all of the powers and responsibilities of the District with respect to the ownership, financing, operation, improvement and maintenance of the Utility System.

"DTC" shall mean The Depository Trust Company, and its successors and assigns.

"Federal Securities" shall mean (a) cash, (b) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (d) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (e) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any Person claiming through the custodian or to whom the custodian may be obligated.

"Fiscal Year" shall mean the period commencing October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Fitch" shall mean Fitch Ratings, Inc., and any assigns and successors thereto.

"General Manager" shall mean the General Manager of the District or his, her or its designee.

"Government Grant," when used with respect to the Utility System, shall mean any sum of money heretofore or hereafter received by the District from the United States of America or any agency thereof or from the State or any agency or political subdivision thereof as or on account of a grant or contribution, not repayable by the District, for or with respect to (a) the construction, acquisition or

other development of an addition, extension or improvement to any part of the Utility System or any costs of any such construction, acquisition or development, or (b) the financing of any such construction, acquisition, development or costs; provided, however, Government Grant shall not include any grants or contributions received by the District for purposes of funding Operating Expenses.

"Gross Revenues" shall mean all income and moneys received by the District from the rates, fees, rentals, charges and other income to be made and collected by the District for the use of the products, services and facilities to be provided by the Utility System, or otherwise received by the District or accruing to the District in the ownership, management and operation of the Utility System, calculated in accordance with generally accepted accounting principles applicable to public utility systems similar to the Utility System, including, without limiting the generality of the foregoing, (a) moneys transferred from the Rate Stabilization Account into the Revenue Account in accordance with the terms hereof, provided any moneys transferred from the Rate Stabilization Account into the Revenue Account within ninety (90) days following the end of a Fiscal Year may be designated by the District as Gross Revenues for such prior Fiscal Year, (b) proceeds from use and occupancy insurance on the Utility System, (c) fees collected by the District for the physical hook-up of customers of the Utility System, and (d) Investment Earnings. "Gross Revenues" shall not include (i) Government Grants, to the extent prohibited or restricted as to its use by the terms of the Government Grant, (ii) proceeds of Bonds or other District debt, and (iii) moneys transferred to the Rate Stabilization Account from the Surplus Fund, including any moneys transferred from the Surplus Fund to the Rate Stabilization Account within ninety (90) days following the end of a Fiscal Year which the District determines not to be Gross Revenues of such prior Fiscal Year. "Gross Revenues" also does not include any revenues or moneys derived by the District from property or facilities it owns, operates or manages other than the Utility System. Gross Revenues may include other revenues related to the Utility System which are not enumerated in the definition of "Gross Revenues," including Connection Fees, if and to the extent the same shall be approved for inclusion by the District and, if all Bonds are insured by an Insurer or secured by a Credit Facility as to payment of principal and interest at the time of such inclusion, the Credit Banks and the Insurers of the Bonds.

"Hedge Agreement" shall mean an agreement in writing between the District and the Counterparty designated as such by the District pursuant to which (a) the District agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on the debt of the District specified in such agreement in the period specified in such agreement and (b) the Counterparty agrees to pay to the District an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a Series of Bonds specified in such agreement during the period specified

in such agreement. Hedge Agreement shall also include any financial product or agreement which is used by the District as a hedging device with respect to its obligations to pay interest on the Bonds, or any portion thereof, which is designated by the District as a "Hedge Agreement."

"Hedge Payments" shall mean any amounts payable by the District on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or a fee or by virtue of termination of a Qualified Hedge Agreement or any obligation to provide collateral.

"Hedge Receipts" shall mean any amounts receivable by the District on the related notional amount under a Qualified Hedge Agreement.

"Indenture" shall mean this Master Indenture between the District and the Trustee, dated as of [Dated Date], under which the Bonds are issued, as amended and supplemented from time to time by any Supplemental Indentures.

"Initial Rating Requirement" shall mean, with regard to a Qualified Hedge Agreement, a Counterparty which at the time it enters into a Qualified Hedge Agreement is rated in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) by a Rating Agency.

"Insurer" shall mean such Person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on municipal securities and whose credit is such that, at the time of any action or consent required or permitted by the Insurer pursuant to the terms hereof, all municipal securities insured or guaranteed by it are then rated, because of such insurance or guarantee, in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) by a Rating Agency.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 402(c) hereof.

"Interest Payment Date" shall be such date or dates as shall be provided herein or by Supplemental Indenture of the District.

"Investment Earnings" shall mean all income and earnings derived from the investment of moneys in the funds and accounts established hereunder, other than the Construction Fund and the Rebate Fund.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in the then current or any future Fiscal Year in which Bonds are Outstanding.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Indenture of the District delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

"Moody's" shall mean Moody's Ratings, and any assigns and successors thereto.

"Net Revenues" shall mean Gross Revenues less Operating Expenses.

"Operation and Maintenance Fund" shall mean the fund created pursuant to Section 402(b) hereof.

"Operating Expenses" shall mean the District's expenses for operation, maintenance, management, development, repairs and replacements with respect to the Utility System and shall include, without limiting the generality of the foregoing: administration expenses; payments for the purchase of materials essential to or used in the operation of the Utility System including bulk purchases of water or wastewater services and product; fees for the operation or management of the Utility System or any portion thereof; any insurance and surety bond fees; the fees to the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit (but excluding any expenses or reimbursement obligations for draws made thereunder); accounting, legal and engineering expenses; ordinary and current rentals of equipment or other property; refunds of moneys lawfully due to others; payments to others for disposal of wastewater or other wastes; payments to pension, retirement, health and hospitalization funds; any costs of litigation or a legal judgment against the District; costs of permitting or other governmental regulatory matters; payments in lieu of taxes and facility impact fees; any other expenses required to be paid for or with respect to proper operation or maintenance of the Utility System, including appropriate reserves therefor, all to the extent properly attributable to the Utility System in accordance with generally accepted accounting principles applicable to public utility systems similar to the Utility System; and disbursements for the expenses, liabilities and compensation of any Paying Agent or Trustee under this Master Indenture. "Operating Expenses" does not include any costs or expenses in respect of original acquisition, construction or improvement of the Utility System (including issuance costs related to the financing thereof) other than expenditures necessary to prevent an interruption or continuance of an interruption of service or of Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the Utility System, any provision for interest, depreciation, amortization or similar charges, or any loss resulting from the valuation of investment securities or Hedge Agreement at market value and any other loss that does not require or result in the expenditure of cash.

"Outstanding," when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (a) any Bond in lieu of which other Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (b) any Bond surrendered by the Owner thereof in exchange for other Bond or Bonds under Section 205 hereof, (c) Bonds deemed to have been paid pursuant to Section 701 hereof, and (d) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

"Owner" or any similar term, when used with reference to a Bond or Bonds, shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the Bond Register of the District.

"Paying Agent" shall mean any bank or trust company designated by the District as a paying agent in respect of any Series of Bonds as designated in the Supplemental Indenture authorizing such Series of Bonds.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Pledged Funds" shall mean, (a) the Net Revenues, (b) the Connection Fees, and (c) until applied in accordance with the provisions hereof, all moneys, including investments thereof, in the funds and accounts established hereunder, except (i) the Rebate Fund, (ii) moneys in any fund or account to the extent such moneys shall be required to pay the Operating Expenses of the Utility System in accordance with the terms hereof, and (iii) moneys on deposit in a subaccount of the Reserve Account to the extent moneys on deposit therein shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean, collectively, the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

"Prerefunded Obligations" shall mean any 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) (i) which are not callable prior to maturity or (ii) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in the manner set forth in Section 701 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such

bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (c) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by a nationally recognized certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (a) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (d) which are rated in the highest rating category (without regard to gradations, such as "plus" or "minus" of such categories) of one of the Rating Agencies.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 402(c) hereof.

"Project" shall mean any structure, property or facility which the District from time to time may determine to construct or acquire as part of the Utility System, together with all equipment, structures and other facilities necessary or appropriate in connection therewith which are financed in whole or in part with the indebtedness secured by this Master Indenture. This term is to be broadly construed as including any lawful undertaking which will accrue to the benefit of the Utility System, including, without limitation, joint ventures and acquisition of partial interests or contractual rights, and including modification, disposal, replacement or cancellation of a Project previously authorized, should such modification, disposal, replacement or cancellation be permitted under this Master Indenture. Project may also include working capital, including payment of costs and judgments associated with litigation.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with a Counterparty which meets the Initial Rating Requirement.

"Rate Consultant" shall mean any accountant, engineer or consultant or firm of accountants, engineers or consultants chosen by the District from time to time with reputation for skill and experience in reviewing and recommending rates for utility systems similar to the Utility System.

"Rate Stabilization Account" shall mean the separate account in the Revenue Fund established pursuant to Section 402(a) hereof.

"Rating Agencies" shall mean Moody's, Standard & Poor's or Fitch or any other Rating Agency that has been requested by the District to assign a rating to a particular Series of Bonds and is registered as a Nationally Recognized Statistical Rating Organization by the United States of America Securities and Exchange Commission.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 402(h) hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable redemption premium, if any, payable upon redemption thereof pursuant to such Bond or this Master Indenture.

"Refunding Securities" shall mean Federal Securities and Prerefunded Obligations.

"Regular Record Date" shall mean (a) the fifteenth (15th) day of the month (whether or not a Business Day) immediately preceding an Interest Payment Date if such Interest Payment Date is on the first day of the month, (b) the last Business Day of the month immediately preceding such Interest Payment Date if such Interest Payment Date is on the fifteenth (15th) day of the month, or (c) the fifteenth (15th) calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date if such Interest Payment Date is on a day other than on the first day or the fifteenth (15th) day of the month.

"Renewal and Replacement Fund" shall mean the fund created pursuant to Section 402(d) hereof.

"Renewal and Replacement Fund Requirement" shall mean, on the date of calculation, an amount of money equal to (a) five percent (5%) of the Gross Revenues (excluding Connection Fees) for the preceding Fiscal Year or (b) such greater or lesser amount as may be certified to the District and the Trustee by the Consulting Engineers as an amount appropriate for the purposes hereof.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 402(c) hereof.

"Reserve Account Insurance Policy" shall mean the insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 404(b)(iv) hereof.

"Reserve Account Letter of Credit" shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 404(b)(iv) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (a) Maximum Annual Debt Service for all Outstanding Bonds secured by such Account, (b) 125% of the average Annual Debt Service for all Outstanding Bonds secured by such Account, or (c) the maximum amount allowed to be funded from proceeds of tax-exempt

obligations and invested at an unrestricted yield pursuant to the Code; provided, however, the District may establish by Supplemental Indenture a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a Series of Bonds pursuant to Section 404(b)(iv) hereof. Notwithstanding anything in this Master Indenture to the contrary, for purposes of this definition, Debt Service which is payable on October 1 is deemed to be paid in the prior Fiscal Year. Subject to the provisions of Section 621 hereof, in computing the Reserve Account Requirement in respect of a Series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (i) if such Variable Rate Bonds have been Outstanding for at least twenty-four (24) months prior to the date of calculation, the highest of (A) the actual rate of interest on the date of calculation, and (B) the average interest rate borne by such Variable Rate Bonds over a twenty-four (24) month period of time ending on the date immediately prior to the date of calculation, and (ii) if such Variable Rate Bonds have not been Outstanding for at least twenty-four (24) months prior to the date of calculation, the higher of (A) the actual rate of interest on the date of calculation, and (B) 120% of the average of the SIFMA Index over a twenty-four (24) month period of time ending on the date immediately prior to the date of calculation. The date of calculation for Variable Rate Bonds shall be each March 1 unless a different date is set forth in the Supplemental Indenture relating to the issuance of such Variable Rate Bonds.

"Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 402(a) hereof.

"Revenue Fund" shall mean the fund created pursuant to Section 402(a) hereof.

"Secretary" shall mean the Secretary of the Board or his or her designee.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 201 and 202 hereof or a Supplemental Indenture authorizing the issuance of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"SIFMA Index" shall mean the Securities Industry and Finance Markets Association Municipal Swap Index released by Municipal Market Data to its subscribers. In the event that at any time Municipal Market Data ceases to announce the SIFMA Index, makes a material change in the method of calculating the SIFMA Index, or in any other way materially modifies the SIFMA Index, the District, upon advice of its financial advisor, may make such calculations as may be required to determine the relevant index using a formula and method of calculating such index that it reasonably believes will produce the rate that would have been

produced by Municipal Market Data as in effect prior to such cessation, change or modification.

"Sinking Fund Installment" shall mean an amount designated as such herein or by Supplemental Indenture and established with respect to the Term Bonds.

"Sinking Fund Redemption Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 402(c) hereof.

"Special Record Date" shall have the meaning described in Section 207 hereof.

"Standard & Poor's" shall mean S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Subordinate Indebtedness" shall mean that indebtedness of the District, subordinate and junior to the Bonds, issued in accordance with the provisions of Article V hereof.

"Supplemental Indenture" shall mean any supplement to or amendment of this Master Indenture entered into in accordance with Article X hereof.

"Surplus Fund" shall mean the fund created pursuant to Section 402(g) hereof.

"Taxable Bonds" shall mean any Bonds which state, in the body thereof, that the interest income thereon is includable in the gross income of the Owner thereof for federal income taxation purposes or that such interest is subject to federal income taxation.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Indenture of the District.

"Transaction Costs" shall mean the costs, fees and expenses incurred by the District in connection with the issuance and sale of a Series of Bonds including but not limited to: (a) Rating Agency and other financing fees; (b) the fees and disbursements of Bond Counsel and disclosure counsel; (c) the fees and disbursements of the Trustee; (d) the fees and disbursements of counsel to the Trustee; (e) the fees and disbursements of the District's financial advisor; (f) the fees and disbursements of the Rate Consultant; (g) the fees and disbursements of the Consulting Engineers; (h) the costs of preparing or printing the Bonds and the documentation supporting issuance of the Bonds; (i) the fees and disbursements of counsel to the District and acquisition counsel; (j) costs of title insurance; and (k)

any other costs of a similar nature reasonably incurred as approved by an Authorized District Officer. Any Supplemental Indenture may provide for additional items to be included in the aforesaid Transaction Costs.

"Transaction Cost Account" shall mean the separate account in the Construction Fund established pursuant to Section 402(i) hereof.

"Trust Estate" shall mean the moneys, assets and property described in the Granting Clauses hereof.

"Trustee" shall mean U.S. Bank Trust Company, National Association, and any successor banking corporation, banking association or trust company at the time serving as trustee under this Master Indenture.

"Trustee's Principal Office" shall mean the address or office which the Trustee designates for the delivery of notices or payments hereunder. Until changed by notice from the Trustee to the District, the Trustee's Principal Office is:

U.S. Bank Trust Company, National Association
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309
Attention: Corporate Trust Department

"Utility System" shall mean any and all water production, transmission, treatment and distribution facilities and any and all wastewater collection, transmission, treatment and disposal facilities and any and all effluent reuse facilities, and acquired or refinanced by the District and designated as part of the "Utility System" by the District, including, but not limited to, acquisitions and improvements, financed or refinanced with proceeds of Bonds issued under the Indenture. Such Utility System shall also include any and all improvements, extensions and additions thereto hereafter constructed or acquired either from the proceeds of Bonds or from any other sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith, including all contractual rights, rights to capacity and obligations or undertakings associated therewith. "Utility System" shall also include any stormwater utility or any other utility facilities if and to the extent the District determines by Supplemental Indenture to include such utility or facilities within the Utility System as described herein. "Utility System" shall not include any portion of the Utility System disposed of by the District in accordance with Section 609 hereof.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

"Wastewater Connection Fees" shall mean the fees and charges, if any, imposed by the District to acquire, construct, equip or expand the capacity of the wastewater facilities of the Utility System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of capacity of the wastewater facilities of the Utility System or expansion thereof in order to serve new users of the wastewater facilities of the Utility System and new development within the service area of the Utility System, to the extent the same are lawfully levied, collected and pledged. Such Wastewater Connection Fees may include carrying costs associated with the wastewater facilities of the Utility System.

"Wastewater Connection Fees Fund" shall mean the fund created pursuant to Section 402(f) hereof.

"Water Connection Fees" shall mean the fees and charges, if any, imposed by the District to acquire, construct, equip or expand the capacity of the water facilities of the Utility System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of capacity of the water facilities of the Utility System or expansion thereof in order to serve new users of the water facilities of the Utility System and new development within the service area of the Utility System, to the extent the same are lawfully levied, collected and pledged. Such Water Connection Fees may include carrying costs associated with the water facilities of the Utility System.

"Water Connection Fees Fund" shall mean the fund created pursuant to Section 402(e) hereof.

Section 102. Use of Phrases; Rules of Construction. The following provisions shall be applied wherever appropriate herein:

"Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Master Indenture as an entirety and not solely to the particular portion of this Master Indenture in which any such word is used.

The definitions set forth in Section 101 hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein, any pronoun or pronouns shall be deemed to include both the singular and plural and to cover all genders.

Unless otherwise provided, any determinations or reports hereunder which require the application of accounting concepts or principles shall be made in accordance with generally accepted accounting principles.

ARTICLE II
GENERAL PROVISIONS RELATING TO BONDS

Section 201. Authorized Amount of Bonds. This Master Indenture authorizes the issuance of Bonds of the District to be designated as "St. Lucie West Services District Utility Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Master Indenture is not limited except as is or may hereafter be provided in this Master Indenture or as limited by the Act.

The Bonds may, if and when authorized by the District pursuant to this Master Indenture, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the District pursuant to Supplemental Indenture may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes, shall bear interest at such rate or rates not exceeding the maximum rate permitted by law, and shall be payable in lawful money of the United States of America on such dates, all as determined pursuant hereto or to a Supplemental Indenture.

The Bonds shall be issued in such denominations and such form, shall be dated such date; shall bear such numbers, shall be payable at such place or places, shall contain such redemption provisions, shall have such Paying Agents, shall consist of such amounts of Term Bonds, Serial Bonds, Taxable Bonds, Variable Rate Bonds, current interest paying Bonds and/or Capital Appreciation Bonds, shall mature in such years and amounts, and the proceeds shall be used in such manner, all as determined pursuant hereto or to a Supplemental Indenture in accordance with the provisions of the Act.

Section 202. Execution of Bonds. The Bonds shall be executed in the name of the District with the manual or facsimile signature of the Chairman and the official seal of the District shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the District before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the District by such person who at the actual time of the execution of such Bond shall hold the proper office of the District, although at the date of such Bond such person may not have held such office or may not have been so authorized. The District may adopt and use for such

purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Master Indenture, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

Section 203. Authentication. From time to time after the execution and delivery of this Master Indenture, the District may deliver executed Bonds of any Series to the Trustee for authentication, and the Trustee shall, upon direction of the District, authenticate and deliver such Bonds as provided in this Master Indenture and not otherwise.

No Bond shall be entitled to any benefit under this Master Indenture or be valid for any purpose unless there appears on such Bond a certificate of authentication which shall be substantially in the form set forth in Exhibit A attached hereto, executed on behalf of the Trustee with the manual signature of an authorized representative of the Trustee. Such certificate of authentication executed as aforesaid on a Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Master Indenture.

Section 204. Form of Bonds. The Bonds are to be in substantially the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Master Indenture. The Bonds of each particular Series may be printed, engraved, lithographed or typewritten or otherwise as shall be authorized for that Series.

Section 205. Provision for Registration, Transfer and Exchange of Bonds. The District shall cause a Bond Register to be kept at the Trustee's Principal Office for the purpose of providing for the registration of Bonds by the Trustee in accordance with the provisions of this Section 205 and such reasonable additional regulations as the Trustee may prescribe. The Trustee is hereby constituted and appointed the bond registrar of the District for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the District or by Owners (or a designated representative thereof) of twenty-five percent (25%) or more in aggregate principal amount of any Series of Bonds then Outstanding, the authority of such designated representative to be evidenced to the satisfaction of the Trustee. Whenever the Trustee is required hereunder to give notice to Owners, it shall give such notice by first-class mail to each Person on the Bond Register whose Bond is affected thereby.

Each Bond shall be fully negotiable. A Bond may be transferred only by a written assignment duly executed by the Owner or by such Owner's duly authorized legal representative appointed in writing. Upon presentation and surrender of the Bond together with said executed form of assignment at the Trustee's Principal Office, the Trustee shall register the transfer in the Bond Register; provided,

however, that the Trustee shall not have any obligation to register the transfer unless the executed assignment shall be satisfactory to it in form and substance. Upon registration of the transfer of a Bond, the Trustee shall cancel the surrendered Bond and the District shall issue, and the Trustee shall authenticate, one or more new Bonds of authorized denominations of the same maturity, Series, interest rate and in the same aggregate Outstanding principal amount as the surrendered Bond. Each Bond surrendered for exchange shall be accompanied with a written assignment in form and substance satisfactory to the Trustee and duly executed by the Owner or by such Owner's duly authorized legal representative appointed in writing. The District shall issue and the Trustee shall authenticate such new Bonds as shall be required to accomplish exchanges as aforesaid.

The Owner requesting any registration, transfer or exchange of Bonds shall pay with respect thereto (a) any resulting tax or governmental charge, (b) any reasonable service charge of the District and the Trustee, and (c) the actual cost of printing new Bonds if such printing is necessary to accomplish the exchange or transfer. All such payments shall be conditions precedent to the exercise of the Owner's rights of registration, transfer or exchange.

All registrations, transfers and exchanges of Bonds shall be accomplished in such manner that no increase or decrease in interest payable on the Bonds results therefrom.

Except as otherwise provided in a Supplemental Indenture, the Trustee shall not be required to register Bonds of any Series, to register the transfer of Bonds of any Series or to exchange Bonds of any Series (i) during the fifteen (15) day period next preceding an Interest Payment Date applicable thereto or next preceding the first mailing of notice of any redemption of such Bonds, and (ii) after such Bond has been called for redemption, except, in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Except as otherwise provided in a Supplemental Indenture, the Trustee, in any case where it is not also the only Paying Agent in respect to any Series of Bonds, shall forthwith (A) following the fifteenth (15th) day prior to an Interest Payment Date for each Series, (B) following the fifteenth (15th) day next preceding the date of first mailing of notice of redemption of any Bonds of such Series, and (C) at any other time as reasonably requested by any Paying Agent of such Series, certify and furnish to such Paying Agent, the names, addresses and holdings of Owners of such Series and any other relevant information reflected in the Bond Register.

The District may elect to issue a Series of Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Indenture.

Section 206. Persons Treated as Owners. The District, the Trustee and any Paying Agent shall treat the Person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest thereon and for all other purposes whatsoever, whether or not such Bond is overdue and irrespective of any actual, implied or imputed notice to the contrary.

Section 207. Manner of Payment of Bonds. Except as otherwise provided herein or by Supplemental Indenture, the principal of and redemption premium, if any, on each Bond shall be paid by check or draft only upon presentation and surrender of such Bond at the designated office of the Paying Agent, unless the Bonds are held in the book-entry system in which case presentation shall not be required. Except as otherwise provided herein, the interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid by check or draft drawn by the Paying Agent payable to the order of the Person in whose name that Bond is registered at the close of business of the Trustee on the Regular Record Date for such interest and mailed on the Interest Payment Date to such Person at the address shown on the Bond Register. Upon the request, and at the expense, of an Owner prior to the Regular Record Date (which request shall be effective for all subsequent Regular Record Dates unless otherwise rescinded or modified by a new request), all payments of principal, redemption premium and interest on such Bonds shall be made by wire transfer in immediately available funds in accordance with written instructions given to the Trustee by such Owner.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date by virtue of having been such Owner; and such Defaulted Interest shall be paid by check or draft drawn by the Paying Agent payable to the order of the Person in whose name that Bond is registered at the close of business of the Trustee on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The District shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment which shall be not less than twenty (20) days after the date of such notice, and at the same time the District shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Owners entitled to such Defaulted Interest as in this Section 207 provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Trustee shall promptly notify the District and the Paying Agent of such Special Record Date and, at the expense of the District, shall cause notice of the proposed

payment of such Defaulted Interest and the Special Record Date therefor to be mailed by first-class mail to each Owner at the address shown on the Bond Register, not less than ten (10) days prior to such Special Record Date. If directed by the District, the Trustee shall, at the expense of the District, cause a similar notice to be published at least once in a financial journal or newspaper of general circulation in the City of New York, New York, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid by the Paying Agent to the Persons in whose names the Bonds are registered on such Special Record Date.

All payments of principal, redemption premium and interest on the Bonds (whether by check, draft or wire transfer) must be accompanied by the CUSIP number identification, if any, corresponding to the Bonds and the dollar amounts of particular Bonds so paid.

Section 208. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the District shall execute and the Trustee shall authenticate a new Bond of like date, maturity, Series, interest rate and denomination as the Bond mutilated, lost, stolen or destroyed. In the case of any lost, stolen or destroyed Bond, there shall first be furnished to the District and the Trustee evidence of such loss, theft or destruction satisfactory to the District and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee instead of issuing a substitute Bond may pay the same without surrender thereof. The District and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection with this Section 208.

Section 209. Disposition of Bonds Upon Payment; Safekeeping of Bonds Surrendered for Exchange. All Bonds fully paid, fully redeemed or purchased by the Trustee or the Paying Agent or otherwise delivered to the Trustee or the Paying Agent for cancellation under the provisions of this Master Indenture shall be cancelled when such final payment, redemption or purchase is made, and such cancelled Bonds shall be delivered to the Trustee. All cancelled Bonds shall be destroyed by the Trustee by cremation, shredding or other suitable means and, upon request by the District, the Trustee shall execute and file with the District a certificate of destruction describing the Bonds so destroyed. Bonds surrendered to the Trustee for transfer or exchange in accordance with Section 205 hereof shall be cancelled and destroyed as aforesaid.

Section 210. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at stated maturity or at the date fixed for redemption or purchase thereof, or in the event an interest check shall not be cashed, if cash or Refunding Securities

sufficient to pay such Bond or interest shall be held by the Trustee or a Paying Agent for the benefit of the Owner thereof, interest shall cease to accrue on said Bond (and no interest shall accrue on such interest) and all liability of the District to the Owner thereof for the payment of such Bond or interest shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee or the Paying Agent to hold such cash or Refunding Securities in a segregated trust fund without liability to any Owner, the District or any other Person for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund for any claim of whatever nature on such Owner's part under this Master Indenture or on or with respect to said Bond or interest. Such cash or Refunding Securities in such segregated trust fund shall thereafter no longer be considered part of the Trust Estate and any such Bond shall no longer be deemed Outstanding under this Master Indenture.

ARTICLE III GENERAL PROVISIONS RELATING TO REDEMPTION OF BONDS PRIOR TO MATURITY

Section 301. Privilege of Redemption. The terms of this Article III shall apply to redemption of Bonds, other than any Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of any Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Indenture. The provisions of Sections 302 and 303 hereof may be modified or deleted by Supplemental Indenture.

Section 302. Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The District shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee) notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Trustee from the Outstanding Bonds of the maturity or maturities designated by the District by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Trustee shall promptly notify the District and Paying Agent (if the Trustee is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 303. Notice and Effect of Redemption. Notice of such redemption shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Trustee on behalf of the District, and (a) shall be filed with the Paying Agent of such Bonds (if the Trustee is not the Paying Agent for such Bonds), and (b) shall be mailed first-class, postage prepaid, at least thirty (30) days prior to the redemption date to all Owners of Bonds to be redeemed at their addresses as they appear on the Bond Register as of the date of mailing of such notice. Failure to mail such notice to such depositories or services or the Owners of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred.

Each notice of redemption shall state (i) the CUSIP numbers of all Bonds being redeemed, (ii) the original issue date of such Bonds, (iii) the maturity date and rate of interest borne by each Bond being redeemed, (iv) the redemption date, (v) the Redemption Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (viii) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Paying Agent at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such redemption.

Within sixty (60) days of the date of redemption, the Trustee shall give a second notice of redemption by mailing another copy of the redemption notice to the Owners of Bonds called for redemption but which have not been presented for payment within thirty (30) days after the date set for redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the Redemption Price shall meet the following requirements; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

(A) Each further notice of redemption shall be sent by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to two (2) or more national information services which disseminate notices of prepayment or redemption of obligations such as the Bonds.

(B) Each further notice of redemption shall be sent to such other Person, if any, as shall be required by applicable law or regulation.

The District may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Owners within a reasonable time period after the District determines that such conditions will not be satisfied.

Section 304. Effect of Calling for Redemption. On or before the date fixed for redemption, funds shall be deposited with the Paying Agent to pay the principal of, redemption premium, if any, and interest accruing thereon to the redemption date of the Bonds called for redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money sufficient to pay the Redemption Price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Paying Agent in trust for the Owners of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under this Master Indenture; and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date fixed for redemption from the moneys held therefor.

Section 305. Redemption of Portion of Bonds. If a portion of an Outstanding Bond shall be selected for redemption, the Owner thereof or his attorney-in-fact or legal representative shall present and surrender such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Trustee shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond of the same maturity and bearing interest at the same rate.

Section 306. Cancellation. Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof.

Section 307. Other Mandatory and Optional Redemption of Bonds of Particular Series. Each Series of Bonds may (but need not necessarily) be made subject to periodic redemptions in whole or in part, which redemptions may be mandatory or may be at the election and direction of the District. Any such redemptions shall be on such dates, at such prices, with such redemption premiums, if any, and upon such other conditions, if any, as shall be authorized for redemption of Bonds of that Series. Such mandatory and optional redemption provisions for any

Series of Bonds shall be set forth in the Supplemental Indenture pursuant to which such Bonds are authorized to be issued. The mandatory and optional redemption provisions for Bonds of different Series need not be similar to one another.

ARTICLE IV

SECURITY, FUNDS AND ACCOUNTS AND APPLICATION OF REVENUES

Section 401. Security for Bonds. The payment of the principal of, redemption premium, if any, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Trust Estate; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds. Providers of a Reserve Account Insurance Policy and Reserve Account Letter of Credit shall be secured in accordance with the provisions hereof. In addition, the District does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of the Policy Costs in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge of and lien upon such Pledged Funds granted hereby to the Owners. The District does hereby irrevocably pledge the Trust Estate, including the Pledged Funds, to the payment of the principal of or Redemption Price, if applicable and interest on the Bonds in accordance with the provisions hereof. Except as otherwise provided by Supplemental Indenture, the obligation of the District to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Trust Estate in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties, termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the District).

The Trust Estate shall immediately be subject to the lien of this pledge without any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District.

The Bonds and other amounts payable hereunder shall not be deemed to constitute a general obligation debt of the District or a pledge of the faith and credit of the District, but such Bonds shall be payable solely from the Trust Estate and any moneys received from the Credit Banks and Insurers of the Bonds, in accordance with the terms hereof. The issuance of the Bonds shall not directly or indirectly or contingently obligate the District to levy or to pledge any form of ad valorem taxation whatsoever therefor. No Owner of any Bonds shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the District to pay any such Bonds or the interest thereon or the right to enforce payment of such Bonds, or the interest thereon, against any property of the District,

nor shall such Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the District, except the Trust Estate in accordance with the terms hereof.

Section 402. Creation of Funds and Accounts. There is hereby created by the District and established with the Trustee the following funds and accounts to be designated with the name of the District and labeled:

(a) The "Revenue Fund." The Trustee shall maintain two (2) separate accounts in the Revenue Fund: the "Revenue Account" and the "Rate Stabilization Account."

(b) The "Operation and Maintenance Fund."

(c) The "Debt Service Fund." The Trustee shall maintain four (4) separate accounts in the Debt Service Fund: the "Interest Account," the "Principal Account," the "Sinking Fund Redemption Account" and the "Reserve Account."

(d) The "Renewal and Replacement Fund."

(e) The "Water Connection Fees Fund."

(f) The "Wastewater Connection Fees Fund."

(g) The "Surplus Fund."

(h) The "Rebate Fund."

(i) The "Construction Fund." The Trustee shall maintain two (2) separate accounts in the Construction Fund: the "Construction Account" and the "Transaction Cost Account."

Moneys in the aforementioned funds and accounts (except for moneys in the Rebate Fund), until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Owners of the Bonds and recipients of Hedge Payments and for the further security of such Owners and recipients in accordance with the terms hereof.

Section 403. Construction Fund. The Construction Account shall be used only for payment of the Costs of a Project. The Transaction Cost Account shall be used only for payment of Transaction Costs. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project or Transaction Costs in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Owners of the Bonds and for the further security of such Owners.

There shall be paid into the Construction Fund the amounts required to be so paid pursuant to the provisions hereof and any Supplemental Indenture, and there

may be paid into the Construction Account, at the option of the District, any moneys received for or in connection with a Project by the District from any other source.

The Trustee shall establish within the Construction Account a separate subaccount for each Project, the Cost of which is to be paid in whole or in part out of the Construction Account.

The Trustee shall, at the request of the District, establish separate subaccounts in the Transaction Cost Account for payment of Transaction Costs associated with a Series of Bonds or acquisition of all or a portion of a Project.

The proceeds of insurance maintained pursuant to this Master Indenture against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the subaccount of the Construction Account that relates to such Project.

Any moneys received by the District from the State or from the United States of America or any agencies thereof for the purpose of financing part of the Cost of a Project shall be deposited into the appropriate subaccount of the Construction Account and used in the same manner as other Bond proceeds are used therein; provided that, at the request of an Authorized District Officer, separate subaccounts may be established in the Construction Account for moneys received pursuant to the provisions of this paragraph whenever required by federal or State law and such moneys shall be disbursed as provided herein.

The District covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Trustee shall make disbursements or payments from the Construction Account or the Transaction Cost Account to pay Costs upon the filing with the Trustee of a completed requisition in the form attached hereto as Exhibit B. The Trustee shall have no duty to verify that any requested disbursement from the Construction Account or the Transaction Cost Account is for a Cost permitted or properly payable hereunder.

The Trustee shall retain all requisitions and/or documents of the Authorized District Officers for a reasonable period of time. Upon written request, the Trustee shall make available the certificates and/or documents at all reasonable times for inspection by the Owner of twenty-five percent (25%) or more of the aggregate principal amount of Bonds Outstanding or the agent or representative of any Owner of twenty-five percent (25%) or more of the aggregate principal amount of Bonds Outstanding.

Notwithstanding any of the other provisions of this Section 403, to the extent that other moneys are not available therefor, and upon request of an Authorized District Officer, amounts in the Construction Fund may be applied to the payment

of principal of and interest on Bonds when due, provided the District has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

The date of completion of the acquisition and construction of a Project shall be determined by an Authorized District Officer which shall certify such fact in writing to the Board and the Trustee. An Authorized District Officer may perform such tests relating to a Project as he deems necessary in order to make such certification. Promptly after the date of the completion of a Project, and after paying or making provision for the payment of all unpaid items of the Cost of such Project and all Transaction Costs associated therewith, the Trustee, upon written advice of an Authorized District Officer, shall transfer the balance of any money in the associated subaccounts of the Construction Account to the following funds, accounts or subaccounts in the following order of priority (1) another subaccount of the Construction Account for which an Authorized District Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, (2) the Reserve Account, to the extent of a deficiency therein, and (3) such other fund or account established hereunder as shall be determined by the Board, provided the District has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

The Trustee is authorized to rely upon the certificates and/or documents described in this Section 403 without independently confirming compliance with or satisfaction of the requirements set forth in this Master Indenture or inspecting a Project. The Trustee may also rely upon the certification of the Authorized District Officers in the certificates and/or documents described in this Section 403 as to the factual conditions precedent to any disbursements hereunder and shall have no responsibility or duty to investigate the basis for such certifications or representations. Further, the Trustee shall not be required to inquire as to the status of completion of any Project and in the absence of receiving a certificate of completion of any Project may assume that such Project has not been completed.

Section 404. Disposition of Gross Revenues.

(a) (i) The District agrees that it shall direct all Gross Revenues and Connection Fees to the Trustee for disposition as provided herein. The District shall identify for the Trustee the general nature of all moneys it shall deposit with the Trustee and shall instruct the Trustee as to the initial fund or account such moneys shall be deposited in, and the Trustee shall be fully protected in relying upon such instructions. If the District fails to identify the nature of any moneys deposited with the Trustee, the Trustee is authorized to deposit such moneys into the Revenue Account. The Trustee shall deposit promptly, as received, all Gross Revenues in the Revenue Account. At the

written direction of an Authorized District Officer, customer deposits, and guaranteed revenues to be received from customers may be set aside by the District in segregated accounts (the District may hold customer deposits) but not deposited with the Trustee.

(ii) As further provided in Sections 405 and 406 hereof, the Trustee shall deposit promptly, as received, (A) all Water Connection Fees into the Water Connection Fees Fund, and (B) all Wastewater Connection Fees into the Wastewater Connection Fees Fund. The District covenants that all Government Grants shall be utilized in accordance with the terms of such Government Grant and applicable law. All Hedge Receipts shall be deposited directly to the Interest Account upon receipt.

(iii) Operation and Maintenance Fund. Moneys in the Revenue Account shall, on or before the twenty-fifth (25th) day of each month, be deposited in the Operation and Maintenance Fund in such amount as is necessary to pay Operating Expenses for the ensuing month as provided by a certificate of an Authorized District Officer; provided the District may direct the Trustee to transfer moneys from the Revenue Account to the Operation and Maintenance Fund at any time to pay Operating Expenses to the extent there is a deficiency in the Operation and Maintenance Fund for such purpose. Amounts in the Operation and Maintenance Fund shall be paid out from time to time by the Trustee at the written direction of an Authorized District Officer for Operating Expenses. The District may direct the Trustee to establish and fund an operating reserve within the Operation and Maintenance Fund in such amount as shall be directed by an Authorized District Officer. Moneys in the operating reserve shall be used by the District to pay Operating Expenses to the extent other moneys in the Operation and Maintenance Fund are not available for such purpose.

At the request of the District, the Trustee shall transfer moneys in the Operation and Maintenance Fund, including any operating reserve, to the District. In such event, the Trustee shall transfer to the District on a monthly basis, or more often if requested, amounts necessary to pay the Operating Expenses for the ensuing month, plus any amounts to be set aside in the operating reserve. Such moneys shall be utilized by the District to pay Operating Expenses. The District shall utilize the Annual Budget in determining the amount of moneys to be transferred by the Trustee to the District and the Trustee shall have no obligation with respect to such determination.

(b) All moneys at any time on deposit in the Revenue Account after the aforementioned transfers to the Operation and Maintenance Fund shall be disposed of by the Trustee on or before the twenty-fifth (25th) day of each month, commencing in the month immediately following the delivery of any of the Bonds to the

purchasers thereof, or such later date as hereinafter provided in the following manner and in the following order of priority:

(i) Interest Account. The Trustee shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Bonds Outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each). All Hedge Receipts shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Trustee (A) for deposit with the appropriate Paying Agents to pay the interest on the Bonds on or prior to the date the same shall become due and (B) for Hedge Payments. The amount of the deposit to the Interest Account shall be adjusted not later than a month immediately preceding any Interest Payment Date, and again on the day preceding any Interest Payment Date, so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Payment Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Payment Date. With respect to Debt Service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be 120% of the average of the SIFMA Index over a twelve (12) month period of time ending on the date immediately prior to the commencement of such calendar month.

(ii) Principal Account. Commencing no later than the month which is one (1) year prior to the first principal due date, the Trustee shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there be no such preceding payment due date from a date one (1) year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Trustee for deposit with the appropriate

Paying Agents to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature. The Trustee shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding, and again on the day preceding, any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(iii) Sinking Fund Redemption Account. Commencing in the month which is one (1) year prior to the first Sinking Fund Installment due date, there shall be deposited to the Sinking Fund Redemption Account the sum which, together with the balance in such Account, shall equal the Sinking Fund Installments on all Bonds Outstanding due and unpaid and that portion of the Sinking Fund Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Sinking Fund Installments were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Sinking Fund Installment due date, or, if there is no such preceding Sinking Fund Installment due date, from a date one (1) year preceding the due date of such Sinking Fund Installment. Moneys in the Sinking Fund Redemption Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. The Trustee shall adjust the amount of the deposit to the Sinking Fund Redemption Account on the month immediately preceding any Sinking Fund Installment date so as to provide sufficient moneys in the Sinking Fund Redemption Account to pay the Sinking Fund Installments becoming due on such date. Payments to the Sinking Fund Redemption Account shall be on parity with payments to the Principal Account.

Amounts accumulated in the Sinking Fund Redemption Account with respect to any Sinking Fund Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Sinking Fund Installment was established) may be applied by the Trustee, upon the written direction of an Authorized District Officer, on or prior to the sixtieth (60th) day preceding the due date of such Sinking Fund Installment, (A) to the purchase of Term Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (B) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. Amounts in the Sinking Fund Redemption Account which are used to redeem Term Bonds shall be

credited against the next succeeding Sinking Fund Installment which shall become due on such Term Bonds. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Sinking Fund Redemption Account until such Sinking Fund Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 303 hereof, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Term Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Sinking Fund Redemption Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). Any expenses in connection with the purchase or redemption of Term Bonds may be paid from the Operation and Maintenance Fund.

(iv) Reserve Account. There shall be deposited to the Reserve Account an amount which would restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than twelve (12) months from the date such deficiency first occurred, whether such shortfall was caused by decreased market value or withdrawal (whether from cash or a Reserve Account Insurance Policy and Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Payment Date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Trustee to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Sinking Fund Redemption Account shall be insufficient for such purpose, but only to the extent the moneys transferred from the Surplus Fund for such purposes pursuant to Section 404(b)(vii) hereof shall be inadequate to fully provide for such insufficiency. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Trustee into the Surplus Fund. The Trustee shall promptly inform each Insurer of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the District shall fund the Reserve Account from the proceeds of such Series of Bonds in an amount at least equal to the Reserve Account Requirement applicable to such Series of Bonds.

Notwithstanding the foregoing provisions, in lieu of or in substitution of the required deposits into the Reserve Account, the District may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Owners in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. The District may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account upon compliance with the terms of this Section 404(b)(iv). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Trustee (upon the giving of notice as required thereunder) on any Interest Payment Date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Master Indenture and available for such purpose. The provider providing such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall at the time of the issuance be either (A) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by a Rating Agency, or (B) a commercial bank, insurance company or other financial institution which has been assigned a rating by Standard & Poor's of at least "A". Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds except to the extent a Series of Bonds is secured by a subaccount in the Reserve Account which is pledged solely for the payment of such Series of Bonds as provided in the next to last paragraph of this Section 404(b)(iv).

If two (2) days prior to an interest or principal payment date, or such other period of time as shall be required by the terms of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Trustee determines that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Trustee shall immediately notify (1) the District, (2) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, and (3) the Insurer or Insurers, if any, of the amount of such deficiency and the date on which such payment is due.

In the event the Reserve Account contains both a Reserve Account Insurance Policy or Reserve Account Letter of Credit and cash and separate subaccounts have not been established in the Reserve Account, the cash shall be drawn down completely prior to any draw on the Reserve Account Insurance Policy or Reserve Account Letter of Credit. In the event more than one Reserve Account Insurance Policy or Reserve Account Letter of Credit is on deposit in the Reserve Account, amounts required to be drawn thereon shall be done on a pro-rata basis. The District agrees to pay all amounts owing in regard to any Reserve Account Insurance Policy or Reserve Account Letter of Credit from the Pledged Funds. Pledged Funds shall be applied in accordance with this Section 404(b)(iv), first, to reimburse the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit for amounts advanced under such instruments, second, to replenish any cash deficiencies in the Reserve Account, and, third, to pay the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit interest on amounts advanced under such instruments. This Master Indenture shall not be discharged or defeased while any obligations are owing in regard to a Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit in the Reserve Account. The District agrees not to optionally redeem Bonds unless all amounts owing in regard to a Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit in the Reserve Account have been paid in full.

The District may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory note therefor; provided, however, any such note shall be payable solely from the Pledged Funds in the manner provided herein.

Any consent or approval of any Insurer described in this Section 404(b)(iv) shall be required only so long as there are Outstanding Bonds secured by a Bond Insurance Policy issued by such Insurer which is in full force and effect and the commitments of which have been honored by such Insurer.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred upon written direction of an Authorized District Officer to the other Accounts of the Debt Service Fund for the payment of the Bonds.

The District may also direct the Trustee to establish a separate subaccount in the Reserve Account for any Series of Bonds and provide a

pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Owners of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Indenture authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the District deems appropriate. Moneys shall be deposited in the separate subaccounts in the Reserve Account on a pro rata basis. In the event the District shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in such subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit.

The provisions of the Debt Service Reserve Fund Policy Agreements, when executed and delivered, shall be incorporated herein by reference. The provisions of such Agreements shall supersede the provisions hereof to the extent of any conflict herewith.

(v) Renewal and Replacement Fund. There shall be deposited to the Renewal and Replacement Fund such sums as shall be sufficient to pay 1/12 of five percent (5%) of the Gross Revenues (excluding Connection Fees) derived from the Utility System in the immediately preceding Fiscal Year until the amount accumulated in such Fund is equal to such Renewal and Replacement Fund Requirement; provided, however, that (A) such Renewal and Replacement Fund Requirement may be increased or decreased as the Consulting Engineers shall certify to the District and the Trustee is necessary for the purposes of the Renewal and Replacement Fund, and (B) in the event that the Consulting Engineers shall certify that the Renewal and Replacement Fund Requirement is excessive for the purposes of the Renewal and Replacement Fund, such excess amount as may be on deposit therein may be transferred at the written direction of an Authorized District Officer from the Renewal and Replacement Fund for deposit into the Surplus Fund. The moneys in the Renewal and Replacement Fund shall be disbursed by the Trustee in accordance with the procedures for disbursing moneys from the Construction Account as described in Section 403 hereof for the purpose of paying the cost of extensions, improvements or additions to, or the replacement or renewal of capital assets of, the Utility System, or extraordinary repairs of the Utility System; provided, however, that (1) proceeds of Bonds, if any, deposited therein shall be used prior to any subsequent monthly deposit, and (2) on or prior to each principal and interest payment date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), moneys in the Renewal

and Replacement Fund shall be applied for the payment into the Interest Account, the Principal Account and the Sinking Fund Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Surplus Fund for such purpose pursuant to Section 404(b)(vii) hereof, together with moneys available in the Reserve Account for such purpose pursuant to Section 404(b)(iv) hereof, shall be inadequate to fully provide for such insufficiency. Moneys in the Renewal and Replacement Fund may also be transferred at the written direction of an Authorized District Officer to the Operation and Maintenance Fund to fund Operating Expenses to the extent other moneys available therefor shall be insufficient for such purpose.

(vi) Subordinated Indebtedness. Gross Revenues shall next be applied by the Trustee at the written direction of an Authorized District Officer for the payment of any accrued debt service and other required deposits on Subordinated Indebtedness incurred by the District in connection with the Utility System and in accordance with the proceedings authorizing such Subordinated Indebtedness.

(vii) Surplus Fund. The balance of any Gross Revenues shall be deposited in the Surplus Fund and applied to the payment, on or prior to each principal and interest payment date for the Bonds (but in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), into the Interest Account, the Principal Account and the Sinking Fund Redemption Account when the moneys therein shall be insufficient to pay the principal of and interest on the Bonds coming due. The resulting foregoing balance of Gross Revenues not required to meet such a deficiency shall be deposited, as needed, on or before the twenty-fifth (25th) day of each month, first, to the Water Connection Fees Fund and Wastewater Connection Fees Fund to make up any withdrawal from such Funds pursuant to Sections 405(a) and 406(a) hereof, second, to the Reserve Account to make up any deficiency therein, and, third, to the Rebate Fund to the extent moneys are required to be on deposit therein. Thereafter, moneys in the Surplus Fund may be applied at the written direction of an Authorized District Officer for any lawful purpose relating to the Utility System, including, but not limited to, purchase or redemption of Bonds, payment of Subordinated Indebtedness, deposit to the Rate Stabilization Account, payments in lieu of taxes, and improvements, renewals and replacements to the Utility System; provided, however, that none of such moneys shall ever be used for the purposes provided in this sentence unless all payments required in Sections 404(b)(i) through 404(b)(vi) hereof, including any deficiencies for prior payments, have been made in full to the date of such use.

(c) Whenever moneys on deposit in the Debt Service Fund are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal

or applicable Redemption Price and interest thereon), no further deposits to the Debt Service Fund need be made. If on any payment date the Gross Revenues are insufficient to deposit the required amount in any of the funds or accounts or for any of the purposes provided above, the deficiency shall be made up on the subsequent payment dates.

The District may direct the Trustee to use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the District's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(d) In the event there shall be issued a Series of Bonds secured by a Credit Facility, the District may direct the Trustee to establish separate subaccounts in the Interest Account, the Principal Account and the Sinking Fund Redemption Account to provide for payment of the principal of and interest on such Series; provided payment from the Pledged Funds of one Series of Bonds shall not have preference over payment of any other Series of Bonds. The District may also direct the Trustee to deposit moneys in such subaccounts at such other times and in such other amounts from those provided in Section 404(b) as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Indenture authorizing such Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Debt Service Fund may be applied as provided in the applicable Supplemental Indenture to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of, redemption premium, if any, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Owners thereof for payment; provided such Credit Facility shall have no priority over Owners or an Insurer to amounts on deposit in the Debt Service Fund.

Section 405. Water Connection Fees Fund. The Trustee shall deposit into the Water Connection Fees Fund all Water Connection Fees as received from the District, together with moneys transferred to such Fund pursuant to Section 404(b)(vii) and such Water Connection Fees shall be accumulated in the Water Connection Fees Fund and, to the extent determined by the District to be permitted by law, applied by the District in the following manner and order of priority:

(a) For the payments on or prior to each principal and interest payment date (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date) into the Interest Account, the Principal Account and the Sinking Fund Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Surplus Fund, the Reserve Account, the Renewal and Replacement Fund and the Rate Stabilization Account for such purpose pursuant to

Sections 404(b)(vii), 404(b)(iv), 404(b)(v) and 408, respectively, hereof, shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned Accounts from the Water Connection Fees Fund and the Wastewater Connection Fees Fund on a pro-rata basis or such other basis as the District deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned Accounts described above shall be treated as an interfund loan and shall be repaid, together with reasonable interest (determined by the District) thereon, from Gross Revenues as described in Section 404(b)(vii) hereof on or prior to the date such amounts are needed for the purposes described in Sections 405(b) and (c) hereof, but in no event later than one (1) year from the date of such transfer, unless the District shall determine that such transfer constitutes a lawful use of such Water Connection Fees. The Trustee shall have no responsibility for enforcing the aforementioned repayments or determining if such transfer or repayment is appropriate.

(b) To pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the water facilities of the Utility System for which the Water Connection Fees were imposed in accordance with the requisitions for disbursement of moneys provided to the Trustee by the District.

(c) To be used for any other lawful purpose relating to the Utility System.

Section 406. Wastewater Connection Fees Fund. The Trustee shall deposit into the Wastewater Connection Fees Fund all Wastewater Connection Fees as received from the District, together with moneys transferred to such Fund pursuant to Section 404(b)(vii) hereof and such Wastewater Connection Fees shall be accumulated in the Wastewater Connection Fees Fund and, to the extent determined by the District to be permitted by law, applied by the District in the following manner and order of priority:

(a) For the payments on or prior to each principal and interest payment date (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date) into the Interest Account, the Principal Account and the Sinking Fund Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Surplus Fund, the Reserve Account, the Renewal and Replacement Fund and the Rate Stabilization Account for such purpose pursuant to Sections 404(b)(vii), 404(b)(iv), 404(b)(v) and 408, respectively, hereof, shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned Accounts from the Wastewater Connection Fees Fund and the Water Connection Fees Fund on a pro-rata basis or such other basis as the District deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned Accounts described above shall be treated as an interfund loan and shall be repaid, together with reasonable interest (determined by the District) thereon, from Gross Revenues

as described in Section 404(b)(vii) hereof on or prior to the date such amounts are needed for the purposes described in Sections 406(b) and (c) hereof, but in no event later than one (1) year from the date of such transfer, unless the District shall determine that such transfer constitutes a lawful use of such Wastewater Connection Fees. The Trustee shall have no responsibility for enforcing the aforementioned repayments or determining if such transfer or repayment is appropriate.

(b) To pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the wastewater facilities of the Utility System for which the Wastewater Connection Fees were imposed in accordance with the requisitions for disbursement of moneys provided to the Trustee by the District.

(c) To be used for any other lawful purpose relating to the Utility System.

Section 407. Rebate Fund. The Trustee shall deposit in the Rebate Fund such amounts as shall be directed in writing by an Authorized District Officer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Account) and the Owners shall have no right to have the same applied for Debt Service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the District agrees to undertake all actions required of it in its arbitrage certificate relating to such Series of Bonds, including, but not limited to:

(a) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(b) causing the Trustee to deposit the amount determined in clause (a) above into the Rebate Fund;

(c) causing the Trustee to pay on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the District such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(d) keeping such records of the determinations made pursuant to this Section 407 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate(s) may be amended without the consent of any Owner, Credit Bank, Insurer or the Trustee from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code. The Trustee shall have no obligation to pay from its own funds any amounts owed pursuant to this Section 407.

The Trustee shall be deemed conclusively to have complied with the provisions of this Section 407 if it follows any directions of the District and shall have no liability or responsibility to enforce compliance by the District with the terms of the arbitrage certificate(s).

The Trustee shall have no duty to verify, or otherwise assure the correctness of, the District's directions, deposits or payments pursuant to this Section 407 and/or the arbitrage certificate(s), and the Trustee shall be fully protected in relying solely upon the directions of the District or any rebate analyst engaged by the District in this regard. Under no circumstances whatsoever shall the Trustee be liable to the District, any Owner or any other Person for any loss of tax-exempt status of the Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts in accordance with such directions. The Trustee shall not be liable for any failure to transfer funds to, or withdraw funds from, the Rebate Fund if it has not received written directions to make such a transfer or withdrawal as provided herein.

Section 408. Rate Stabilization Account. The District may direct the Trustee to transfer into the Rate Stabilization Account such moneys which are on deposit in the Surplus Fund as the District deems appropriate. The District may direct the Trustee to transfer such amounts of moneys from the Rate Stabilization Account to the Revenue Account as the District deems appropriate; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), moneys in the Rate Stabilization Account shall be applied for the payment into the Interest Account, the Principal Account and the Sinking Fund Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Surplus Fund, the Reserve Account and the Renewal and Replacement Fund for such purposes pursuant to Sections 404(b)(vii), 404(b)(iv) and 404(b)(v), respectively, hereof, shall be inadequate to fully provide for such insufficiency.

Section 409. Permitted Investment of Trust Funds. Moneys held in the funds and accounts established hereunder shall be separately invested and reinvested by the Trustee at the direction of the District in accordance with this Section 409. Each investment shall be held by or under the control of the Trustee and shall be deemed at all times to be part of the particular fund or account in which such moneys were held except as otherwise provided herein. In the event the District has not provided written direction regarding the investment of moneys, the Trustee is not obligated to invest such moneys.

Moneys on deposit in the Construction Fund, the Debt Service Fund, the Operation and Maintenance Fund, the Surplus Fund, the Revenue Fund, the Water Connection Fees Fund, the Wastewater Connection Fees Fund, the Rebate Fund

and the Renewal and Replacement Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Revenue Fund, Operation and Maintenance Fund, the Principal Account, the Interest Account, the Sinking Fund Redemption Account, the Renewal and Replacement Fund, the Water Connection Fees Fund, the Wastewater Connection Fees Fund, the Rebate Fund and the Surplus Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized District Officer in Authorized Investments, maturing not later than the dates on which such moneys will be needed for the purposes of such fund or account. Moneys on deposit in the Reserve Account may be invested or reinvested by the Trustee at the written direction of an Authorized District Officer in Authorized Investments which shall mature not later than the final maturity of the Outstanding Bonds. Notwithstanding any other provision hereof, all amounts on deposit in the Construction Fund or Interest Account representing accrued interest and capitalized interest shall be held by the Trustee, shall be pledged solely to the payment of interest on the corresponding Series of Bonds and, unless otherwise provided by Supplemental Indenture, shall be invested only in Authorized Investments maturing in such times and in such amounts as are necessary to pay the interest to which they are pledged. All investments shall be valued at amortized cost; provided, however, investments in the Reserve Account shall be valued at the market value thereof, exclusive of accrued interest. Investments in each subaccount of the Reserve Account shall be valued by the Trustee in the manner and on the date set forth in the Supplemental Indenture establishing such subaccount, or in the event none is specified, annually on August 1 of each year.

Any and all income received from the investment of moneys in each separate account of the Construction Fund, the Operation and Maintenance Fund, the Interest Account, the Principal Account, the Sinking Fund Redemption Account, the Surplus Fund, the Water Connection Fees Fund, the Wastewater Connection Fees Fund, the Rebate Fund, the Renewal and Replacement Fund (to the extent such income and the other amounts in such Fund do not exceed the Renewal and Replacement Fund Requirement), the Rate Stabilization Account, the Revenue Account and the Reserve Account (to the extent such income and the other amounts in the Reserve Account do not exceed the Reserve Account Requirement), shall be retained in such respective Fund or Account.

Any and all income received from the investment of moneys in the Renewal and Replacement Fund (only to the extent such income and the other amounts in such Fund exceed the Renewal and Replacement Fund Requirement) and the Reserve Account (only to the extent such income and the other amounts in the Reserve Account exceeds the Reserve Account Requirement), shall be deposited upon receipt thereof in the Revenue Account.

Nothing in this Master Indenture shall prevent any Authorized Investments acquired as investments of or security for funds held under this Master Indenture from being issued or held in book entry form on the books of the Department of the Treasury of the United States.

The Trustee may make and execute any investment through its own bond department, money center or other investment operation or through the bond department, money center or investment operation of any affiliated bank. The Trustee shall, to the extent required for payments from any fund or account established hereunder, sell the Authorized Investments at any time, whether or not the same results in a loss.

Notwithstanding anything herein to the contrary, the Trustee shall incur no liability or responsibility for any loss occasioned by the investment of moneys pursuant to and in accordance with the written direction of the District except for any loss occasioned by the Trustee's willful misconduct or negligence in failing to follow such directions.

The Trustee may rely exclusively upon the District's investment directions as confirmation that any investment included in such directions is at the time legal for investment of funds of the District. The Trustee may rely on the directions of the District as to the dates on which moneys are expected to be needed for payments to be made from the Construction Fund and shall not be liable or responsible for determining such dates in the absence of such instructions.

Section 410. Moneys to be Held in Trust. With the exception of moneys deposited in the Rebate Fund, all moneys required to be deposited with or paid to the Trustee relating to any fund or account established under any provision of this Master Indenture shall be held by the Trustee, in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except as otherwise provided in Section 210 hereof, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the provisions hereof.

Section 411. Reports from Trustee. Unless otherwise advised in writing, the Trustee shall furnish monthly to the District, not later than the fifteenth (15th) day of the month following the month in which the Bonds are delivered, and not later than the fifteenth (15th) day of each month thereafter, a report on the status of each of the funds or accounts established under this Article IV which are held by the Trustee, showing at least the balance in each such fund or account as of the first (1st) day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month. No monthly report on the status of any fund or

account shall be required if no amounts are on deposit in such fund or account and there has been no activity in such fund or account in such month.

ARTICLE V

SUBORDINATED INDEBTEDNESS AND ADDITIONAL BONDS

Section 501. Subordinated Indebtedness. The District will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds or the Trust Estate or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the recipients of Hedge Payments and the interest thereon. The District may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of Pledged Funds and which may be secured by a pledge of Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Master Indenture and provided further that the issuance of such Subordinated Indebtedness shall be subject to any provisions contained in financing documents securing outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the District to issue Subordinated Indebtedness. The District shall have the right to covenant with the owners from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued under the provisions of Section 502 hereof. The District agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

Section 502. Issuance of Additional Bonds. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Master Indenture, shall be issued except upon the conditions and in the manner herein provided. The District may issue one or more Series of Additional Bonds for the purpose of financing the Cost of a Project, or the completion thereof, and/or refunding any or all Outstanding Bonds or any Subordinated Indebtedness of the District or any other indebtedness or obligation of the District related to the Utility System.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(a) The District shall certify to the Trustee that (i) it is current in all deposits into the various funds and accounts established hereby, (ii) all payments theretofore required have been deposited or made by it under the provisions of this Master Indenture, and (iii) it has complied with the covenants and agreements of this Master Indenture.

(b) The General Manager or the Rate Consultant shall provide a written statement or certification to the District and the Trustee that the amount of the Net Revenues (excluding Connection Fees) received by the District during the immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the District of the twenty-four (24) months immediately preceding the issuance of said Additional Bonds, adjusted as hereinafter provided, were equal to at least 110% of the Maximum Annual Debt Service of the Outstanding Bonds and the Additional Bonds then proposed to be issued.

(c) For the purpose of determining the Debt Service under this Section 502, unless the Bonds are subject to a Qualified Hedge Agreement, the interest rate on additional parity Variable Rate Bonds then proposed to be issued shall be deemed to be 120% of the average of the SIFMA Index over a two (2) year period of time ending on the date immediately prior to the sale of such Additional Bonds.

(d) For the purpose of determining the Debt Service under this Section 502, unless the Bonds are subject to a Qualified Hedge Agreement, the interest rate on Outstanding Variable Rate Bonds shall be deemed to be (i) if such Variable Rate Bonds have been Outstanding for at least twenty-four (24) months prior to the date of sale of such Additional Bonds, the highest rate of interest borne by such Variable Rate Bonds during the twenty-four (24) months ending on the date immediately prior to the sale of such Additional Bonds, or (ii) if such Variable Rate Bonds have not been Outstanding for at least twenty-four (24) months prior to the date of sale of such Additional Bonds, 120% of the average of the SIFMA Index over a two (2) year period of time ending on the date immediately prior to the sale of such Additional Bonds.

(e) For the purpose of this Section 502, the phrase "immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the District of the twenty-four (24) months immediately preceding the issuance of said Additional Bonds" shall sometimes be referred to as "twelve (12) consecutive months." Such twelve (12) consecutive months may occur during a period of time during which the Utility System or a portion thereof was not owned by the District.

(f) The Net Revenues calculated pursuant to the foregoing Section 502(b) may be adjusted upon the written advice of the Rate Consultant, at the option of the District, as follows:

(i) If the District, prior to the issuance of the proposed Additional Bonds, shall have increased the rates, fees or other charges for the product, services or facilities of the Utility System, the Net Revenues for the twelve (12) consecutive months shall be adjusted to show the Net Revenues which would have been derived from the Utility System in such twelve (12) consecutive months as if such increased rates, fees or other charges for the

product, services or facilities of the Utility System had been in effect during all of such twelve (12) consecutive months.

(ii) If the District shall have acquired or has contracted to acquire any privately or publicly owned existing water and/or sewer system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Bonds, then the Net Revenues derived from the Utility System during the twelve (12) consecutive months shall be increased by adding to the Net Revenues for said twelve (12) consecutive months the Net Revenues which would have been derived from said existing water and/or sewer system as if such existing water and/or sewer system had been a part of the Utility System during such twelve (12) consecutive months. For the purposes of this paragraph, the Net Revenues derived from said existing water and/or sewer system during such twelve (12) consecutive months shall be adjusted to determine such Net Revenues by deducting the cost of operation and maintenance of said existing water and/or sewer system from the gross revenues of said system. Such Net Revenues shall take into account any increase in rates imposed on customers of such water and/or sewer system on or prior to the acquisition thereof by the District. Any moneys received by the District as a result of acquiring a water and/or sewer system as described above shall become part of the Pledged Funds, except to the extent such moneys are legally restricted as to use (and any such legally restricted moneys shall not be included in Net Revenues pursuant to this paragraph).

(iii) If the District, in connection with the issuance of Additional Bonds, shall enter into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the District agrees to furnish services in connection with any water and/or sewer system, then the Net Revenues of the Utility System during the twelve (12) consecutive months shall be increased by the least amount which said public or private entity shall guarantee to pay in any one (1) year for the furnishing of said services by the District, after deducting therefrom the proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services.

(iv) In the event the District shall be constructing or acquiring additions, extensions or improvements to the Utility System from the proceeds of such Additional Bonds and shall have established fees, rates or charges to be charged and collected from users of such facilities when service is rendered, such Net Revenues may be adjusted by adding thereto 100% of the Net Revenues estimated by the Rate Consultant to be derived during the first twelve (12) months of operation after completion of the construction or acquisition of said additions, extensions and improvements from the customers of the facilities to be financed by Additional Bonds together with

other funds on hand or lawfully obtained for such purpose; provided such customers must represent existing occupied structures that will be added to the Utility System upon completion of the proposed additions, extensions or improvements.

(v) If the District shall add new customers subsequent to the commencement of the twelve (12) consecutive month period, the Rate Consultant may adjust the Net Revenues to reflect the Net Revenues that would have been received by the District if such customers had been in place for the entire twelve (12) consecutive months.

(vi) The Net Revenues may be adjusted for any period the Utility System or any portion thereof was not owned by the District to reflect government ownership of the Utility System or such portion.

(g) Additional Bonds shall be deemed to have been issued pursuant to this Master Indenture the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Master Indenture (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Owners of all Bonds issued pursuant to this Master Indenture. Except as otherwise provided herein, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Trust Estate and their sources and security for payment therefrom without preference of any Bonds over any other.

(h) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 502(b) shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of the aggregate Debt Service. The conditions of Section 502(b) shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Section 503. Bond Anticipation Notes. The District may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Master Indenture, as shall be provided by the District.

Section 504. Accession of Subordinated Indebtedness to Parity Status with Bonds. The District may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (a) the District shall meet all the requirements imposed upon the issuance of Additional Bonds by Sections 502(a) and (b) hereof, assuming for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds, (b) the facilities financed by such Subordinated Indebtedness shall be, or become part of, the Utility

System, and (c) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 404(b)(iv) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Master Indenture the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Master Indenture.

ARTICLE VI REPRESENTATIONS AND COVENANTS

Section 601. Payment of Principal and Interest; Limited Obligation. The District covenants that it will promptly pay or cause to be paid, principal of, redemption premium, if any, and interest on each Bond issued under this Master Indenture at the place, on the date and in the manner provided in said Bond according to the true intent and meaning thereof. The principal of, redemption premium, if any, and interest on each Series of Bonds are payable solely from the Trust Estate, provided that nothing in the Bonds or this Master Indenture shall be considered as pledging any other funds or assets of the District, and provided further that the Bonds shall not be or constitute general obligations or indebtedness of the District as "bonds" within the meaning of any constitutional or statutory provision and no Owner of any Bond shall ever have the right to compel the exercise of any ad valorem taxing powers of the District to pay such Bond.

Section 602. Performance of Covenants. The District covenants that it will faithfully perform each and every undertaking, covenant, stipulation and provision contained in this Master Indenture and in each and every Bond executed, authenticated and delivered hereunder. The District represents that it is duly authorized under the Constitution and laws of the State to issue the Bonds, to execute this Master Indenture and to pledge the revenues described and pledged herein. The District represents further that all action on its part for the execution and delivery of this Master Indenture has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the District according to the tenor and import thereof.

Section 603. Instruments of Further Assurance. The District covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for better assuring, pledging, assigning and confirming unto the Trustee all and singular the Trust Estate, including the revenues pledged hereby to the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Section 604. Operation and Maintenance. The District covenants that it will maintain or cause to be maintained the Utility System and all portions

thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof. The District may contract with a responsible Person or Persons which has experience in the operation of utility systems similar to the Utility System for the operation and maintenance of the Utility System.

Section 605. Annual Budget. The District covenants that it will prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law. No expenditure for Operating Expenses shall be made in any Fiscal Year in excess of the aggregate amount provided for Operating Expenses in the Annual Budget, (a) without a written finding and recommendation by an Authorized District Officer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures, and (b) until the Board shall have approved such finding and recommendation by resolution.

If for any reason the District shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year, if it be approved by the Consulting Engineers, or otherwise the Annual Budget for the preceding Fiscal Year, shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted.

The District shall mail copies of such Annual Budgets and amended Annual Budgets and all resolutions authorizing increased expenditures for Operating Expenses to the Trustee and to any Credit Bank or Insurer of Bonds who shall file its address with the General Manager and request in writing that copies of all such Annual Budgets and resolutions be furnished to it and shall make available all such Annual Budgets and resolutions authorizing increased expenditures for Operating Expenses at all reasonable times to any Owner or Owners of Bonds or to anyone acting for and on behalf of such Owner or Owners.

The Trustee shall have no duty to review compliance with the provisions of this Section 605.

Section 606. Rates. The District shall fix, establish and maintain such rates, fees, charges and collect such fees, rates or other charges for the product, services and facilities of the Utility System, and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year, Net Revenues adequate to pay at least (a) 110% of the Annual Debt Service on all Outstanding Bonds becoming due in such Fiscal Year, (b) 100% of any amounts required by the terms hereof to be deposited in the Reserve Account or with any provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit, (c) 100% of any amounts required by the terms of Section 404(b)(v) to be deposited in the Renewal and Replacement Fund, and (d) 100% of any amounts required by the

terms of Sections 405(a) and 406(a) hereof to be repaid to the Water Connection Fees Fund and Wastewater Connection Fees Fund, respectively, in such Fiscal Year.

If, in any Fiscal Year, the District shall fail to comply with the requirements contained in this Section 606, it shall cause the Rate Consultant to review its rates, fees, charges, income, Gross Revenues, Operating Expenses, and methods of operation and to make written recommendations as to the methods by which the District may promptly seek to comply with the requirements set forth in this Section 606. The District shall forthwith commence to implement such recommendations.

Section 607. Books and Records. The District covenants and agrees to keep all books, records and accounts of the Gross Revenues, Operating Expenses, Connection Fees and operations of the Utility System and the Owners of twenty-five percent (25%) or more of the aggregate principal amount of Bonds Outstanding or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all books, records and accounts relating thereto.

Section 608. Annual Audit. The District covenants that it will, after the close of each Fiscal Year, cause the books, records and accounts relating to the Utility System to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Such Annual Audits shall contain, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, statement of changes in retained earnings and any other statements as required by law or accounting convention. Each Annual Audit shall be in conformity with generally accepted accounting principles. A copy of each Annual Audit shall regularly be furnished to the Trustee (which shall hold such audit solely as a repository of such audit but shall have no obligation to review or inspect such audit) and to any Credit Bank or Insurer who shall have furnished its address to the General Manager and requested in writing that the same be furnished to it.

Section 609. No Mortgage or Sale of the Utility System. The District irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the Utility System as a whole or any substantial part thereof (except as provided herein) until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with Section 701 hereof.

The foregoing provision notwithstanding, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Utility System in the following manner, if any one of the following conditions exist: (a) such property is not necessary for the operation of the

Utility System; (b) such property is not useful in the operation of the Utility System; (c) such property is not profitable in the operation of the Utility System; or (d) in the case of a lease of such property, will be advantageous to the Utility System and will not materially adversely affect the security for the Owners.

Prior to any such sale, lease or other disposition of said property: (i) if the amount to be received therefor is not in excess of one percent (1%) of the book value of the gross plant of the Utility System at original cost, an Authorized District Officer shall make a finding in writing determining that one or more of the conditions for sale, lease or disposition of property provided for in the second paragraph of this Section 609 have been met; or (ii) if the amount to be received from such sale, lease or other disposition of said property shall be in excess of one percent (1%) of the book value of the gross plant of the Utility System at original cost, (A) an Authorized District Officer and the Consulting Engineers shall each first make a finding in writing determining that one or more of the conditions for sale, lease or other disposition of property provided for in the second paragraph of this Section 609 have been met, (B) the Board shall, by resolution, duly adopt, approve and concur in the finding of the Authorized District Officer and the Consulting Engineers, and (C) the District shall obtain an opinion of Bond Counsel to the effect that such sale, lease or other disposition is not in violation of the Act and will not adversely affect the federal tax exempt status of interest on the Bonds (other than Taxable Bonds).

The proceeds from any such sale or other disposition shall be deposited, first, into the Renewal and Replacement Fund to the extent necessary to make the amount therein equal to the Renewal and Replacement Fund Requirement, and second, into the Surplus Fund. Proceeds from any lease shall constitute Gross Revenues and shall be deposited in the Revenue Account.

The transfer of the Utility System as a whole from the control of the Board to some other board or authority which may hereafter be created for such purpose and which constitutes a governmental entity, interest on obligations issued by which are excluded from gross income for purposes of federal income taxation, shall not be deemed prohibited by this Section 609 and such successor board or authority shall fall within the definition of "District" in Section 101 hereof.

Notwithstanding the foregoing provisions of this Section 609, the District shall have the authority to sell for fair and reasonable consideration any land comprising a part of the Utility System which is no longer necessary or useful in the operation of the Utility System and the proceeds derived from the sale of such land shall be disposed of in accordance with the provisions of the fourth paragraph of this Section 609.

Notwithstanding the foregoing provisions of this Section 609, the District may make contracts or grant licenses for the operation of, or grant easements or

other rights with respect to, any part of the Utility System if such contract, license, easement or right does not, in the opinion of the Consulting Engineers, as evidenced by a certificate to that effect filed with the District, impede or restrict the operation by the District of the Utility System, but any payments to the District under or in connection with any such contract, license, easement or right in respect of the Utility System or any part thereof shall constitute Gross Revenues and shall be deposited in the Revenue Account.

Section 610. Insurance. The District covenants that it will carry such insurance as is ordinarily carried by public entities owning and operating utilities similar to the Utility System with a reputable insurance carrier or carriers, in such amounts as the District shall determine to be sufficient and such other insurance against loss or damage by fire, explosion, hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the Utility System, or such other amount or amounts as a reputable insurance consultant or the Consulting Engineers shall approve as sufficient.

The District may establish minimum levels of insurance for which the District may self-insure. Such minimum levels of insurance shall be in amounts as recommended in writing by an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the Utility System.

Except as provided in Section 403 hereof with respect to the period of construction of a Project, the proceeds from property loss and casualty insurance shall be deposited in the Renewal and Replacement Fund and, together with other available funds of the District, shall be used to repair or replace the damaged portion of the Utility System; provided, however, if the District makes a determination in accordance with Section 609 hereof that such portion of the Utility System is no longer necessary or useful in the operation of the Utility System, such proceeds shall (a) if such proceeds equal or exceed \$50,000, (i) be applied to the redemption or purchase of Bonds or (ii) be deposited in irrevocable trust for the payment of Bonds in the manner set forth in Section 701, provided the District has received an opinion of Bond Counsel to the effect that such deposit shall not adversely affect the exclusion, if any, from gross income of interest on the Bonds for purposes of federal income taxation, or (b) if such proceeds are less than \$50,000, be deposited in the Revenue Account.

Section 611. No Free Service. The District will not render, or cause to be rendered, any free services of any nature by its Utility System or any part thereof, nor will any preferential rates be established for users of the same class. The District may impose different rates for component portions of its Utility System.

Section 612. No Impairment of Rights. The District will not enter into any contract or contracts, nor take any action, the results of which might impair the rights of the Owners of the Bonds. The District will not own or operate any water or sewer service facilities which compete with the Utility System; provided, however, the District reserves the right to own and operate water or sewer service facilities or both by itself or with others in any territory which is not in any service area now or hereafter served by the Utility System.

Section 613. Compulsory Water and Wastewater Connections. In order to better secure the prompt payment of principal and interest on the Bonds, as well as for the purpose of protecting the health and welfare of the residents of the District, and acting under authority of the Act, the District, to the extent permitted by law, will require (a) every owner of each lot which is contiguous to any street or public way containing a sewer line forming a part of the wastewater facilities of the Utility System and upon which lot a building shall subsequently be constructed for residential, commercial or industrial use, to connect such building within a reasonable period of time to such wastewater facilities and to cease to use any other method for the disposal of wastewater or other polluting matter, and (b) every owner of each lot which is contiguous to any street or public way containing a water line forming a part of the water facilities of the Utility System and upon which lot a building shall subsequently be constructed for residential, commercial or industrial use, to connect such building within a reasonable period of time to such water facilities; provided, however, the District may create exceptions from the above-described compulsory connection policy for owners of large parcels of land and for situations involving hardship on the part of the property owner.

Section 614. Enforcement of Charges. The District shall compel the prompt payment of rates, fees and charges imposed in connection with the Utility System, and to that end will vigorously enforce all of the provisions of any resolution of the District having to do with wastewater and water connections and charges, and all of the rights and remedies permitted the District under law, including the requirement for the making of a reasonable deposit by each user and the requirement for disconnection of all premises delinquent in payment.

Section 615. Unit Water and Wastewater Bills. In every instance in which a building or structure on a lot is connected to the wastewater facilities of the Utility System, which building or structure is also connected to the water facilities of the Utility System and receives water therefrom, the District shall submit to the owner or occupant of such lot a single bill for both water and wastewater service and shall refuse to accept payment for either the water charge alone or wastewater charge alone without payment of the other.

Section 616. Collection of Connection Fees. The District shall proceed diligently to perform legally and effectively all steps required in the collection of the Connection Fees, if and only to the extent such Connection Fees are levied by the

District. Upon the due date of any such Connection Fees, the District shall diligently proceed to collect the same and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law. Notwithstanding any provision of this Section 616 to the contrary, the District may waive the levy or collection of a Connection Fee provided such waiver is in accordance with applicable law.

Section 617. Covenants with Credit Banks and Insurers. The District may make such covenants as it may in its sole discretion determine to be appropriate with any Insurer, Credit Bank or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Supplemental Indenture and shall be binding on the District, the Trustee, any Paying Agent and all the Owners of Bonds the same as if such covenants were set forth in full in this Master Indenture.

Section 618. Consulting Engineers. The District shall at all times employ Consulting Engineers, whose duties shall be to make any certificates and perform any other acts required or permitted of the Consulting Engineers under this Master Indenture, and also to review the construction and operation of the Utility System, to make an inspection of the Utility System at least once every two (2) years, and to submit to the District a report with respect to each such inspection with recommendations as to the proper maintenance, repair and operation of the Utility System during the ensuing Fiscal Year(s), including recommendations for expansion and additions to the Utility System to meet anticipated service demands and an estimate of the amount of money necessary for such purposes. The Consulting Engineers shall make a recommendation of the amount of the Renewal and Replacement Fund Requirement at least once every two (2) years. Copies of such reports, recommendations and estimates made as hereinabove provided shall be filed with the District for inspection by Owners, if such inspection is requested.

Section 619. Federal Income Taxation Covenants; Taxable Bonds. The District covenants with the Owners of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become included in gross income for purposes of federal income taxation.

The District covenants with the Owners of each Series of Bonds (other than Taxable Bonds) that neither the District nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of the Code and neither the District nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become subject to inclusion within gross income for purposes of federal income taxation.

The District hereby covenants with the Owners of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

The District may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Owners thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in this Section 619 shall not apply to any Taxable Bonds.

Section 620. Insurance and Condemnation Proceeds. The District shall deposit with the Trustee, when and as received, the net proceeds (after payment of expenses of collection) of title insurance claims, casualty insurance claims and eminent domain awards.

The Trustee is hereby authorized and directed to deposit such moneys in a separate Insurance and Condemnation Proceeds Account which shall be established in the Construction Fund. Moneys in an Insurance and Condemnation Proceeds Account shall be applied by the Trustee in accordance with directions from the District set forth in a certificate of an Authorized District Officer for any one or a combination of the following purposes:

(a) To pay or reimburse the District for the costs of repairing, restoring, replacing or rebuilding any part of the Utility System damaged or destroyed by fire or other casualty; provided that such disbursements shall be made only upon requisition of the District substantially in the same form and manner as provided for other disbursements from the Construction Fund; or

(b) To pay or reimburse the District for the costs of acquiring or constructing other land and facilities in the District to replace any property destroyed by fire or other casualty, taken by eminent domain or lost by reason of title defect; provided that such disbursements shall be made only upon requisition of the District substantially in the same form and manner as provided for other disbursements from the Construction Fund; or

(c) In the case of title insurance proceeds, to pay adverse claimants the amounts necessary to clear title to the Utility System.

Section 621. Hedge Agreements. Each Counterparty to a Qualified Hedge Agreement shall meet the Initial Rating Requirement. For the period the Counterparty does not fall below "Baa2" by Moody's or "BBB" by Standard & Poor's

(the "Minimum Rating Requirement"), interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be deemed to be the Hedge Payments for purposes of the definition of "Debt Service." For any period the Counterparty does not satisfy the Minimum Rating Requirement and is not replaced by a Counterparty that meets the Initial Rating Requirement, interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be the actual interest on such Bonds (not taking into account the Hedge Payments) for purposes of the definition of "Debt Service." The above-described requirements for a Counterparty to a Qualified Hedge Agreement and the inclusion or exclusion of Hedge Payments for purposes of the definition of "Debt Service" may be waived in writing by the Credit Bank(s) and the Insurer(s) of the Series of Bonds affected by such Qualified Hedge Agreement. For purposes of determining the Reserve Account Requirement, interest on any Bonds during such period of time it is subject to a Qualified Hedge Agreement shall be deemed to be the Hedge Payments; provided the Counterparty does not fall below the Minimum Rating Requirement described above. During such time as interest on such Bonds is not subject to a Qualified Hedge Agreement or the Counterparty thereto does not meet the Minimum Rating Requirement, the interest rate on such Bonds shall be determined as provided in the definition of Reserve Account Requirement for Variable Rate Bonds.

ARTICLE VII DEFEASANCE

Section 701. Defeasance. If the District shall have paid or caused to be paid the principal, redemption premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if all Hedge Payments shall have been paid pursuant to the terms of any Hedge Agreement(s), and if the District shall not at the time be in default in any of the covenants and promises in the Bonds and in this Master Indenture expressed as to be kept, performed and observed by it or on its part, and if the District shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Master Indenture and execute and deliver to the District such instruments in writing as shall be required to cancel and discharge the lien hereof. The instruments referred to in the prior sentence shall be prepared by or on behalf of the District and at the District's expense. Notwithstanding the foregoing, the provisions of this Master Indenture relating to the maturity of the Bonds, interest payments and Interest Payment Dates, redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee and any Paying Agent in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee, any Paying Agent

and the Owners notwithstanding the release and discharge of the lien of this Master Indenture.

Except as otherwise provided by Supplemental Indenture, any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 701 if (a) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (b) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the District either moneys in an amount which shall be sufficient, or Refunding Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient (as verified by an independent certified public accountant), to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the District may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 701, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 701, such excess shall be paid to the District free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Master Indenture.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 701 are not by their terms subject to redemption within the next succeeding sixty (60) days, the District shall cause the Trustee to mail a notice to the Owners of such Bonds that the deposit required by this Section 701 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 701 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the District to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the District in determining whether to exercise any such option for early redemption.

In the event that the principal of or Redemption Price, if applicable, and interest due on the Bonds shall be paid by an Insurer or Insurers pursuant to a Bond Insurance Policy, such Bonds shall remain Outstanding, shall not be defeased and shall not be considered paid by the District, and the pledge of the Trust Estate and all covenants, agreements and other obligations of the District to the Owners shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Owners.

Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall, notwithstanding any provisions to the contrary herein, thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or Credit Bank, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the Bond Register, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

ARTICLE VIII
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS

Section 801. Events of Default; Notice of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under and for purposes of this Master Indenture:

(a) Default shall be made in the payment of the principal of, Sinking Fund Installment, redemption premium or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy or a Credit Facility.

(b) There shall occur the dissolution or liquidation of the District, or the filing by the District of a voluntary petition in bankruptcy, or the commission by the District of any act of bankruptcy, or adjudication of the District as bankrupt, or assignment by the District for the benefit of its creditors, or appointment of a receiver for the District, or the entry by the District into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter adopted.

(c) The District shall default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Master Indenture on the part of the District to be performed, and such default shall continue for a period of ninety (90) days after written notice of such default shall have been given to the District by the Trustee, if the Trustee has actual knowledge of such default, or to the Trustee and the District by an Insurer, a Credit Bank or the Owners of not less than ten percent (10%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the District shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the District in good faith institutes appropriate curative action and diligently pursues such action until such default has been corrected; provided, however, no such curative action shall exceed ninety (90) days without the prior written consent of each Insurer and Credit Bank.

Upon the occurrence of an Event of Default, the Trustee shall, if the Trustee has actual knowledge of such default, give notice thereof by first-class mail, postage prepaid, to all affected Owners and each Insurer and Credit Bank. Such notice shall be given within thirty (30) days of the date on which the Trustee has actual knowledge of the occurrence of an Event of Default.

Section 802. Remedies; Rights of Owners. Upon the occurrence of an Event of Default with respect to the Bonds, the Trustee shall have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute, including the federal bankruptcy laws or other applicable law or statute of the United States of America or of the State, to enforce the payment of principal of and interest on the Bonds then Outstanding; provided, however, that no Owner, the Trustee or any receiver shall have the right to declare any Bonds immediately due and payable without the consent of any affected Insurers except to the extent the acceleration of any Bonds that bear interest at a variable rate is provided for in a Supplemental Indenture, the provisions of which are approved by the Insurers.

(b) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Owners under this Master Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred, and if requested to do so by an Insurer, a Credit Bank or by the Owners of twenty-five percent (25%) or more of the aggregate principal amount of Outstanding Bonds affected thereby and indemnified as provided in Section 901(l) hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 802 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

No right or remedy by the terms of this Master Indenture conferred upon or reserved to the Trustee (or to the Owners, any Insurer or any Credit Bank) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Owners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon. No waiver of any Event of Default hereunder by the Trustee shall be effective without the approval of each affected Insurer and Credit Bank.

Section 803. Right of Owners to Direct Proceedings. Anything in this Master Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture. The rights of the Owners under this Section 803 shall be subject in all respects to the rights of the Insurers and Credit Banks under Section 809 hereof.

Section 804. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any receiver and of the Trustee's fees and expenses (including reasonable fees and expenses of counsel), be deposited into the Revenue Account (or other appropriate fund or account) and all moneys held or deposited in the Revenue Account and all other funds, accounts and subaccounts established hereby (other than the Rebate Fund) during the continuance of an Event of Default shall (except as for amounts in the subaccounts of the Reserve Account, amounts drawn under a Credit Facility, amounts paid under a Bond Insurance Policy, and amounts on deposit in any other fund or account which may be applied only to the payment of the Series of Bonds for which they were established) be applied as follows and in the following order:

(a) To the payment of the amounts required for reasonable and necessary Operating Expenses, and for the reasonable renewals, repairs and replacements of the Utility System necessary to prevent loss of Gross Revenues, as certified by the Consulting Engineers;

(b) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(i) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 701 hereof), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Master Indenture.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(iii) To the payment of all amounts owed to each Insurer and Credit Bank not covered by (i) or (ii) above.

Whenever moneys are to be applied pursuant to the provisions of this Section 804, such moneys shall be applied at such times from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds for payment of the Bonds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 805. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Master Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its

name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of all the Outstanding Bonds affected thereby.

Section 806. Rights and Remedies of Owners. No Owner of any Bond or any Insurer or Credit Bank shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default has occurred, (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds affected thereby, with the consent of each affected Insurer and Credit Bank, or each affected Insurer and Credit Bank shall have made written request to the Trustee and shall have offered it a reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such Owners of Bonds or each affected Insurer or Credit Bank shall have offered to the Trustee indemnity as provided in Section 901(l) hereof, and (d) the Trustee shall for sixty (60) days after receipt of such request and indemnification fail or refuse to exercise the rights and remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture, and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder. It being understood and intended that no one or more Owners of the Bonds or any Insurer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Outstanding Bonds affected thereby. However, nothing contained in this Master Indenture shall affect or impair the right of any Owner to enforce the payment of the principal of and interest on any Bond at and after the maturity or redemption date of such principal or interest, or the obligation of the District to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner expressed in this Master Indenture and in the Bonds.

Section 807. Termination of Proceedings. In case the Trustee or any Owner of any Bonds or any Insurer or Credit Bank shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the District, the Trustee, each Insurer, each Credit Bank and the Owners shall be restored to their former positions and rights hereunder, respectively, and with regard to the property herein subject to this Master Indenture, and all rights,

remedies and powers of the Trustee, the Insurers, the Credit Banks and Owners of Bonds shall continue as if no such proceedings had been taken.

Section 808. Waivers of Events of Default. The Trustee may, with the consent of each affected Insurer and Credit Bank, at its discretion waive any Event of Default hereunder (other than an Event of Default specified in Section 801(b) above) and shall do so upon the written request of each affected Insurer and Credit Bank or the Owners of (a) more than two thirds (2/3rd) in aggregate principal amount of all Outstanding Bonds affected thereby (with the consent of each affected Insurer and Credit Bank, unless such Insurer or Credit Bank is in default under its Bond Insurance Policy or Credit Facility, as the case may be) in the case of default in the payment of principal or interest, or (b) more than a majority in aggregate principal amount of all Outstanding Bonds affected thereby (with the consent of each affected Insurer and Credit Bank, unless such Insurer or Credit Bank is in default under its Bond Insurance Policy or Credit Facility, as the case may be) in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any such Outstanding Bond at the date of maturity specified therein or (ii) any default in the payment when due of the interest on any such Outstanding Bond, unless prior to such waiver all arrears of interest or all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then, and in every such case, the District, the Trustee, each Insurer, each Credit Bank and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon. No such waiver shall affect the rights of third parties to payment of amounts provided for hereunder.

Section 809. Control by Bond Insurer or Credit Bank. Without limiting the Trustee's right to indemnity as provided in Section 901(l) hereof, upon the occurrence and continuance of an Event of Default, an Insurer, if such Insurer shall have honored all of its commitments under its Bond Insurance Policy and such Bond Insurance Policy shall remain in effect, or a Credit Bank, if such Credit Bank shall have honored all of its commitments under its Credit Facility and such Credit Facility shall remain in effect, shall be entitled to direct and control the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners with respect to the Bonds for which it has issued its Bond Insurance Policy or Credit Facility, as the case may be.

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ARTICLE IX THE TRUSTEE

Section 901. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Master Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of any Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture and using such care as a trustee would ordinarily use in performing its duties under a trust indenture and no implied covenants or obligations shall be read into this Master Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and use the same degree of care and skill in their exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of its own personal affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or employees but shall not be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds) or for the validity of the execution by the District of this Master Indenture or of any supplements hereto or the issuance of the Bonds or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, and the Trustee makes no representations with respect thereto or to the value or condition of the Trust Estate or the lien imposed thereon by this Master Indenture and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the District, except as hereinafter set forth; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the instructions of the District delivered in accordance herewith.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not Trustee. The

Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Master Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of, and with the requisite consent of, the Owners or Insurers or Credit Banks.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the District by the Authorized District Officer or such other Person as may be designated for such purpose by resolution of the Board as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 901(h) hereof, or of which by said Section it is deemed to have notice, shall also be at liberty to accept and rely upon a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Authorized District Officer under the District's seal to the effect that a resolution in the form therein set forth has been adopted by the Board as conclusive evidence that such resolution has been duly adopted, and is in full force and effect. The resolutions, orders, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the withdrawal of cash and the taking or omitting of any other action hereunder.

(g) The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have knowledge of any default or Event of Default hereunder except failure to pay the principal of, redemption premium, if any, and interest on the Bonds, unless the Trustee shall be specifically notified in writing of such default by the District, any

Insurer, any Credit Bank or by the Owners of at least ten percent (10%) in aggregate principal amount of Bonds then Outstanding.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect all books, papers and records of the District pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises, unless required to do so by State law.

(k) Notwithstanding anything elsewhere in this Master Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under this Master Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment of its fees and reimbursement of all expenses to which it may be put (including, without limitation, reasonable fees and expenses of counsel) and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(m) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Master Indenture or law.

(n) None of the provisions contained herein shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder. The Trustee shall not be personally liable in the case of entry by it upon any part of the Utility System for debts contracted or for liabilities or damages incurred in the management or operation thereof.

(o) Notwithstanding any other provision of this Master Indenture, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Master Indenture, the

Trustee shall consider the effect on the Owners as if there were no Bond Insurance Policy or Credit Facility.

Section 902. Specific Duties of Trustee to Maintain Owner List. The Trustee shall keep on behalf of the District the Bond Register. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the District or by Owners (or a designated representative thereof) of ten percent (10%) or more in principal amount of Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee. Whenever the Trustee is required hereunder to give notice to Owners, it shall give such notice by first-class mail to each Person on such Owner list whose Bond is affected thereby.

Section 903. Notice to Owners if Default Occurs. If a default occurs of which the Trustee is by Section 901(h) hereof presumed to have knowledge, then the Trustee shall give written notice thereof by first-class mail to the last known Owners of all Bonds then Outstanding shown by the Bond Register.

Section 904. Intervention by Trustee. In any judicial proceedings to which the District is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by any Insurer or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, provided that the Trustee shall first have been offered indemnity as provided in Section 901(l) hereof. The rights and obligations of the Trustee under this Section 904 are subject to the approval of a court of competent jurisdiction.

Section 905. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation, entity or other purchaser or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 906. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days prior written notice to the District, the Insurers and the Credit Banks, and by first-class mail to each Owner of Bonds as shown by the Bond Register. Such resignation shall take effect, however, only upon the appointment of a successor

Trustee (or a temporary Trustee as provided in Section 908 hereof) by the Owners or by the District and the acceptance of such appointment. Any such resignation shall, if so designated by the Trustee or if requested by the District in writing, constitute a resignation of the Trustee in all capacities in which it serves hereunder.

Section 907. Removal of Trustee. So long as no Event of Default is occurring or continuing hereunder with respect to any Series of Bonds, the Trustee may be removed at any time by the District or by an instrument or concurrent instruments in writing delivered to the Trustee and to the District, and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding; provided, however, such removal shall not become effective until a successor Trustee has been appointed, and provided, further, that the Trustee's right to indemnity and amounts then due and payable shall survive any such removal.

Section 908. Appointment of Successor Trustee by the Owners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by (a) if there has not occurred and continuing an Event of Default, the District, or (b) if there has occurred and is continuing an Event of Default, the Owners of a majority in aggregate principal amount of Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of any such vacancy the District by an instrument executed and signed by an Authorized District Officer may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners in the manner provided in clause (b) above and any such temporary Trustee so appointed by the District shall immediately and without further act be superseded by the Trustee so appointed by such Owners pursuant to said clause (b). If no successor trustee shall have been appointed or shall have accepted appointment within sixty (60) days after the resignation of the Trustee, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Trustee.

Section 909. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall (a) be a bank or trust company or a national banking association, located or incorporated within the State, authorized by law to perform all the duties imposed upon it hereby, subject to examination by federal or state authority, and which is either (i) a bank or trust company, or (ii) a wholly-owned subsidiary of a bank or trust company, or (iii) a wholly-owned subsidiary of a bank holding company which has as a wholly-owned subsidiary a bank or trust company, in each case having a reported capital and surplus aggregating at least \$75,000,000, and (b) except as provided in Section 905 hereof, execute, acknowledge

and deliver to its predecessor and also to the District an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the District, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the District.

Section 910. Appointment of Co-Trustee. At any time or times, for the purposes of conforming to any legal requirements, restrictions or conditions in any state, or if the Trustee shall be advised by counsel that it is necessary or advisable in the interest of the Owners or the Trustee so to do, the District and the Trustee shall have power to appoint (and upon the request of the Trustee, the District shall for such purpose join with the Trustee in the execution, delivery and recording of all instruments and agreements necessary or proper to appoint) another corporation or one or more Persons, approved by the Trustee, either to act as separate Trustee or Trustees or Co-Trustees of all or any of the Trust Estate jointly with the Trustee hereunder. If the District does not concur in such appointment within thirty (30) days after receipt of a request to do so, the Trustee alone may make such appointment.

Every separate Trustee or Co-Trustee (other than the Trustee initially acting as Trustee hereunder, hereinafter in this Section 910 called the "Initial Trustee," and any Trustee which may be appointed as successor to it) shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(a) The Bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustee in respect of the custody of all funds and any securities pledged hereunder, shall be exercised solely by the Initial Trustee or its successors in trust hereunder;

(b) No power shall be exercised hereunder by such separate Trustee or Co-Trustee except with the consent in writing of the Initial Trustee or its successors in trust hereunder;

(c) The District and the Initial Trustee or its successors in trust hereunder, at any time by an instrument in writing executed by them jointly, may accept the resignation or remove any separate Trustee or Co-Trustee appointed

under this Section, and may likewise and in like manner appoint a successor to such separate Trustee or Co-Trustee who shall be so removed or who shall have resigned as provided herein, anything herein contained to the contrary notwithstanding; and

(d) No Trustee or Co-Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee or Co-Trustee hereunder.

Any notice, request or other writing, by or on behalf of the Owners of the Bonds issued hereunder, delivered solely to the Initial Trustee or its successors in trust, shall be deemed to have been delivered to all of the then Trustees and Co-Trustees as effectually as if delivered to each of them. Every instrument appointing any Trustee or Co-Trustee other than a successor to the Initial Trustee shall refer to this Master Indenture and the conditions in this Section 910 expressed, and upon the acceptance in writing by such Trustee or Co-Trustee, he, she, they or it shall be vested with the rights, powers, estate and/or property specified in such instrument either jointly with the Initial Trustee or its successor, or separately, as may be provided therein, subject to all the trusts, conditions and provisions of this Master Indenture, and every such instrument shall be filed with the Initial Trustee or its successors in trust. Any separate Trustee or Co-Trustee may at any time by an instrument in writing constitute the Initial Trustee or its successors in trust hereunder, his, her, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, her, them or it, for and on behalf of him, her, them or it, and in his, her, their or its name. Any Co-Trustee may, as to any action hereunder, whether discretionary or otherwise, act by attorney-in-fact. In case any separate Trustee or Co-Trustee, or a successor to any of them, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of said separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Initial Trustee or its successors in trust until the appointment of a successor to such separate Trustee or Co-Trustee.

Section 911. Designation of Paying Agents. The District hereby covenants and agrees to cause the necessary arrangements to be made and to be thereafter continued for the designation of any additional Paying Agents as it deems necessary or appropriate for the making available of funds hereunder for the payment of such of the Bonds as shall be presented when due at the designated corporate trust office of any such additional Paying Agents.

A Paying Agent may at any time resign and be discharged of the duties and obligations created by this Master Indenture by giving at least thirty (30) days' notice to the District and the Trustee (if such Paying Agent is not the Trustee). A Paying Agent may be removed by the District at any time by an instrument signed

by the District and filed with the Paying Agent and the Trustee (if such Paying Agent is not the Trustee).

In the event of the resignation or removal of a Paying Agent, that Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the District shall fail to appoint a Paying Agent hereunder, or in the event that the Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of a Paying Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the District shall not have appointed its successor as Paying Agent, the Trustee shall ipso facto be deemed to be the Paying Agent for all purposes of this Master Indenture until the appointment by the District, with the consent of the Paying Agent or successor Paying Agent, as the case may be. The Trustee shall give each Owner notice by first-class mail of the appointment of a successor Paying Agent.

Section 912. Reports to Credit Banks and Insurers. The Trustee and any Paying Agents shall each provide to the District, any Credit Bank and any Insurer on request copies of all notices, documents or reports provided to or by it under this Master Indenture.

Section 913. Compensation, Expenses and Advances of Trustee. The Trustee shall be entitled to reasonable compensation for its services rendered hereunder (not limited by any provision of law in regard to the compensation of the Trustee of an express trust) and to reimbursement for its reasonable expenses (including counsel fees and expenses and any fees, expenses, payments, indemnification reserves or other security which may be incurred in connection with the appointment or designation of a receiver) incurred in connection therewith, except as a result of its negligence or willful misconduct. The District agrees that it will pay to the Trustee such compensation and reimbursement of expenses and advances, except that the District may, without creating a default hereunder, contest in good faith the reasonableness of any such services, expenses and advances. During such time as a default has occurred and is continuing as described in Section 801 hereof, the Trustee will have, in addition to any other rights hereunder, a first lien and claim, prior to the claim of the Owners or any other Person, for the payment of its compensation and the reimbursement of its expenses and any advances made by it, as provided in this Section 913, upon the Trust Estate (except for amounts drawn under a Credit Facility and amounts paid under a Bond Insurance Policy and moneys or obligations deposited with or paid to the Trustee for the redemption or payment of particular Bonds which are deemed to have been paid in accordance with the provisions of this Master Indenture) and the Trustee may withdraw the same from the Trust Estate when the same become due and payable.

Notwithstanding any other provision contained herein, the Trustee shall have no obligation whatsoever to expend its own funds hereunder.

If the Trustee renders services or incurs expenses after the occurrence of any event described in Section 801(b), then, in addition to any other rights of the Trustee, the Trustee's fees and expenses shall constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization, liquidation or other debtor relieve law.

Section 914. Brokerage Statements. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 915. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ARTICLE X SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indenture Without Owners' Consent. The District and the Trustee may, without the consent of or notice to any of the Owners but only with notice to the Insurers and Credit Banks, enter into any Supplemental Indenture(s) for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture or to clarify any matters or questions arising hereunder.

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the material prejudice of the Owners.

(c) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Master Indenture other conditions, limitations and restrictions thereafter to be observed.

(d) To add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District.

(e) To specify and determine the matters and things referred to in Sections 201 or 202 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Master Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(f) To authorize Projects or to change or modify the description of any Project.

(g) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds, Capital Appreciation Bonds and Taxable Bonds.

(h) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds.

(i) To modify, amend or supplement this Master Indenture or any Supplemental Indenture hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America and, if they so determine, to add to this Master Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(j) To revise the procedures provided in Section 404(b)(iv) hereof pursuant to which moneys are drawn on a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys are reimbursed to the provider of such Reserve Account Insurance Policy or Reserve Account Letter of Credit.

(k) To make provision hereunder for the use of a Qualified Hedge Agreement.

(l) To comply with any future rules and regulations with respect to tax-exempt Bonds or Taxable Bonds.

(m) To make any other change that, in the opinion of the District, would not materially adversely affect the security for the Bonds. In making such

determination, the District shall not take into consideration any Bond Insurance Policy or Credit Facility.

Section 1002. Supplemental Indenture with Owners', Insurers' and Credit Banks' Consent. Subject to the terms and provisions contained in this Section 1002 and Sections 1001 and 1003 hereof, the Owner or Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the execution and delivery of such Supplemental Indentures hereto as shall be deemed necessary or desirable by the District for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding or will have no effect on any such Owners, the consent of the Owners 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 under this Section 1002. Any Supplemental Indenture which is executed and delivered in accordance with the provisions of this Section 1002 shall also require the written consent of the Insurer or Credit Bank of a majority in aggregate principal amount of any Series of Bonds which are Outstanding at the time such Supplemental Indenture shall take effect. No Supplemental Indenture may be executed and delivered which shall permit or require (a) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (b) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (c) the creation of a lien upon or a pledge of the Trust Estate other than the lien and pledge created by this Master Indenture or except as otherwise permitted or provided hereby which materially adversely affects any Owners, (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account provided in Section 404(b)(iv) hereof), or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, without the consent of all Owners affected. Nothing herein contained, however, shall be construed as making necessary the approval by Owners or any Insurer of the execution and delivery of any Supplemental Indenture as authorized in Section 1001 hereof.

If at any time the District shall determine that it is necessary or desirable to execute and deliver any Supplemental Indenture pursuant to this Section 1002, the District shall cause the Trustee to give notice of the proposed execution and delivery of such Supplemental Indenture and the form of consent to such execution and delivery to be mailed, postage prepaid, to all Owners at their addresses as they appear on the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the offices of the District and the Trustee for inspection by all Owners. The District

shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section 1002 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section 1002.

Whenever the District shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District and Trustee may execute and deliver such Supplemental Indenture in substantially such form, without liability or responsibility to any Owner of any Bond, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution and delivery of such Supplemental Indenture shall have consented to and approved the execution and delivery as herein provided, no Owner of any Bond shall have any right to object to the execution and delivery of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the District or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any Supplemental Indenture pursuant to the provisions of this Section 1002, this Master Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Indenture of the District and the Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Master Indenture as so modified and amended.

Section 1003. Amendment with Consent of Insurers and Credit Banks Only. For purposes of amending this Master Indenture pursuant to Section 1002 hereof, except for those amendments described in the penultimate sentence of the first paragraph thereof, an Insurer of Bonds and a Credit Bank providing a Credit Facility for Bonds shall be considered the Owner of such Bonds which it has secured, provided such Bonds, at the time of the adoption of the amendment, shall be rated by the Rating Agencies which shall have rated such Bonds at the time such Bonds were secured no lower than the ratings assigned thereto by such Rating Agencies on such date of being secured. The consent of the Owners of such Bonds shall not be required if the Insurer of such Bonds or the Credit Bank providing a Credit Facility for such Bonds shall consent to the amendment as provided by this

Section 1003. At least fifteen (15) days prior to execution and delivery of any Supplemental Indenture made pursuant to this Section 1003, notice of such Supplemental Indenture shall be delivered to the Rating Agencies rating the Bonds. Upon filing with the Trustee of evidence of such consent of the Insurer(s) or Credit Bank(s) as aforesaid, the District and Trustee may execute and deliver such Supplemental Indenture. After the execution and delivery by the District and Trustee of such Supplemental Indenture, notice thereof shall be mailed in the same manner as notices of an amendment under Section 1002 hereof.

Section 1004. Trustee May Rely Upon Opinion of Counsel Concerning Supplemental Indenture. The Trustee shall be provided an opinion of counsel which shall constitute conclusive evidence that any Supplemental Indenture executed and delivered pursuant to the provisions of this Article X complies with the requirements hereof and that such Supplemental Indenture does not affect the tax-exempt status of any Bonds Outstanding.

Section 1005. Notation on Bonds. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article X may bear a notation, in form approved by the Trustee, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Trustee and the District, to any modification of this Master Indenture contained in any such Supplemental Indenture, may be prepared by the District, authenticated by the Trustee and delivered without cost to the Owners of the Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

ARTICLE XI MISCELLANEOUS

Section 1101. Consent of Owners. Any consent, request, direction, approval, objection or other instrument required by this Master Indenture to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely the fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law had power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by an affidavit of any witness to such execution.

Section 1102. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Master Indenture, or any covenants, conditions and provisions hereof, which are and are intended to be for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 1103. Capital Appreciation Bonds. For the purposes of (a) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (b) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Master Indenture, or (c) computing the amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the District or Trustee or receiver appointed to represent the Owner any notice, consent, request or demand pursuant to this Master Indenture for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

Section 1104. Severability. If any provision of this Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Indenture contained, shall not affect the remaining portions of this Master Indenture, or any part thereof.

Section 1105. Notices. All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered, (b) sent by first-class United States mail, (c) sent by overnight courier of national reputation, (d) transmitted by facsimile, or (e) by electronic mail or similar communications confirmed promptly in writing by one of the methods described in (a) through (d) above, in each case addressed to the party to whom notice is being given at its address as set forth below and, if by facsimile, transmitted to that party at its facsimile number set forth below or, as to each party, at such other address or facsimile number as may hereafter be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (i) the date received if

personally delivered, (ii) two (2) Business Days after deposited in the mail if delivered by mail, (iii) the date sent if sent by overnight courier, or (iv) the date of transmission if delivered by facsimile.

District: St. Lucie West Services District
450 SW Utility Drive
Port St. Lucie, Florida 34986
Telephone: 772-340-0220
Facsimile: 772-871-5771

Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, Florida 33410
Telephone: 561-630-4922
Facsimile: 561-630-4923

Trustee: U.S. Bank Trust Company, National Association
Corporate Trust Department
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309
Telephone: 954-938-2471

Bond Counsel: Nabors, Giblin & Nickerson, P.A.
2502 Rocky Point Drive, Suite 1060
Tampa, Florida 33607
Telephone: 813-281-2222
Facsimile: 813-281-0129

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 1106. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, the payment of principal, redemption premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date and prior to the date of payment as aforesaid.

Section 1107. Captions. The captions or headings in this Master Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Master Indenture.

Section 1108. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1109. Governing Law. The laws of the State shall govern this Master Indenture.

Section 1110. No Liability on General Credit of District. No provision, covenant or agreement contained in this Master Indenture or in the Bonds, or any obligations herein or therein imposed upon the District, or the breach thereof, shall constitute or give rise to or impose upon the District of a pecuniary liability or a charge upon their general credit or taxing powers or a pecuniary liability of a supervisor of the District or its officers and employees on the Bonds or for any act or omission related to the authorization and issuance of the Bonds. In making the agreements, provisions and covenants set forth in this Master Indenture, the District has not obligated itself except with respect to the application of the Trust Estate.

Section 1111. No Personal Liability. Notwithstanding anything to the contrary contained herein or in any of the Bonds or in any other instrument or document executed by or on behalf of the District in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future supervisor, officer, employee or agent of the District, or of any supervisor, officer, employee or agent of any successor to the District, in any such person's individual capacity, and no such person, in his or her individual capacity, shall be liable personally for any breach or nonobservance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the District or any successor to the District, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

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IN WITNESS WHEREOF, the District has caused this Master Indenture to be executed in its name and on its behalf by its Chairman and its Secretary thereunto duly authorized and its seal to be hereunto affixed, and the Trustee has caused this Master Indenture to be executed in its name and behalf by its duly authorized officer, all as of the date first above written.

(SEAL)

**ST. LUCIE WEST SERVICES
DISTRICT**

By: _____
Chairman/Vice Chairman

ATTEST:

By: _____
Secretary/Assistant Secretary

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee**

By: _____
Vice President

EXHIBIT A
FORM OF BOND

No. R-_____

\$

ST. LUCIE WEST SERVICES DISTRICT
UTILITY REVENUE BOND
SERIES _____

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP</u>
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Owner:

Principal Amount:

ST. LUCIE WEST SERVICES DISTRICT, a local unit of special purpose government duly created and existing under the Constitution and laws of the State of Florida (the "District"), for value received, hereby promises to pay (but only out of the Trust Estate as hereinafter described) to the Owner identified above, or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount identified above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Dated Date, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate set forth above, on _____ 1, _____, and on each _____ 1 and _____ 1 thereafter (the "Interest Payment Dates"), unless interest on this Bond is in default, in which event it shall bear interest from the last date to which interest has been paid until payment of such Principal Amount shall be discharged as provided in the hereinafter described Indenture. The principal (or Redemption Price) hereof is payable upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, as Trustee and Paying Agent, unless the Bonds are held in the book-entry system in which case presentation shall not be required. Interest hereon is payable by check mailed, except as provided in the Indenture, on the Interest Payment Date to the Person whose name appears on the Bond Register maintained by the Trustee as the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding each Interest Payment Date, at such Person's address as it appears on such Bond Register.

This Bond is one of a duly authorized issue of bonds of the District designated as "St. Lucie West Services District Utility Revenue Bonds, Series ____" (the "Bonds"), issued in the aggregate principal amount of \$_____, pursuant to the provisions of Chapter 190, Florida Statutes, as amended, and other applicable

provisions of law (collectively, the "Act"), and pursuant to a Master Trust Indenture, dated as of [Dated Date], between the District and the Trustee (together with any supplements or amendments thereto, the "Indenture"). The Bonds are issued for the principal purposes of: _____. The District may issue obligations on parity with the Bonds as provided in the Indenture. [Insert provisions describing any Bonds which have theretofore been, or are simultaneously being, issued].

Capitalized terms used but not defined herein shall have the meaning set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at the designated corporate trust office of the Trustee) and to the Act for a description of the rights and remedies thereunder (and limitations thereon) of the registered Owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon are payable from the Trust Estate and are secured by a lien on said Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Trust Estate includes the Pledged Funds. Net Revenues derived from the operation of the Utility System constitute a portion of the Pledged Funds. The Bonds are not secured by, or payable from, any revenues or moneys derived from the ownership, operation or management of any property of the District other than the Utility System.

[INSERT REDEMPTION PROVISIONS]

In the case of every redemption, the Trustee shall cause notice of such redemption to be given to the registered Owner of any Bonds designated for redemption in whole or in part as provided in the Indenture. The failure of the Trustee to give notice to an Owner or any defect in such notice shall not affect the validity of the redemption of any other Bonds. On the redemption date, the principal amount and redemption premium, if any, of each Bond to be redeemed, together with the accrued interest thereon to such date, shall become due and payable, from and after such date of redemption (such notice having been given and moneys available solely for such redemption being on deposit with the Paying Agent), the Bonds or portions thereof to be redeemed shall not be deemed to be outstanding under the Indenture, and the District shall be under no further liability in respect thereof.

The District may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the

notice will be rescinded, provided notice of rescission shall be mailed in the manner prescribed in the Indenture to all affected Owners within a reasonable time period after the District determines that such conditions will not be satisfied.

[The District has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.]

The Indenture and the rights and obligations of the District and of the Owners and of the Trustee may be modified or amended from time to time and at any time, without consent of the Owners in the manner, to the extent and upon the terms provided in the Indenture.

The Bonds are solely and exclusively a special and limited obligation of the District payable solely from the Trust Estate. The Bonds shall not be deemed to constitute a general obligation debt of the District or a pledge of the faith and credit of the District, but such Bonds shall be payable solely from the Trust Estate [and any moneys received from the Credit Bank and Insurer of the Bonds,] in accordance with the terms of the Indenture. The issuance of the Bonds shall not directly or indirectly or contingently obligate the District to levy or to pledge any form of ad valorem taxation whatsoever therefor. No Owner of any Bonds shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the District to pay any such Bonds or the interest thereon or the right to enforce payment of such Bonds, or the interest thereon, against any property of the District, nor shall such Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the District, except the Trust Estate in accordance with the terms of the Indenture.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of Florida, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of Florida, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, St. Lucie West Services District has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and its seal to be imprinted or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date of the Bonds.

ST. LUCIE WEST SERVICES DISTRICT

(SEAL)

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Trustee

Date of Authentication:

By: _____
Vice President

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Nineteenth Judicial Circuit of Florida, in and for St. Lucie County rendered on [_____] , 2024.

Chairman, Board of Supervisors,
St. Lucie West Services District

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under
Uniform Transfer to Minors Act _____ (Cust.) _____ (Minor)
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

EXHIBIT B

FORM OF REQUISITION

The undersigned, an Authorized District Officer of St. Lucie West Services District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of [Dated Date], as supplemented by the [_____] Supplemental Trust Indenture between the District and the Trustee, dated as of [_____] (collectively, the "Indenture"). All capitalized terms used herein shall have the meaning ascribed to such term in the Indenture.

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Transaction Costs, if applicable):

(E) Fund, Account or subaccount from which disbursement is to be made:

The undersigned hereby certifies that:

obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [Series ___] Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the [Series ___] Project and each represents a Cost of the [Series ___] Project, and has not previously been paid out of such Account or subaccount;

OR

this requisition is for Transaction Costs payable from the Transaction Cost Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the contractor of the improvements acquired or services rendered (or other equivalent supporting documents) with respect to which disbursement is hereby requested are on file with the District.

**ST. LUCIE WEST SERVICES
DISTRICT**

By: _____
Authorized District Officer

**CONSULTING ENGINEER'S APPROVAL FOR
NON-TRANSACTION COSTS REQUESTS ONLY**

If this requisition is for a disbursement from other than the Transaction Cost Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [Series ___] Project and is consistent with (a) the applicable acquisition or construction contract, (b) the plans and specifications for the portion of the [Series ____] Project with respect to which such disbursement is being made, and (c) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 6 Consider Approval to Paint Water Treatment Plant Tanks and Buildings

Summary

Provided for your review and consideration are proposals to paint the water treatment plant storage tanks and buildings. The last time these tanks and buildings were painted was 10 years ago.

Staff requested proposals from three known Industrial Painting Contractors. The proposals submitted are for each area of work; Water Treatment Plant Building, Clearwell Building, and (2) Potable Ground Storage Tanks.

The combined proposal amounts are as follows:

1. Southern Star Contractors Inc. – \$156,800.00
2. Shamrock Restoration – \$120,550.00
3. Southland Painting – \$152,400.00

Staff recommends Shamrock Restoration for this project for \$120,550.00.

This project is budgeted for FY24 and shall be funded by the Utilities R&R Fund.

Recommendation

Staff recommend approval of the combined proposals submitted by Shamrock Restoration for the not to exceed amount of \$120,550.00.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Assistant Utilities Director: TJ Bayer

Budget Impact

Project Number: SW078

ORG Number: 5-37028

Available Project Budget: \$150,000.00

This Project: \$120,550.00

Available Balance: \$29,450.00

Board Action

Moved by:

Seconded by:

Action Taken:



SHAMROCK RESTORATION SERVICES Inc.

27091 OSAGE ST.
 BROOKSVILLE, FL 34601
 Tel : 352 616 6892
 Fax : 352 310 7137

Estimate

Date	Estimate #
4/29/2024	202805

Name / Address
St Lucie West Services, District Thomas J. Bayer 450 SW Utility Drive Port St Lucie, FL 34986

P.O. No.	Terms	Project
		2 Tanks

Item	Description	Total
Industrial Painting	<p>Two 2Million Concrete tanks - Provide all labor, materials, transportation, equipment and all incidentals to prep and recoat as per Spec.</p> <p>Stucco Surfaces: 1st coat: Tnemec Enduratone 1026 @ 2-3 mils DFT 2nd coat: Enduratone 1026 @ 2-3 mils DFT</p> <p>Metal surfaces: 1st coat: Tnemec Enduratone 1029 @ 2-3 mils DFT 2nd coat: Enduratone 1029 @ 2-3 mils DFT</p> <p>For any further details please see attached Tnemec's Specifications.</p>	79,574.00

Thank you for your business. Michael Reynolds	Total	✓ \$79,574.00 <i>John</i>
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SHAMROCK RESTORATION SERVICES LLC

27091 OSAGE ST.
 BROOKSVILLE, FL 34601
 Tel : 352 616 6892
 Fax : 352 310 7137

Estimate

Date	Estimate #
4/29/2024	202806

Name / Address
St Lucie West Services, District Thomas J. Bayer 450 SW Utility Drive Port St Lucie, FL 34986

P.O. No. -	Terms	Project
		Water treatment Building

Item	Description	Total
Industrial Painting	<p>Water Treatment Building - Provide all labor, materials, transportation, equipment and all incidentals to prep and recoat ,Concrete Walls, Louver Windows, Metal Doors and metal fascia.</p> <p>Stucco Surfaces: 1st coat: Tnemec Enduratone 1026 @ 2-3 mils DFT 2nd coat: Enduratone 1026 @ 2-3 mils DFT</p> <p>Metal surfaces: 1st coat: Tnemec Enduratone 1029 @ 2-3 mils DFT 2nd coat: Enduratone 1029 @ 2-3 mils DFT</p> <p>For any further details please see attached Tnemec's Specifications. Owner to provide water</p>	36,009.00

Thank you for your business. Michael Reynolds	Total	✓ \$36,009.00 <i>jean</i>
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SHAMROCK RESTORATION SERVICES LLC

27091 OSAGE ST.
 BROOKSVILLE, FL 34601
 Tel : 352 616 6892
 Fax : 352 310 7137

Estimate

Date	Estimate #
4/29/2024	202807

Name / Address
St Lucie West Services, District Thomas J. Bayer 450 SW Utility Drive Port St Lucie, FL 34986

P.O. No.	Terms	Project
		Clearwell

Item	Description	Total
Industrial Painting	<p>Clearwell Building - Provide all labor, materials, transportation, equipment and all incidentals to prep and recoat, Concrete Walls, Louver Windows, Metal Doors and metal fascia. No Rollup doors.</p> <p>Stucco Surfaces: 1st coat: Tnemec Enduratone 1026 @ 2-3 mils DFT 2nd coat: Enduratone 1026 @ 2-3 mils DFT</p> <p>Metal surfaces: 1st coat: Tnemec Enduratone 1029 @ 2-3 mils DFT 2nd coat: Enduratone 1029 @ 2-3 mils DFT</p> <p>For any further details please see attached Tnemec's Specifications.</p>	4,967.00

Thank you for your business. Michael Reynolds	Total	✓ \$4,967.00
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JCM



SouthernStar
— CONTRACTORS INC —

southernstarcontractors@gmail.com

561.740.1062 561.740.1063 (fax)

PROPOSAL

Date May 13, 2024

Submitted To St. Lucie West Services District
452 SW Utility Drive
Port St Lucie, FL 34986

Job Name Water/ Wastewater Plant Cleaning/Painting

Location St Lucie West Water / Wastewater Treatment Plant

We hereby propose to perform the following work. Labor and material.

Scope: Coating System:

Pressure Clean 3000 psi

Crack Repair: Apply Tnemec Series 156 EnviroCrete by brush to all hairline cracks.

Apply Tnemec Series 154 Tneme-Guard mixed with sand to create a paste-like consistency for wider, deeper cracks.

Coats: Apply (2) coats of Tnemec Series 1026 Enduratone @ a rate of 2.0 – 3.0 mils DFT, per coat.

**To all associated steel, aluminum, etc... apply (2) coats of Tnemec Series 1029 Enduratone @ a rate of 2.0 – 3.0 mils DFT, per coat.

Clearwell Bldg:		✓ \$ 4,800
Water Plant Bldg		✓ \$42,000
Crom Tanks	\$55,000x2 =	✓ \$110,000
Chlorine Contact Int walls		
* Press Wash/Sandblast/ 1 coat N140 @ 4-10 mils		- \$26,000
* CC Ext walls		- \$ 2,000
	Total	\$184,800
		- 28,000
		✓ \$156,800 <i>JCM</i>

Authorized Signature

Christine Catchpole
Southern Star Contractors Inc.



Industrial Painting – Sandblasting– Waterproofing
Cementitious Coatings– Farrow Sandblast
Floor Coatings – Plural Components – 40H P.S.I.



Broward County CSBE certified – SFWM Certified
SSPC-SP QP-1 AND SSPC-QP-2 Certified Contractor

St. Lucie West Services District
452 SW Utility Drive
Port St. Lucie, FL 34986

Quote #18679REVISED
April 24, 2024

Attention: Mr. Thomas J. Bayer, Assistant Utilities Director

RE: ST. LUCIE WEST WATER TREATMENT FACILITY PARTIAL REPAINTING
Painting as per Sherwin Williams Recommendations.

In reference to the above-mentioned project and your email dated April 3, 2024, with the attached Sherwin Williams recommendations for recoating, we hereby quote you our price as follows:

Our price includes supply of all labor, materials, and equipment to complete the work as described below, with the exclusion mentioned below.

Our price does not include:

- Sandblasting of metals or concrete.
- Concrete repair beside minor patching.
- Painting of piping and metals. (Except doors, louvers, and fascia's)
- Painting of Submerged metals.
- Interior painting of buildings or structures.

Our price does include:

- Surface preparation and coating of existing exterior stucco, including exterior fascia's, louvers, windows, and doors.
- Boom lifts to perform the work.

Administration Building:	✓ \$ 71,300.00
Clear well building:	✓ \$ 8,100.00
Crom Tank # 1:	✓ \$ 36,500.00
Crom Tank # 2:	✓ \$ 36,500.00
✗ Exterior of East Chlorine tank:	– \$ 2,000.00
✗ Interior walls only of East Chlorine tank:	– \$ 16,700.00

Grand Total this request: \$ 171,100.00

– 18,700.00
\$ 152,400.00 *jem*

Please feel free to call or email me if you need more information.

Hoping to be favored with your order, I remain.

Sincerely Yours

Jef Verhelst

NACE Certified Coatings Inspector Level III Cert. on staff



Industrial Painting – Sandblasting– Waterproofing
Cementitious Coatings– Farrow Sandblas
Floor Coatings – Plural Components – 40H P.S.I.

Broward County CSBE certified – SFWM Certified SBE
SSPC-SP QP-1 AND SSPC-QP-2 Certified Contractor



Concrete Coating Inspector on Staff.

Southland Painting Corp

Certified SSPC - QP 1 Contractor/Certified SSPC - QP 2 Contractor

Broward County and SFWM Certified SBE

www.southlandpainting.com

jefkmv45@msn.com

954-854-3136 cell, 954-748-2770 office, 954-748-2901 fax

Q 18679 REVISED St Lucie West Water Plant Repainting.docx

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 7 Consider Approval of Phase II Paving Project for Utility Plant Site

Summary

Provided for your review and consideration are proposals to complete Phase II of the Utility Site paving project. Staff began improving onsite drainage and installing new pavement for the site in 2023.

Staff requested proposals from four known contractors. The proposals received are for work to be completed as depicted in the attached drawings and SFWMD Permit.

The proposal amounts are as follows:

1. Armadillo Dirt Works LLC- \$206,590.75
2. PRP Construction - \$159,127.55
3. The Paving Lady - \$477,451.40
4. Precision Paving- Declined

Staff recommends PRP Construction for this project for \$159,127.55.

This project is budgeted for FY24 and shall be funded by the Utilities R&R Fund.

Recommendation

Staff recommend approval of the proposal submitted by PRP Construction for the not to exceed amount of \$159,127.55.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Assistant Utilities Director: TJ Bayer

Public Works Director: Gerard Rouse

Budget Impact

Project Number: SW092

ORG Number: 5-37039

Available Project Budget: \$350,000.00

This Project: \$159,127.55

Available Balance: \$190,872.45

Board Action

Moved by:

Seconded by:

Action Taken:



DIRT WORKS

UTILITY • SITE WORK • ASPHALT • LAKE EXCAVATION

State Lic. #CUC1224597

P.O. Box 12100, Ft. Pierce, FL 34979-2100 • Office: (772) 466-9856 • Cell: (772) 370-5073 • Fax: (772) 466-9862 • armadillodw@bellsouth.net

PROPOSAL & CONTRACT
ST LUCIE WEST SERVICES DISTRICT
SITE WORK & PAVING PER DETAIL PROVIDED PERMIT # 56-108214-P

Contact: Patrick Paparella

Submitted to:

ST LUCIE WEST SERVICES DISTRICT

DATE: 5/10/2024

Address:

450 SW UTILITY DRIVE
 PORT ST LUCIE FL 34986

PHONE : 772-340-0220

FAX: 772-340-3773

JOB NAME: SITE WORK
 AND PAVING

Contact: JOSH MILLER

LOCATION : WATER PLANT
 & NEW BUILDING

DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
MOBILIZATION	1	LS	\$ 5,500.00	\$ 5,500.00
EXCAVATION	1311	CY	\$ 14.00	\$ 18,354.00
STRIPPING & GRUBBING	1	LS	\$ 6,400.00	\$ 6,400.00
12" STABILIZED SUBGRADE	1243	SY	\$ 13.75	\$ 17,091.25
8" COQUINA ROCK BASE	1243	SY	\$ 32.50	\$ 40,397.50
1 1/2" SP-12.5 ASPHALT	1243	SY	\$ 26.00	\$ 32,318.00
12" ADS PIPE	26	LF	\$ 95.00	\$ 2,470.00
MITERED END	2	EA	\$ 780.00	\$ 1,560.00
GRADING POND AND SWALES	1	LS	\$ 58,500.00	\$ 58,500.00
FINAL GRADING	1	LS	\$ 10,500.00	\$ 10,500.00
CONSTRUCTION MATERIALS AND DENSITY TESTING	1	LS	\$ 5,000.00	\$ 5,000.00

MAINTENANCE OF TRAFFIC				
GENERAL SAFETY	1	LS	\$ 2,000.00	\$ 2,000.00
CLEARING & REMOVAL OF TREES LOCATED IN SWALE AREAS	1	LS	\$ 6,500.00	\$ 6,500.00
GRAND TOTAL				\$ 206,590.75

NOTES:

- 1) Items not specifically included are excluded , subject to negotiation and clarification.
- 2) Excludes sod, seed landscape or mulch..
- 3) Excludes relocation of any existing utilities that may conflict with proposed work.
- 4) All excess fill dirt to remain on site.
- 5) Excludes all permit fees if necessary.
- 6) Excludes replacement of irrigation lines or unmarked utilities.
- 7) Proposal is based upon clear working area.
- 8) This proposal is valid for 30 days and void thereafter at the option of ArmadilloDirt Works LLC.

SUBMITTED BY:

ACCEPTED BY:

PATRICK J. PAPARELLA

DATE: _____

DATE: _____

ST. LUCIE WEST SERVICES DISTRICT - UTILITY PLANT SITE IMPROVEMENTS PRP CONSTRUCTION



8300 SW SPRINGHAVEN AVE
INDIANTOWN, FL 34956

Contact: Travis Sheltra
Phone: (561) 383-1911
Email: TSheltraPRP@gmail.com

Quote To: Josh Miller
St Lucie West Utility District

Proposal Date: June 18, 2024

Phone:

Email:

Highlighted areas only

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	MOBILIZATION	1.00	LS	4,500.00	4,500.00
20	CLEARING & GRUBBING	1.00	LS	8,500.00	8,500.00
30	SURVEYING	1.00	LS	7,705.00	7,705.00
40	MOT	1.00	LS	1,500.00	1,500.00
50	INLET PROTECTION	3.00	EA	175.00	525.00
60	RETENTION POND EXCAVATION	935.00	SY	28.25	26,413.75
70	SWALE EXCAVATION	670.00	LF	52.15	34,940.50
80	12" ADS PIPE	20.00	LF	28.45	569.00
90	12" ADS MES	2.00	EA	1,250.00	2,500.00
100	SIDEWALK GRADING	80.00	LF	23.75	1,900.00
110	BAHIA SOD	2,400.00	SY	3.25	7,800.00
120	12" STABILIZED SUBGRADE	1,243.00	SY	8.50	10,565.50
130	8" ROCK BASE (LBR 100)	1,243.00	SY	18.70	23,244.10
140	1 1/2" SP-12.5 ASPHALT	1,243.00	SY	22.90	28,464.70
GRAND TOTAL					\$159,127.55

NOTES:

This Quote is for the areas highlighted on page 3 of the civil plans.

Exclusions:

1. Permits and testing
2. Hauling away of strippings and excavated materials
3. Concrete: curb, sidewalk
4. Dewatering
5. Cleaning of existing storm drainage
6. Floating turbidity barrier

If the foregoing meets with your acceptance, kindly sign and return this proposal. Upon its' receipt is understood and the foregoing will constitute the full and complete agreement between us.

This proposal expires sixty (60) days from the date hereof, but may be accepted at any later date at the sole option of PRP Construction Group,

ACCEPTED:

Respectfully Submitted: Peggy Sheltra

(Firm Name)

PRP Construction Group, LLC

(Signature)

(Date)

(Printed Name & Title)

(Date)



1000 W. Industrial Ave. Boynton Beach, FL 33426 561-572-2600

To: St Lucie West Service District	Contact:
Address: 450 SW Utility Dr Port St Lucie, FL 34986	Phone:
	Fax:
Project Name: ST Lucie West Services District	Bid Number: 24-0758
Project Location: 450 SW Utility District, Port St Lucie FL, 34986	Bid Date: 6/20/2024

- **This proposal includes a total of 1 paving mobilization/s.**
- **Any additional paving mobilization will be priced \$5,500.00 each.**
- **Any additional Type S or SP overages will be priced \$165.00 Miami/WPB And \$180 Fort Pierce per Ton.**
- **Demo, Prep, Brick Pavers Protection and MOT excluded.**
- **All asphalt mixtures included in this proposal include recycled asphalt(R.A.P), unless explicitly described.**
- **Field measurements will prevail.**

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
01	Mobilizations	1.00	UNIT	\$16,417.91	\$16,417.91
02	Excavate	1,311.00	CY	\$25.00	\$32,775.00
03	Striping And Grubbing	1.00	LS	\$29,850.75	\$29,850.75
04	12" Compacted Subgrade	1,243.00	SY	\$28.00	\$34,804.00
05	8" Limerock Base	1,243.00	SY	\$97.00	\$120,571.00
06	1.5" Type SP-12.5 Asphalt	1,243.00	SY	\$23.00	\$28,589.00
07	12" ADS Pipe	26.00	LF	\$490.00	\$12,740.00
08	Mitered End	1.00	EACH	\$23,880.60	\$23,880.60
09	Grading Pond And Swales	1.00	EACH	\$97,014.93	\$97,014.93
11	Final Grading	1.00	LS	\$29,850.75	\$29,850.75
12	Construction Materials And Density Testing	1.00	LS	\$11,194.03	\$11,194.03
13	M.O.T	1.00	LS	\$2,450.00	\$2,450.00
14	Clearing & Removal Of Trees Located In Swales	1.00	LS	\$37,313.43	\$37,313.43

Total Bid Price: \$477,451.40

Notes:

- **Due to the volatility of asphalt material costs in the current market, we cannot guarantee the future cost of materials for when this work is performed. This proposal reflects Ranger Construction FOB pricing as of 4/01/2024. Any change in material costs from this date will be charged as a change order and all required backup will be provided.**

Payment Terms:

Net 30

<p>ACCEPTED: The above prices, specifications and conditions are satisfactory and hereby accepted.</p> <p>Buyer: _____</p> <p>Signature: _____</p> <p>Date of Acceptance: _____</p>	<p>CONFIRMED: Your Company Name</p> <p>Authorized Signature: _____</p> <p>Estimator: Drew Laurella 954-734-3380 drew@pavinglady.com</p>
---	---



TERMS AND CONDITIONS

The Paving Lady, hereafter referred to as "TPL"

-
1. **THE CONTRACT.** The Proposal/Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written modification
 2. **OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS.** The Owner shall ensure that its own forces shall coordinate and cooperate with the Contractor and its subcontractors. Costs caused by delays or by improperly timed activities or defective construction relating to the Owner's own forces shall be borne by the Owner.
 3. **WARRANTY.** The materials and labor which make up the Work are warranted by Contractor from workmanship and materials defect for a period of one (1) year from the date of completion. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. Without limiting the generality of the foregoing, the warranty set forth herein shall not in any way apply to any damage or defect caused by fire or damages caused by acts of God, nor shall it apply to improper building and/or maintenance of the subject Property's signs, or any other structures/components, unless installed as part of this Contract. Any work done or attempted to be done upon the subject site by anyone other than Contractor or by Contractor's subcontractor or by anyone directly or indirectly employed by any of them shall void the warranty provided for herein and Contractor shall be released from any of its obligations hereunder. The warranty provided hereunder is made expressly for the benefit of the Owner and is thus not transferable to any other individual or entity. The warranty obligation hereunder shall not exist or apply until Owner has paid Contractor in full for every invoice submitted to Owner, including the final invoice, and the Contract sum is thus paid in full.
 4. **NO INTERFERENCE.** Owner agrees not to interfere with any of Contractor's workmen on the job site and further agrees that all matters pertaining to Work will be taken up by Owner directly with Contractor. It is mutually agreed that no verbal request will be honored or accepted by Contractor and further agreed that oral representation cannot be relied upon as completely stating the representation of Contractor.
 5. **CONTRACTORS'S RIGHT TO PHOTOGRAPH WORK.** Owner shall permit Contractor or person(s) employed or engaged by Contractor, without compensation or consideration to Owner, to take photographs at the project site of both completed work and work in progress, for purposes including, but not limited to, publication in newspapers, magazines, and other print media, use in broadcast media, publication via the Internet, and use in marketing materials used by Contractor. Such photographs and any accompanying descriptions shall not identify Owner or the property address of the project without the express written consent of Owner.
 6. **CHANGES IN THE WORK.** All change orders and adjustments or modifications to the Contract shall be in writing, signed by both Owner and Contractor and subject to the terms and conditions of this Contract. Any written, signed change order shall be a modification of this Contract and thus become incorporated into this Contract as if originally attached hereto. Otherwise, no changes (except emergency work necessary to protect life or property) shall be made without a written change order which shall include Owner's agreement to any extra charges and extensions of time. In the event that Contractor makes any change to protect life or property, and no written change order has been executed, Owner shall compensate Contractor for all expenses in connection with said change at cost plus 20% overhead and profit. All approved change orders will be paid at the completion of said change order and shall not delay the payment of the original contract sum.
 7. **TIME.** If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, the Contract Time shall be subject to equitable adjustment.
 8. **PROGRESS PAYMENTS.** Within ____ days after the Contractor has submitted its invoice or Application for Payment, the Owner shall make payment in the manner provided in the Contract Documents. A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall constitute acceptance of Work in accordance with the requirements of the Contract Documents.
 9. **SUBSTANTIAL COMPLETION.** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use. When the Contractor determines that the Work is substantially complete, in its sole discretion, the Contractor shall so notify the Owner. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work. Within 5 days of Contractor's achieving substantial completion of the Work, the Owner or its architect shall prepare and submit to Contractor a single "punchlist" of corrective and completion work for Contractor to complete. In the event that Owner fails to list an item in the punchlist, Owner waives its right to demand Contractor perform any repair or correction as to such omitted item. Owner shall not be entitled to withhold final payment due to incomplete punchlist work.
 10. **FINAL COMPLETION AND FINAL PAYMENT.** Within ____ days of receipt of Contractor's notice of substantial completion, Owner shall deliver final payment to Contractor.

Customer Initial _____ Date _____



TERMS AND CONDITIONS

The Paving Lady. hereafter referred to as "TPL"

11. **DISPUTES.** The Contract shall be governed by the laws of the State of Florida. The venue of any litigation arising out of this Agreement shall be the county in which the project site is located. In the event of any dispute in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, whether suit be instituted or not, including "fees for fee," incurred in connection with proving the amount of fees to which the prevailing party is entitled.
12. **TERMINATION OF THE CONTRACT** If the Owner fails to make payment as provided herein or otherwise violates or breaches the terms of this Contract, the Contractor may terminate the Contract and recover all resulting damages from the Owner, including, but not limited to payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination.
13. This proposal is based on work being completed during the hours of 7:00 am and 5:00 pm, Monday through Friday (excluding holidays and weekends) unless otherwise stated in contract.
14. Any punch list items must be submitted in writing. No repairs or changes, including those requested by the city or municipality, will be made until 90% of the contract amount has been paid.
15. Any changes to this proposal without prior approval from The Paving Lady will void this proposal. All changes must be initialed by both parties. If The Paving Lady does not initial changes, original prices will be stated in proposal. **No work will be scheduled without a signed proposal and a deposit.**
16. When this form is signed by Customer and an officer of The Paving Lady it becomes a contract and customer agrees to pay for work completed, at the contract terms. Should a dispute arise between contractor and client, it will be negotiated in arbitration and mediation. Customer agrees to pay interest at a rate of 1.5% per month from date of completion on the unpaid balance. In addition, client shall pay all legal costs and expenses including reasonable attorney's fees, if not resolved in mediation.
17. All deposits are non-refundable upon cancellation of contract by client for any reason.
18. Any vehicles not removed from designated work areas will be towed at owner's expense. Contractor is not responsible for any damage to vehicles or personal property left in designated work areas.
19. Permit fees are not included in this proposal. All permit fees will be billed at actual cost.
20. Permit procurement fees will be billed as follows. Dade County \$750.00, Broward, Palm Beach and Martin Counties \$500.00.

ASPHALT PAVING AND PATCHING CONDITIONS

1. Contract contingent upon property representative meeting with sales representative to agree on scope of work.
2. Contractor not responsible for the existing conditions of car stops and adhesion of new paint. We suggest you scrape and/or pressure clean them prior to start of asphalt work.
3. **Patching-** Price is based on the specified thickness in the scope section of the proposal. If existing asphalt is thicker than proposed thickness additional material and labor cost will be incurred. Owner agrees to pay patching over-runs at \$350.00 per ton. TPL will provide photo documentation and asphalt plant tickets as verification.
4. **Paving -** Owner agrees to pay asphalt over-runs at \$140.00 per ton.
5. **Leveling –** Prior to overlay and/or after milling, leveling may be required and is not included in this proposal. Owner agrees to pay leveling at \$190.00 per ton.
6. Contractor not responsible for pre-existing water problems. Milling, overlay or patching will not guarantee the elimination of pre-existing standing water or drainage problems.
7. Contractor not responsible for pre-existing sub-surface conditions.

Customer Initial _____ Date _____



TERMS AND CONDITIONS

The Paving Lady, hereafter referred to as "TPL"

-
- 8. Due to the condition of existing asphalt, we cannot warranty against reflective cracking.
 - 9. New asphalt pavement is subject to scuffing and marking until cured.
 - 10. Contractor not responsible for damage to landscaping, irrigation, utilities, or the condition of trees, after the saw cutting and patching process when repairing root damage. TPL is responsible only for the removal of roots within the asphalt area. Owner is responsible for root removal and continuous pruning outside the asphalt area.
 - 11. Surveying, testing, as-builts, layout, landscaping, irrigation, electrical, demucking, demolition, clearing, grubbing and tree removal are not included.
 - 12. Additional paving mobilization charge of \$4,500 will be billed to the owner for the following:
 - a. Parked vehicles in the designated work area.
 - b. Changes to approved schedule without written consent of contractor.
 - c. Excess water due to irrigation not being turned off prior to our arrival.
 - d. Delays caused by other contractors hired by owner or other residents.

SEALCOATING CONDITIONS

- 1. Contract contingent upon property representative meeting with sales representative to agree on scope of work.
- 2. Contractor not responsible for the existing conditions of car stops and adhesion of new paint. We suggest you scrape and/or pressure clean them prior to start of asphalt work.
- 3. Handicap stalls are being re-striped per existing format, liability will not be assumed, and we make no claim that they are in current compliance with local, county, state or federal ADA codes.
- 4. Contractor is not responsible for premature wearing of sealer in areas that hold water. Water from irrigation may cause staining of sealer but this will fade with time.
- 5. Contractor cannot warranty sealer in areas of heavy oil damaged asphalt.
- 6. Sealcoating will not eliminate cracking in the asphalt. Existing cracks will be visible after sealcoating is completed.
- 7. During the initial curing period, sealcoat is susceptible to power steering and traffic scuff marks. These will fade with time.
- 8. Owner agrees to have sod or other landscaping on the edge of pavement trimmed prior to our arrival. Contractor cannot be held responsible for sealer on sod or other landscaping directly adjacent to our work. Due care will be given.
- 9. Owner agrees to have irrigation turned off 24hrs prior to our arrival. Irrigation should be turned off during the entire duration of the project and a minimum of 48 hrs. after completion.
- 10. Additional sealcoating mobilization charge of \$1,750 will be billed to the owner for the following:
 - a. Parked vehicles in the designated work area.
 - b. Changes to approved schedule without written consent of contractor.
 - c. Excess water due to irrigation not being turned off prior to our arrival.
 - d. Delays caused by other contractors hired by owner or other residents.

Customer Initial _____ Date _____

Josh Miller

From: Pete Gilbert <peteprecpav@yahoo.com>
Sent: Friday, June 21, 2024 1:38 PM
To: Josh Miller
Cc: Beth Alvarado
Subject: Re: Quote request

Good Afternoon Josh, I'm sorry I'm not going to be able to bid this, I apologize for the late response. Thank you Sir.

Thank you,

*Pete Gilbert, President
Precision Paving & Excavation, Inc.
3479 S. US Hwy. 1
Unit 19, Suite 105
Fort Pierce, FL 34982
Cell: 772-519-8350
Phone: 772-468-1313
Fax: 772-468-1071*

On Wednesday, June 19, 2024 at 03:57:36 PM EDT, Josh Miller <jmiller@slwsd.org> wrote:

Here are some line items that were submitted by Armadillo showing the paving guidelines quoted.

Hope this helps, as the specs are not within the drawings.

Joshua C Miller

Chief District Manager/Utilities Director

=====

St. Lucie West Services District

450 SW Utility Drive

Port St Lucie, FL 34986

(772) 205-5744 Mobile

(772) 340-0220 x133 Main No.

(772) 871-5771 Main Fax

jmiller@slwsd.org

NOTE: Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

From: Pete Gilbert <peteprecpav@yahoo.com>
Sent: Wednesday, June 19, 2024 3:53 PM
To: Josh Miller <jmiller@slwsd.org>
Cc: Beth Alvarado <bethprecpav@att.net>
Subject: Re: Quote request

Good Afternoon, Yes sir you will have it by end of day tomorrow , Thank you very much.

Thank you,

Pete Gilbert, President

Precision Paving & Excavation, Inc.

3479 S. US Hwy. 1

Unit 19, Suite 105

Fort Pierce, FL 34982

Cell: 772-519-8350

Phone: 772-468-1313

Fax: 772-468-1071

On Wednesday, June 19, 2024 at 11:15:44 AM EDT, Josh Miller <jmiller@slwsd.org> wrote:

Hello again.
My June 15,2024 requested deadline has passed.

I can still accept a proposal from you before this Friday, 6/21/2024, if you are submitting one.

If not, a reply email declining the bid proposal would be appreciated.

Thank you.

Joshua C Miller

Chief District Manager/Utilities Director
=====

St. Lucie West Services District

450 SW Utility Drive
Port St Lucie, FL 34986
(772) 205-5744 Mobile
(772) 340-0220 x133 Main No.
(772) 871-5771 Main Fax
jmiller@slwsd.org

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BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

From: Josh Miller
Sent: Monday, May 13, 2024 1:54 PM
To: peteprecpav@yahoo.com
Subject: FW: Quote request

Hello again Pete.

SLWSD would like to move forward with this project the FY, and are now actively accepting bids for this work.

Please provide a proposal by 6/15/2024.

We would like to award this project at the July 9, 2024 Board Meeting, with intention to have this project completed by 10/1/2024.

If you would like to visit the site and discuss this project, please let me know.

Thank you.

Joshua C Miller

Utilities Director/Assistant District Manager
=====

St. Lucie West Services District

450 SW Utility Drive
Port St Lucie, FL 34986
(772) 205-5744 Mobile
(772) 340-0220 x133 Main No.
(772) 871-5771 Main Fax
jmiller@slwsd.org

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BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

From: Josh Miller
Sent: Thursday, February 22, 2024 1:36 PM
To: peteprecpav@yahoo.com
Cc: TJ Bayer <tbayer@slwsd.org>; Gerard Rouse <grouse@slwsd.org>
Subject: FW: Quote request

Hello again Pete.

SLWSD has another project funded for FY24 (drawings attached).

Please provide a quote for this project, including the drainage work(page 3 highlighted).

Please use my email as the primary for submitting quotes for this project.

If you have any questions, feel free to contact me.

Thank you again.

Joshua C Miller

Utilities Director/Assistant District Manager

=====

St. Lucie West Services District

450 SW Utility Drive
Port St Lucie, FL 34986
(772) 205-5744 Mobile
(772) 340-0220 Main No.
(772) 871-5771 Main Fax
jmiller@slwsd.org

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BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

From: Josh Miller
Sent: Thursday, August 31, 2023 1:29 PM
To: peteprecpav@yahoo.com
Cc: TJ Bayer <tbayer@slwsd.org>; Gerard Rouse <grouse@slwsd.org>
Subject: Quote requests

Hello again Pete.

Thank you for coming out today and looking at our repair project.

SLWSD has another project funded for FY24 (drawings attached).

Please provide a quote for this project, including the drainage work(page 3 highlighted).

Please use my email as the primary for submitting quotes for this project.

If you have any questions, feel free to contact me.

Thank you again.

Joshua C Miller

Utilities Director/Assistant District Manager

=====

St. Lucie West Services District

450 SW Utility Drive

Port St Lucie, FL 34986

(772) 205-5744 Mobile

(772) 340-0220 Main No.

(772) 871-5771 Main Fax

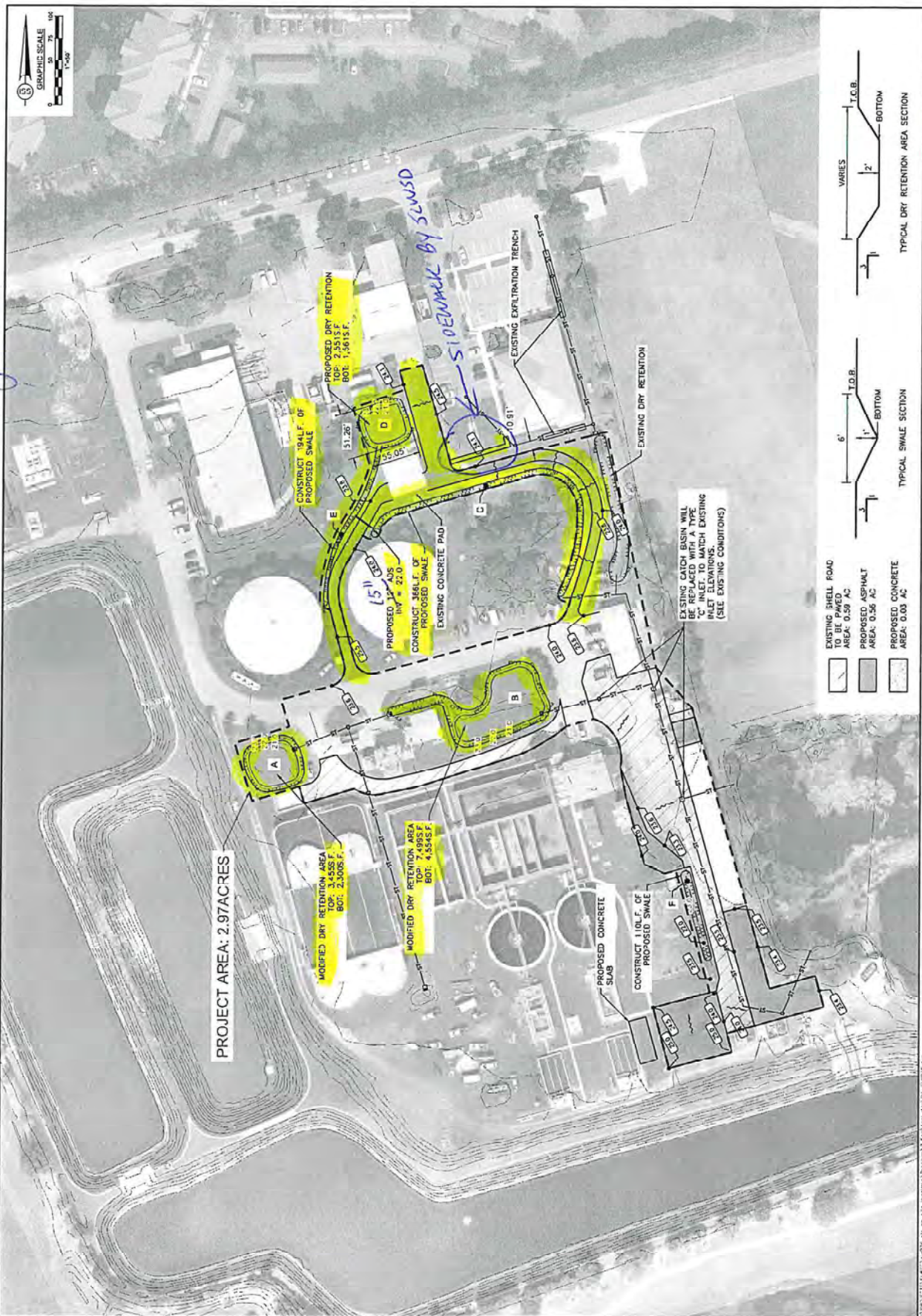
jmiller@slwsd.org

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BOARD MEMBERS: Please do not use the reply all feature of your e-mail as it may be deemed a violation of the Sunshine law. Please reply only to the management office.

JEAN 8-31-2023

INFRASTRUCTURE SOLUTION SERVICES 7175 Mural Road Madison, Florida 32604 Phone: (351) 822-4848 www.infrastructuresolutions.com		CLIENT: ST. LUCIE WEST SITE IMPROVEMENTS PROJECT: UTILITY PLANT SITE IMPROVEMENTS DRAWING TITLE: SITE IMPROVEMENTS		PROJECT NO: 56-108214-P SHEET NO: 02 DATE: 8/31/2023 DRAWN BY: JES CHECKED BY: JES SCALE: 1" = 50' SHEET SIZE: 24" x 36"	
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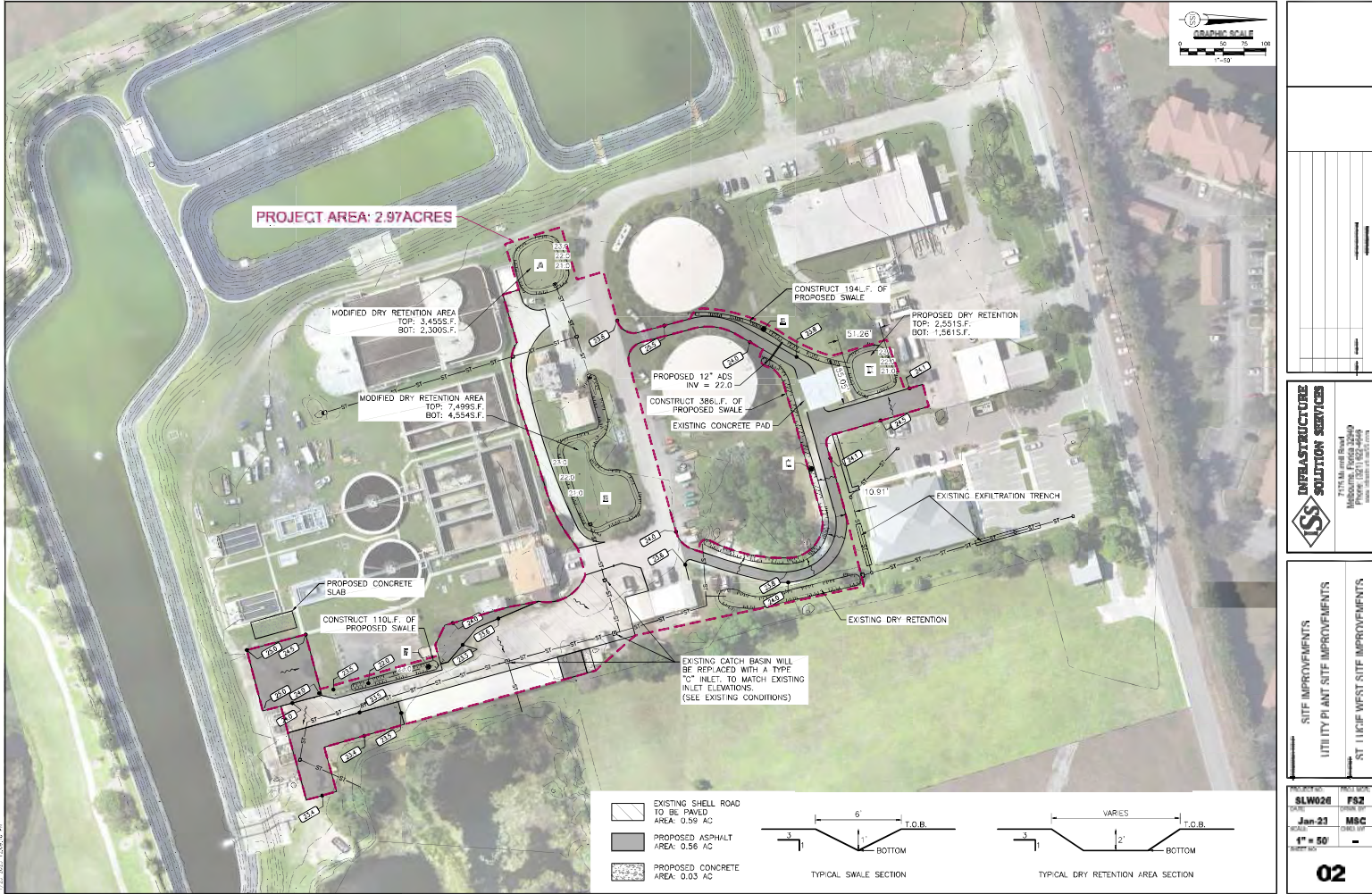


Exhibit No. 2.0

Permit No. 56-108214-P

Page 3 of 4

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 8 Consider Approving the use of Special Counsel Concerning the NW Peacock Blvd. Road Project

Summary

On March 4, 2024, Staff presented a memorandum from our consulting attorney, Torcivia, Donlon, Goddeau & Rubin, P.A.

This Memorandum was requested by the Board in relation to a meeting the City of PSL Staff had with District Staff. In this meeting, the City of PSL stated that District funding is required for the needed movement of conflict utilities within the NW Peacock Blvd roadway improvement areas.

The City of PSL responded in opposition of this Memorandum.

Staff recommend hiring Special Counsel to represent the District for this matter, as Torcivia, Donlon, Goddeau & Rubin, P.A. also represent the City of PSL in some capacity.

The District is currently using special counsel, Nason, Yeager, Gerson, Harris & Fumero, P.A. for another utility-related project and recommends contracting them for this project.

Recommendation

Staff recommend contracting Nason, Yeager, Gerson, Harris & Fumero, P.A. for Special Counsel relating to the City of PSL NW Peacock Blvd Roadway Improvements Project.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Assistant Utilities Director: TJ Bayer

Public Works Director: Gerard Rouse

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

**TORCIVIA, DONLON,
GODDEAU & RUBIN, P.A.**

701 Northpoint Parkway, Suite 209
West Palm Beach, Florida 33407-1950
561-686-8700 Telephone / 561-686-8764 Facsimile
www.torcivialaw.com

Glen J. Torcivia
Lara Donlon
Christy L. Goddeau*
Leonard G. Rubin*

*FLORIDA BAR BOARD CERTIFIED
CITY COUNTY AND LOCAL GOVERNMENT ATTORNEY

Jennifer H.R. Hunecke
Susan M. Garrett
Elizabeth V. Lenihan*
Ruth A. Holmes
Ben Saver
Tanya M. Earley
Daniel Harrell, Of Counsel

MEMORANDUM

TO: St. Lucie West Services District
FROM: Ruth A. Holmes, Esq.
DATE: March 4, 2024
RE: Responsibility for Costs to Re-Locate Water and Wastewater Utility Lines if those Lines Interfere with an Imminent Municipal Road Project

Issue

The City of Port St. Lucie (the “City”) is undertaking widening of Peacock Road. Peacock Road is located within the St. Lucie West Services District (“SLW”) boundaries and within the SLW water and wastewater service territory. SLW operates and maintains water and wastewater utility lines located within the right-of-way (“ROW”) of Peacock Road. Peacock Road is a public road owned and maintained by the City. The City has indicated that SLW’s utility lines must be re-located in order to widen Peacock Road and has requested that SLW pay the City’s relocation costs.

The City’s basis for requesting its relocation costs from SLW is City ROW Ordinance Section 54.03 which generally prohibits structures in its ROW without the City’s written approval (the “City Ordinance”). The City Ordinance also requires the City remove prohibited structures from its ROW and that the person who installed the structure is responsible for the City’s removal costs. The full text of the City Ordinance is as follows:

Prohibited acts.

(a)Unless otherwise approved by written agreement of the city, a city permit, or other specific legal authority, it shall be unlawful to:(1)Place or maintain any structure, object, or feature within the right-of-way.(2)Spill, dump, or otherwise deposit any material upon a right-of-way.(3)Block, obstruct, or

otherwise interrupt the flow of traffic or drainage within a right-of-way.(b)The city shall remove any structure, object, feature, or material placed or spilled upon, over, or beneath the surface of any right-of-way by any person or entity unless done so pursuant to written approval of the city, a city permit, or other specific legal authority. The costs of removal and restoration of the right-of-way shall be the sole responsibility of the person installing or causing to be installed the structure, object, feature, or material, and the city shall take any actions deemed necessary and appropriate to collect the costs of such removal and restoration.

Summarized History of Peacock Road

In 1987 the City approved Plat No. 1 for St. Lucie West which includes Peacock Road. Plat No. 1 shows the utility easement running along or next to Peacock Road. Plat No. 1 is attached as Exhibit “A”. In 2006, the City passed Resolution No. 06-R-09 which officially accepted the construction of streets and other improvements within St. Lucie West. City Resolution No. 06-R-09 is attached as Exhibit “B”. One of the expressly identified streets the City accepted in Resolution No. 06-6-09 was Peacock Road. The acceptance of Peacock Road resulted in the City owning and maintaining Peacock Road.

Florida Law on Utility Relocation Costs

Section 337.403, Florida Statutes, is the governing authority for determination of responsibility for re-location or costs for re-location of utility infrastructure that is deemed to interfere with a public road project. Section 337.403(1), Florida Statutes, states as follows:

If a utility that is placed upon, under, over, or within the right-of-way limits of any public road or publicly owned rail corridor is found by the authority to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension, or expansion, of such public road or publicly owned rail corridor, the utility owner shall, upon 30 days’ written notice to the utility or its agent by the authority, initiate the work necessary to alleviate the interference at its own expense except as provided in paragraphs (a)-(j)....

The above statute generally requires the utility to either re-locate the lines that unreasonably interfere with a public road project or pay the costs to the “authority” for its re-location of utility lines. A municipal government is deemed to be an authority for purposes of this statute. §337.401(1)(a), Fla. Stat. Several statutory exceptions are in place that put the onus on the authority to pay for utility re-location. One such exception that requires an authority to pay for re-location is where the utility line was installed prior to the establishment of the authority. Section.403(1)(j) states as follows:

If a utility is lawfully located within an existing and valid utility easement granted by recorded plat, regardless of whether such land was subsequently acquired by the authority by dedication, transfer of fee, or otherwise, the authority must bear the cost of the utility work required to eliminate an unreasonable interference. The authority shall pay the entire expense properly attributable to such work after deducting any increase in the value of a new facility and any salvage value derived from an old facility.

Analysis

Plat No.1 indicating the existence and location of SLW Utility Easement and Resolution 06-R-09 accepting Peacock Road establish that the SLW utility line is “lawfully located within an existing and valid utility easement granted by a recorded plat.” § 337.403(1)(j), Fla. Stat. Thus, the costs for relocating the SLW utility line appears to fall squarely under the statutory exemption.

Furthermore, the City Ordinance as used for the basis of SLW’s cost responsibility does not apply to this Peacock Road project for two reasons. First, the City had approved and accepted the Road with the Utility Easement. *See exhibits A and B* hereto. Since the City accepted the Plat and Peacock Road with its improvements, the placement of the utility line is not a prohibited act under the Ordinance. Second, since the City Ordinance shifts the relocation cost burden to the utility SLW utility line and the SLW utility falls under the statutory exemption, the City Ordinance is in conflict with the state law.. When a local ordinance conflicts with a state statute, the state statute prevails. *Edwards v. State*, 422 So.2d 84 (Fla. 2d DCA 1982).

Conclusion

For these reasons, the City Ordinance does not, as a matter of fact, apply or compel SLW to pay the utility relocation costs. Assuming that the SLW utility lines are an unreasonable interference to the Peacock Road project, it appears that the City must bear the cost of the relocation of the SLW utility infrastructure as needed for the City’s road project.

June 20, 2024

SENT VIA EMAIL: rholmes@torcivialaw.com

Dear Ms. Holmes,

This letter is in response to your Memorandum dated March 4, 2024, to the St. Lucie West Services District (the "District"), regarding the responsibility for costs to relocate water and wastewater utility lines if those lines interfere with an imminent municipal road project (the "Memorandum").

The Memorandum states that the basis for the City of Port St. Lucie (the "City") requiring the removal of the lines at the expense of the District is Section 54.03 of the Port St. Lucie City Code, and cites Section 337.403, Florida Statutes, for the premise that the Ordinance is in conflict with state law. The Memorandum also states that because the City accepted Peacock Road with its improvements, the placement of the utility line is not prohibited by the City Code.

To the contrary, as detailed below, the City's basis for requiring the District to bear the cost of relocating the utility line does not solely rest upon Section 54.03 of the City Code, but rather is based both upon the conditions included in the right of way permits issued to the District, or its predecessors in interest, and the understanding of the City and the District at the time of acceptance of the roadway based upon the version of Section 337.403, Florida Statutes, then in effect. Furthermore, it should be noted that Resolution 06-R 09 incorporates an exhibit that refers to the City requiring the development to relocate facilities at its own expense. Accordingly, the District remains obligated to relocate its utilities facilities at its own expense.

Road Acceptance Conditioned upon Relocation of Utilities by Development

In 1989, St. Lucie West Plat Number 1 (Plat Book 26, Page 8) was recorded, dedicating the right of way of N.W. Peacock Loop to the use of the general public and referencing that the utility easements co-existing with all public road rights of ways are dedicated to St. Lucie West Utilities, Inc. St. Lucie West Services District is the successor in interest to St. Lucie West Utilities, Inc.

In 2006, the City of Port St. Lucie accepted the improvements of NW Peacock Blvd. and responsibility for the maintenance thereof in Resolution 06-R 09. That Resolution states that the City of Port St. Lucie accepts the improvements "as set forth in Exhibits A through H, attached hereto and by reference incorporated herein." Exhibit D to the Resolution is the Final Report from American Consulting Engineers of Florida, LLC, for the St. Lucie West Roadway Analysis to assist the City of Port St. Lucie in determining if they will assume the road maintenance. Page 5 of that report contains the recommendation "that the City require that the development ... be required to relocate their facilities at their cost when they interfere with future work."

The City, in incorporating the report and its recommendations, accepted the improvements subject to the recommendations found therein, including the relocation requirement.

Right of Way Permit Conditions Require Relocation at Permittee Expense

Consistent with the recommendations discussed above, the City has had a practice of requiring work within the right of way to obtain a permit containing the requirement that "Permittee will be required to relocate lines at the City's request at no expense to the City."

This clause has been in right of way permits for years and this requirement was later codified in Section 54.21 of the Port St. Lucie City Code.

St. Lucie West Services District, or its predecessor, applied for and received a number of right of way permits which would have incorporated this provision including, but not limited to, the following permit numbers:

07SLW163	10SLW05	18SLW76
08SLW51	10SLW38	18SLW91
09SLW107	10SLW105	18SLW127
10SLW01	11SLW80	19SLW35
10SLW02	12SLW	19SLW110
10SLW04	18SLW20	

Notwithstanding the change in Section 337.403, Florida Statutes, the District has agreed to pay for utility relocation in these right of way permits. See *Lee County Cooperative, Inc. v. City of Cape Coral*, 159 So.3d 126 (Fla. 2d DCA 2014) (acknowledging that the terms of a utility franchise agreement could alter the common law or statutory responsibilities for relocation costs). Accordingly, the District is required to bear the cost of relocating the utility infrastructure.

The City and District Understood the District to be Responsible for Relocation at the Time of Placement

In 2016, Ch. 2016-44, Laws of Florida, created subsection 337.403(1)(j), Florida Statutes, as an exception to the general rule requiring utilities within a public road to be relocated by the utility owner,

instead requiring that the relocation of utility facilities located within an existing and valid utility easement, granted by recorded plat, be relocated at the expense of the government requiring the removal for improvement of road facilities. However, prior to the enactment of Ch. 2016-44, Laws of Florida, that exception did not exist so the general rule that any utility placed within a public road had to be relocated at the expense of the utility owner governed. This was the state of the law when the utility lines in question were placed within the right of way of Peacock Blvd. The utility lines were placed in the road by the District or its predecessor and the road was accepted by the City subject to this understanding.

Conclusion

While the City understands the District's argument that the City's ordinances cannot conflict with state law, the basis for the District bearing the responsibility for relocation is not the ordinance alone, but also it is the agreement by the District to bear the cost of relocation in the associated right of way permits, the conditioning of acceptance of the roads upon the development being required to relocate their facilities at their own expense, and the City's reliance on relocation being the District's responsibility when the City accepted the roadway. Accordingly, notwithstanding the 2016 legislative creation of Section 337.403(1)(j), Florida Statutes, by agreement the District remains responsible for relocating utility infrastructure.

Sincerely,



Richard Berrios
City Attorney

Josh Miller

From: Ruth A. Holmes <rholmes@torcivialaw.com>
Sent: Monday, June 24, 2024 1:08 PM
To: Bill Hayden; Josh Miller
Subject: FW: Peacock Utility Line Relocations
Attachments: Letter in response to SLWSD position on responsibility to pay relocation costs.pdf

Bill and Josh,

We received the attached letter from Port St. Lucie regarding re-location expenditures for the utility lines along Peacock Road . Upon a brief review, the City is relying on conditions of certain ROW permits, which I have not had the benefit of reviewing, that pre-existed the statute cited in the memorandum provided to the District. If SLW will be or has already published a RFQ for legal services, you may want to wait until that process is complete before further analysis and/or responding to the City. Please let me know how you would like to proceed.

Thank you.

Ruth A. Holmes, Esq.

TORCIVIA, DONLON, GODDEAU & RUBIN, P.A.

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701 Northpoint Parkway, Suite 209
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(561) 686-8700
(561) 686-8764 fax
rholmes@torcivialaw.com
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From: Meredith Burkey <MBurkey@cityofpsl.com>
Sent: Thursday, June 20, 2024 3:37 PM
To: Ruth A. Holmes <rholmes@torcivialaw.com>
Cc: Russell Ward <rward@cityofpsl.com>; Elizabeth Hertz <ehertz@cityofpsl.com>; Richard Berrios <rberrios@cityofpsl.com>
Subject: Peacock Utility Line Relocations

Good Afternoon, Ms. Holmes:

Please find attached letter from City of Port St. Lucie City Attorney's Office in response to the St. Lucie West Services District memorandum dated March 4, 2024, regarding the responsibility for costs to relocate water and wastewater utility lines.

Thank you.

Kind Regards,



Meredith Burkey, FRP.

Paralegal III

Office of the City Attorney

o. 772-871-5294

f. 772-344-4298


City of Port St. Lucie | Heart of the Treasure Coast

121 SW Port St. Lucie Blvd., Port St. Lucie, FL 34984



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St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 9 Consider Approval of Amendment to Current Tyler Technologies, Inc. Agreement

Summary

Provided for your review and consideration is an amendment to the current Software as a Service Agreement dated May 15, 2019, between Tyler Technologies, Inc and St. Lucie West Services District “SLWSD”

Exhibit 1 Amendment Investment Summary includes the sales quotation and Exhibit 2 includes the Amendment to include the Payment Processing Agreement. Both Exhibits have been reviewed by Staff and by SLWSD District Attorney.

Recommendation

Staff recommends approval of the Amendment to the current Tyler Technologies, Inc agreement as presented.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Director of Office Administration: Maddie Maldonado

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:



AMENDMENT

This amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date"), by and between Tyler Technologies, Inc. with offices at One Tyler Drive, Yarmouth, Maine 04096 ("Tyler") and the St. Lucie West Services District, with offices at 450 SW Utility Drive, Port St. Lucie, Florida 34986-2137 ("Client" or "Merchant").

WHEREAS, Tyler and the Client are parties to an agreement dated May 15, 2019 ("Agreement"); and

WHEREAS, Tyler and Client desire to amend the terms of the Agreement to incorporate a Payment Processing Agreement as provided in Exhibit 2 to this Amendment.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and the Client agree as follows:

- 1. Payments
 - a. The items shown in Exhibit 1 to this Amendment are hereby added to the Agreement.
 - b. Your use of Tyler Payments and any related items included in Exhibit 1 is subject to the Payment Processing Agreement attached hereto as Exhibit 2 to this Amendment.
- 2. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.
- 3. Except as expressly indicated in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

Tyler Technologies, Inc.

St. Lucie West Services District

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____





Exhibit 1
Amendment Investment Summary

The following Amendment Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Amendment Investment Summary is effective as of the Amendment Effective Date, despite any expiration date in the Amendment Investment Summary that may have lapsed as of the Amendment Effective Date.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK



Sales Quotation For:
 St. Lucie West Services District
 450 SW Utility Dr
 Port St Lucie FL 34986-2137

Quoted BY Clinton Pelletier
 Quote Expiration 10/13/24
 Quote Name Tyler Payments

Payments

	Use Case	List Price	Service%	Min	Basis Points	Rate	Cap	POS	Online	IVR
Payments - Payer Card Cost - Service Fees										
Tyler One										
ERP Pro Payments	Utility Billing		3.10%	\$ 2.50					X	
Payments - Other Fees										
Tyler One										
Client eCheck Cost	Utility Billing	\$ 1.50								
eCheck Rejects		\$ 5.00								
Credit Card Chargebacks		\$ 15.00								

Payer Card Cost per card transaction with Visa, MasterCard, Discover, and American Express when applicable.
Client eCheck Cost Per electronic check transaction.
eCheck Rejects When an eCheck transaction comes back as declined (e.g bounced check)

Credit Card Chargebacks

If a card payer disputes a transaction at the card issuing bank (e.g. stolen card)

Third Party Software & Hardware				
Description	Quantity	Unit Price	Extended Price	Annual
Tyler One				
Payments				
PCI Service Fee (Per Device)	3	\$ 0	\$ 0	\$ 540
Payments EMV Card Reader Purchase	3	\$ 529	\$ 1,587	\$ 0
TOTAL:			\$ 1,587	\$ 540

Summary	One Time Fees	Recurring Fees
Total Third Party Hardware, Software, Services	\$ 1,587	\$ 540
Total Tyler Services		
Summary Total	\$ 1,587	\$ 540
Contract Total	\$ 2,127	

Comments

Work will be delivered remotely unless otherwise noted in this agreement.

Expenses associated with onsite services are invoiced as incurred according to Tyler's standard business travel policy.

SaaS is considered a term of one year unless otherwise indicated.

Your use of Tyler Payments and any related items included on this order is subject to the terms found at:

<https://www.tylertech.com/terms/payment-card-processing-agreement>. By signing this order or the agreement in which it is included, you agree you have read, understand, and agree to such terms. Please see attached Tyler Payments fee schedule.

ERP Pro Payments

An annual PCI compliance fee in the amount of \$99 and a monthly Gateway fee in the amount of \$10 will be billed per merchant account.

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software accessible to the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the Agreement.

Fees for services included in this sales quotation shall be invoiced as indicated below.

- Implementation and other professional services fees shall be invoiced as delivered.
- Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
- Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.

- Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here: <https://www.tylertech.com/terms/tyler-saas-services>.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____
Print Name: _____ P.O.#: _____

Exhibit 2: Payment Processing Agreement

This Payment Processing Agreement (this “Processing Agreement”) is made and entered into by and between Tyler Technologies, Inc., a Delaware corporation (“Tyler”), and Client (the “Merchant”).

1. ACKNOWLEDGEMENTS

- a. By executing this Processing Agreement or an accompanying Order Form, Merchant is contracting with Tyler to obtain Card processing services on Merchant’s behalf.
- b. Merchant acknowledges that Tyler contracts with a payment processor (a “Processor”), Members, and other third party providers to provide services under this Processing Agreement, and Merchant hereby consents to the use of such Processor, Members, and others to provide such services.
- c. To the extent elected in the Order Form, Tyler will provide Merchant with eCheck/ACH payment processing services for any eligible account as a turn-key solution or by presenting ACH Transactions in a NACHA Standard file submission to Merchant’s Originating Depository Financial Institution (ODFI) as agreed to in the Order Form. ACH Transactions and Card Transactions may collectively be referred to as “Transactions.”

2. MEMBER BANK AGREEMENT REQUIRED

- a. When Merchant’s customers pay Merchant through Tyler, Merchant may be the recipient of a Card funded payment. The organizations that operate these Card systems (such as Visa U.S.A., Inc. and MasterCard International Incorporated; collectively, the “Associations”) require that Merchant (i) enter into a direct contractual relationship with an entity that is a member of the Association and (ii) agree to comply with Association Rules as they pertain to applicable Card Transactions that Merchant submits through Tyler. If Merchant accepts American Express, then Merchant agrees that the terms of Exhibit A shall apply.
- b. Merchant shall complete an application with the Member with which Tyler has contracted and execute an agreement with such Member (the “Member Bank Agreement”). By executing a Member Bank Agreement, Merchant is fulfilling the Association Rule of entering into a direct contractual relationship with a Member, and Merchant agrees to comply with Association Rules as they pertain to Card Transactions Merchant submits for processing through the Tyler service.
- c. Merchant acknowledges that Tyler may have agreed to be responsible for some of Merchant’s obligations to a Member for such Transactions as set forth in the Member Bank Agreement. Member may debit the Merchant Bank Account for chargebacks, returns, refunds and other fees, however, in the event Member assesses any such chargeback, returns, refunds, or other fees to Tyler, Tyler may invoice the same to Merchant.

3. SETTLEMENT AND CHARGEBACKS

- a. Merchants Bank Account. In order to receive funds, Merchant must maintain a bank account (the “Merchant Bank Account”) at a bank that is a member of the Automated Clearing House (“ACH”) system and the Federal Reserve wire system. Merchant agrees not to close the Merchant Bank Account without giving Tyler at least thirty (30) days’ prior written notice and substituting another bank account. Merchant is solely liable for all fees and costs associated with Merchant Bank Account and for all overdrafts. Tyler shall not be liable for any delays in receipt of funds or errors in bank account entries caused by third parties, including but not limited to delays or errors by the Member Bank or payment processor to Merchant Bank Account.

- b. Settlement. Transactions shall be settled according to the terms of the Member Bank Agreement using the account(s) which are designated by Merchant.
- c. Chargebacks, Returns and Refunds. Chargebacks, returns and refunds paid for ACH Transactions shall be paid by Merchant in accordance with the Member Bank Agreement.
- d. Retrieval Requests. Merchant is required by the Associations to store original documentation, and to timely respond to Retrieval Requests, of each Transaction for at least six months from the date of the respective Transaction, and to retain copies of all such data for at least 18 months from the date of the respective Transaction. Merchant is responsible for any Chargebacks that result from Merchant's failure to timely respond to Retrieval Requests for documentation relating to a Transaction.

4. FEES AND INVOICING

- a. Order Form. Merchant agrees to pay Tyler the fees set forth in or attached to the Order Form for services provided by Tyler and to which this Processing Agreement is hyperlinked or attached. This may include fees for Payment Service Devices or other Equipment that Merchant has elected to purchase or rent as set forth on the Order Form. Fees for purchase will be invoiced upon shipment and Fees for rental will be invoiced annually in advance. All Fees due hereunder are due within 45 days of invoice. Notwithstanding any other provision, fees due under this Processing Agreement shall be payable in accordance with the Local Government Prompt Payment Act, Part VII of Chapter 218, Florida Statutes. The terms and conditions of such purchase or rental are set forth on Exhibit B attached hereto and incorporated herein.
- b. Adjustments to Pricing. By giving written notice to Merchant, Tyler may change Merchant's fees, charges and discounts resulting from (i) changes in Association fees (such as interchange, assessments and other charges); (ii) changes in pricing by any third party provider of a product or service used by Merchant; or (iii) other market adjustment. Such new prices shall be applicable as of the effective date established by the Association or third party provider, or as of any later date specified in Tyler's notice to Merchant. In addition, Tyler may update pricing for rental of Equipment by giving written notice to Merchant at the end of any initial rental term or when such Equipment is upgraded to a newer model or replaced in accordance with the pricing set forth on Tyler's then-current Order Form.
- c. Payment of Fees.
 - i. Online Payments. For payments that are initiated online, a convenience fee or service fee may be assessed to the Cardholder for each payment transaction that is paid electronically using a credit or debit card. Such convenience fee or service fee is set forth in the Order Form and will be charged at the time of the transaction to be deposited directly into a Tyler bank account from which all fees associated with processing and settling the Card Transactions will be paid.
 - ii. Over the Counter Payments. For payments that are initiated in your offices, a service fee may be assessed to the Cardholder for each payment transaction as set forth in the Order Form, and such fees will be charged at the time of the transaction to be deposited directly into a Tyler bank account from which all fees associated with processing and settling the transactions will be paid. For all other fees, Tyler shall invoice Merchant for services and service fees on a monthly basis, unless otherwise set forth in the Order Form. Each invoice shall state the total invoiced amount and shall be accompanied by a reasonably detailed itemization of services and service fees. Following receipt of a properly submitted invoice, the Merchant shall pay amounts owing therein thirty (30) days in arrears.

- iii. Absorbed Payments. For payments that are initiated online and/or in-person, the Merchant may elect to pay for all fees related to the transaction including, without limitation, interchange fees, dues, assessments, card brand fees, and Tyler fees.
- iv. eCheck/ACH Payments. In addition, Tyler shall be authorized to charge eCheck/ACH fees and other fees specified in an Order Form to the end user. Unless otherwise set forth in the Order Form, fees will be charged at the time of the transaction to be deposited directly into a Tyler bank account.

5. LICENSE

Tyler hereby grants Merchant a non-exclusive, revocable license to use the Tyler Intellectual Property (as defined in Section 10(c)(i)) for the limited purpose of performing under this Processing Agreement. Merchant shall at all times be responsible for compliance with applicable law and Association Rules. Unless otherwise provided in a separate agreement between Tyler and Merchant, any Intellectual Property or machinery provided by Tyler, but not developed by Tyler, is being licensed or purchased by Merchant directly from the manufacturer or developer of such machinery or Intellectual Property. Merchant acknowledges that the license granted herein is limited to Merchant's use exclusively and that Merchant does not have the right to sub-license any of the Intellectual Property in either their original or modified form. Merchant agrees that it shall not reverse-engineer, disassemble or decompile the Intellectual Property. Merchant shall not give any third party, except Merchant's employees, access to the Intellectual Property without Tyler's prior written consent.

6. THIRD PARTY PROVIDERS

Tyler may, in its sole discretion, contract with alternate Members, payment processors or other third party providers to provide services under this Processing Agreement. In such event, Merchant shall reasonably cooperate with Tyler, including the execution of a new Member Bank Agreement by Merchant; provided, however, that if the terms and conditions of the new Member Bank Agreement are substantially different than Merchant's existing Member Bank Agreement, then Merchant shall have the right to terminate this Processing Agreement.

7. CONFIDENTIAL AND PROPRIETARY INFORMATION

- a. Protection of Tyler Confidential and Proprietary Information. Merchant shall not disclose, disseminate, transmit, publish, distribute, make available, or otherwise convey Tyler Confidential and Proprietary Information, and Merchant shall not use, make, sell, or otherwise exploit any such Tyler Confidential and Proprietary Information for any purpose other than the performance of this Processing Agreement, without Tyler's written consent, except: (a) as may be required by law, regulation, judicial, or administrative process; or (b) as required in litigation pertaining to this Processing Agreement. Notwithstanding the foregoing, Tyler recognizes that Merchant is subject to the provisions of the Florida Public Records Law, Chapter 119, Florida Statutes. In the event Merchant is served with a request to disclose any Tyler Confidential and Proprietary Information, pursuant to the requirements of applicable law, a judicial or government request, requirement, order or otherwise, Merchant shall promptly notify Tyler in order to provide Tyler sufficient time to object to such request and pursue a court order protecting the disclosure of such information at Tyler's sole cost and expense. Tyler shall notify Merchant, in writing, of its intent to seek protection of the

Tyler Confidential and Proprietary Information within 10 days of receipt of Merchant's notification. If Tyler fails to notify Merchant of its intent to seek protection, Merchant shall perform in accordance with the provisions of the Florida Public Records Law, Chapter 119, Florida Statutes. If Tyler notifies Merchant of its intent to seek a court order protecting the disclosure of the information, then Merchant will take reasonable steps to cooperate with Tyler in contesting such request, requirement, or order or in otherwise protecting Tyler's rights prior to disclosure. Merchant shall ensure that all individuals assigned to perform services herein shall abide by the terms of this Section 7(a) and shall be responsible for breaches by such persons, subject to the limitations set forth in Section 10(b).

- b. Judicial Proceedings. As provided in Section 7(a), if Merchant is requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand, or other similar process) to disclose any Tyler Confidential and Proprietary Information, Merchant shall provide Tyler with prompt written notice of such request or requirement so that Tyler may seek protective orders or other appropriate remedies and/or waive compliance with the provisions of this Processing Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by Tyler, Merchant nonetheless is legally compelled to disclose Tyler Confidential and Proprietary Information to any court or tribunal or else would stand liable for contempt or suffer other censure or penalty, Merchant may, without liability herein, disclose to such court or tribunal only that portion of Tyler Confidential and Proprietary Information which the court requires to be disclosed, provided that Merchant uses reasonable efforts to preserve the confidentiality of Tyler Confidential and Proprietary Information, including, without limitation, by cooperating with Tyler to obtain an appropriate protective order or other reliable assurance that confidential treatment shall be accorded Tyler Confidential and Proprietary Information.
- c. Security of User IDs and Passwords. Merchant is solely responsible for maintaining the confidentiality of its user IDs and passwords and all activities that occur under Merchant's user IDs, even if fraudulent or not authorized by Merchant. Merchant acknowledges the heightened risk associated with access to its User IDs, passwords, transaction and account information (collectively, "Account Information"). Merchant represents and warrants that (i) Merchant will comply with applicable Association Rules and applicable law, (ii) Merchant will establish policies and procedures to protect such information in conformity with Association Rules and applicable law, including the storage and disclosure of such Account Information, (iii) Merchant will exercise reasonable care to prevent use or disclosure of Account Information. Merchant, and not Tyler, will be solely responsible for all activity, including all approvals, Transactions, chargebacks, returns and refunds processed, using Merchant's user IDs and passwords. If a forensic investigation is initiated by a Card Network, Member, Tyler or Tyler's Processor, then Merchant agrees to cooperate with such investigation until it is complete, including, without limitation, by providing logs related to its User IDs and passwords and Merchant's compliance with Association Rules and applicable law.

8. REPRESENTATIONS AND WARRANTIES

- a. No Actions, Suits, or Proceedings. There are no actions, suits, or proceedings, pending or, to the knowledge of Tyler, threatened, that shall have a material adverse effect on Tyler's ability to fulfill its obligations pursuant to or arising from this Processing Agreement.
- b. Compliance with Laws and PCI DSS. Tyler and Merchant shall comply in all material respects with applicable federal, state, and local statutes, laws, ordinances, rules, and regulations. Merchant shall comply with PCI DSS version 4.0 and any more current

versions or amendments thereto, including, without limitation, any relevant maintenance, inspection, scanning, remediation and training obligations set forth therein.

- c. Ownership. Tyler is a Delaware corporation that is listed for trading on the New York Stock Exchange.
- d. Certain Business Practices. Neither Tyler nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Processing Agreement by any federal department or agency. Tyler further represents and warrants that it is not listed on any local, state or federal consolidated list of debarred, suspended, and ineligible contractors and grantees.
- e. Equipment Manufacturer Warranties. Tyler will pass through to Merchant any applicable manufacturer warranties that apply to Equipment purchased by Merchant through this Processing Agreement.
- f. Disclaimer of Implied Warranties. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS PROCESSING AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TYLER HEREBY DISCLAIMS ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. LIMITATION OF LIABILITY

TYLER'S LIABILITY TO MERCHANT FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS PROCESSING AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO THE TOTAL FEES PAID TO TYLER UNDER THIS PROCESSING AGREEMENT (NET OF ASSOCIATION INTERCHANGE, ASSESSMENTS AND FINES) FOR THE SIX MONTHS PRIOR TO THE TIME THE LIABILITY AROSE.

WHILE BOTH PARTIES ACKNOWLEDGE THAT THIS IS AN AGREEMENT FOR SERVICES TO WHICH THE UNIFORM COMMERCIAL CODE DOES NOT APPLY, IN NO EVENT SHALL TYLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOST REVENUES OR PROFITS, OR LOSS OF BUSINESS OR LOSS OF DATA ARISING OUT OF THIS PROCESSING AGREEMENT, IRRESPECTIVE OF WHETHER THE PARTIES HAVE ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGE.

10. INDEMNIFICATION

- a. Chargebacks and Refunds. Merchant acknowledges that Tyler has agreed to be responsible for some of Merchant's obligations to a Member for Transactions and Association Rules as set forth in the Member Bank Agreement. Member should debit the Merchant Account for chargebacks, returns, refunds, assessments, penalties and fines, and in the event Member assesses any such amounts to Tyler, including any amounts in excess of the balance of the Merchant Account, Tyler shall invoice the same to Merchant.
- b. Applicable Law and Interpretations: Merchant shall indemnify, to the extent allowed by Florida law, and hold harmless Tyler from and against any claim or action related to Merchant's violation of applicable law and/or Association Rules including without limitation any election to apply custom fee structures or customer surcharges. Notwithstanding any other provision of this Processing Agreement, (a) indemnification of Tyler by the Client is subject to the limits, including the monetary limits, set forth in

Section 768.28, Florida Statutes, and (b) except as specifically authorized by Section 768.28, Florida Statutes, the Client does not waive any defense of sovereign immunity or other limitation of liability as may be available to Merchant under applicable law of the State of Florida,

c. Intellectual Property.

- i. Tyler retains all ownership and copyright interest in and to any and all intellectual property, computer programs, related documentation, technology, know-how and processes developed by Tyler and provided in connection with this Processing Agreement (collectively, the “Intellectual Property”),
- ii. Notwithstanding any other provision of this Processing Agreement, if any claim is asserted, or action or proceeding brought against Merchant that alleges that all or any part of the Intellectual Property, in the form supplied, or modified by Tyler, or Merchant’s use thereof, infringes or misappropriates any United States intellectual property, intangible asset, or other proprietary right, title, or interest (including, without limitation, any copyright or patent or any trade secret right, title, or interest), or violates any other contract, license, grant, or other proprietary right of any third party, Merchant, upon its awareness, shall give Tyler prompt written notice thereof. Tyler shall defend, and hold Merchant harmless against, any such claim or action with counsel of Tyler’s choice and at Tyler’s expense and shall indemnify Merchant against any liability, damages, and costs resulting from such claim. Without waiving any rights pursuant to sovereign immunity, Merchant shall cooperate with and may monitor Tyler in the defense of any claim, action, or proceeding and shall, if appropriate, make employees available as Tyler may reasonably request with regard to such defense. This indemnity does not apply to the extent that such a claim is attributable to modifications to the Intellectual Property made by Merchant, or any third party pursuant to Merchant’s directions, or upon the unauthorized use of the Intellectual Property by Merchant.

- d. If the Intellectual Property becomes the subject of a claim of infringement or misappropriation of a copyright, patent, or trade secret or the violation of any other contractual or proprietary right of any third party, Tyler shall, at its sole cost and expense, select and provide one of the following remedies, which selection shall be in Tyler’s sole discretion: (a) promptly replace the Intellectual Property with a compatible, functionally equivalent, non-infringing system; or (b) promptly modify the Intellectual Property to make it non-infringing; or (c) promptly procure the right of Merchant to use the Intellectual Property as intended.

11. TAXES

- a. Tax Exempt Status. Merchant is a governmental tax-exempt entity and shall not be responsible for any taxes for any Licensed Property or services provided for herein, whether federal or state. The fees paid to Tyler pursuant to this Processing Agreement are inclusive of any applicable sales, use, personal property, or other taxes attributable to periods on or after the Effective Date of this Processing Agreement.
- b. Employee Tax Obligations. Each party accepts full and exclusive liability for the payment of any and all contributions or taxes for Social Security, Workers’ Compensation Insurance, Unemployment Insurance, or Retirement Benefits, Pensions, or annuities now or hereafter imposed pursuant to or arising from any state or federal laws which are measured by the wages, salaries, or other remuneration pay to persons employed by such party for work performed under this Processing Agreement.

12. TERM, SUSPENSION, AND TERMINATION

- a. Term. The term of this Processing Agreement (the “Term”) shall commence on the Effective Date and shall continue in effect for three years unless otherwise set forth on an Order Form; provided, however, that at the end of such initial term, and on each subsequent anniversary of the Effective Date, the term shall automatically extend for an additional year unless either party provides, at least sixty (60) days prior to the end of the then current term, written notice that it does not wish to extend the term or otherwise terminates the agreement for Cause pursuant to Section 12(b). Notwithstanding the foregoing, either Merchant or Tyler may elect to cease the provision of payment processing services and terminate this Processing Agreement upon the termination or expiration of the Agreement.
- b. Termination for Cause. Either party may terminate this Processing Agreement for Cause, provided that such party follows the procedures set forth in this Section (b).
 - i. For purposes of this Section, “Cause” means either:
 - A. a material breach of this Processing Agreement, which has not been cured within ninety (90) days of the date such party receives written notice of such breach;
 - B. the failure by Merchant to timely pay when due any fees owed to Tyler pursuant to this Processing Agreement and any delinquent amounts remain outstanding for a period of thirty (30) days after Tyler provides written notice of its intent to terminate for failure to pay;
 - C. breach of Section 7; or
 - D. if Tyler becomes insolvent or bankrupt, or is the subject of any proceedings relating to its liquidation or insolvency or for the appointment of a receiver or similar officer for it, has a receiver of its assets or property appointed or makes an assignment for the benefit of all or substantially all of its creditors, or institutes or causes to be instituted any proceeding in bankruptcy or reorganization or rearrangement of its affairs.
 - ii. No party may terminate this Processing Agreement under Section 12 b(i)(A) unless it cooperates in good faith with the alleged breaching party during the cure period and complies in good faith with the dispute resolution procedures set forth in Section 13 following such period.
 - iii. In the event either party terminates this Processing Agreement pursuant to this Section (b), each party shall return all products, documentation, confidential information, and other information disclosed or otherwise delivered to the other party prior to such termination, all revocable licenses shall terminate.
- c. Survival. The following provisions shall survive after the Term of this Processing Agreement: 2(c); 3; 4(c); 7; 10; 11; 12; 13; 14; and 15.

13. DISPUTE RESOLUTION

Any dispute arising out of, or relating to, this Processing Agreement that cannot be resolved within five (5) Business Days of receipt of written notification to the party who last received the notification shall be referred to the individual reasonably designated by Merchant and Tyler’s representative assigned to Merchant’s account (“Intermediary Dispute Level”). Any dispute that cannot be resolved in ten (10) Business Days of the assignment to the Intermediary Dispute Level, the disputed matter shall then be referred to Merchant’s chief executive officer or other individual reasonably designated by Merchant and Tyler’s applicable division President

("Executive Dispute Level"), at such time and location reasonably designated by the parties. Any negotiations pursuant to this Section are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence. For any dispute that the parties are unable to resolve through informal discussions or negotiations or pursuant to the dispute resolution and escalation procedures set forth in this Processing Agreement, the parties shall submit the matter to non-binding mediation prior to the commencement of any legal proceeding. The foregoing shall not apply to claims for equitable relief under Section 7.

14. MISCELLANEOUS

- a. Assignment. Neither party may assign this Processing Agreement or any of its respective rights or obligations herein to any third party without the express written consent of the other party, which consent shall not be unreasonably withheld.
- b. Cumulative Remedies. Except as specifically provided herein, no remedy made available herein is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy provided herein or available at law or in equity.
- c. Notices. Except as otherwise expressly specified herein, all notices, requests or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by certified or registered mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth on the signature page . hereto, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) days following deposit in the mail. Notwithstanding the foregoing, notice shall be deemed delivered when provided in connection with billing or invoicing.
- d. Counterparts. This Processing Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- e. Waiver. The performance of any obligation required of a party herein may be waived only by a written waiver signed by the other party, which waiver shall be effective only with respect to the specific obligation described therein.
- f. Entire Agreement. This Processing Agreement constitutes the entire understanding and contract between Tyler and Merchant for payment processing services (as detailed in an Order Form) and supersedes any and all prior or contemporaneous oral or written representations, contracts or communications with respect to the subject matter hereof.
- g. Amendment. This Processing Agreement shall not be modified, amended, or in any way altered except by an instrument in writing signed by the properly delegated authority of each party. All amendments or modifications of this Processing Agreement shall be binding upon the parties despite any lack of consideration.
- h. Severability of Provisions. In the event any provision hereof is found invalid or unenforceable pursuant to judicial decree, the remainder of this Processing Agreement shall remain valid and enforceable according to its terms.
- i. Relationship of Parties. The parties intend that the relationship between the parties created pursuant to or arising from this Processing Agreement is that of an independent contractor only. Neither party shall be considered an agent, representative, or employee of the other party for any purpose.
- j. Governing Law. Any dispute arising out of or relating to this Processing Agreement or the breach thereof shall be governed by the laws of the state of Merchant's domicile, without regard to or application of choice of law rules or principles.
- k. Audit. Tyler shall maintain complete and accurate records of all work performed pursuant to and arising out of this Processing Agreement. Merchant may, upon the written request, audit any and all records of Tyler relating to services provided herein. Merchant

shall provide Tyler twenty-four hour notice of such audit or inspection. Tyler shall have the right to exclude from such inspection any Tyler Confidential and Proprietary Information not otherwise required to be provided to Merchant as a part of this Processing Agreement. Any such audit shall be conducted at Tyler's principal place of business during Tyler's normal business hours and at Merchant's sole expense.

- l. No Third Party Beneficiaries. Nothing in this Processing Agreement is intended to benefit, create any rights in, or otherwise vest any rights upon any third party.
- m. Contra Proferentem. The doctrine of contra proferentem shall not apply to this Processing Agreement. If an ambiguity exists in this Processing Agreement, or in a specific provision, neither the Processing Agreement nor the provision shall be construed against the party who drafted the Processing Agreement or provision.
- n. Force Majeure. No party to this Processing Agreement shall be liable for delay or failure in the performance of its contractual obligations arising from any one or more events that are beyond its reasonable control, including, without limitation, acts of God, war, terrorism, and riot. Upon such delay or failure affecting one party, that party shall notify the other party and use all reasonable efforts to cure or alleviate the cause of such delay or failure with a view to resuming performance of its contractual obligations as soon as practicable. Notwithstanding the foregoing, in every case the delay or failure to perform must be beyond the control and without the fault or negligence of the party claiming excusable delay. Any performance times pursuant to or arising from this Processing Agreement shall be considered extended for a period of time equivalent to the time lost because of any delay that is excusable herein. This section does not excuse any party from payment obligations under this Processing Agreement.
- o. Equitable Relief. Each party covenants, represents, and warrants that any violation of this Processing Agreement by such party with respect to its respective obligations set forth in Section 7 shall cause irreparable injury to the other party and shall entitle the other party to extraordinary and equitable relief by a court of competent jurisdiction, including, without limitation, temporary restraining orders and preliminary and permanent injunctions, without the necessity of posting bond or security.

15. CERTAIN DEFINITIONS

- a. Association means a group of Card issuer banks or debit networks that facilitates the use of payment cards accepted under this Processing Agreement for processing, including, without limitation, Visa, U.S.A., Inc., MasterCard International, Inc., Discover Financial Services, LLC and other credit and debit card providers, debit network providers, gift card and other stored value and loyalty program providers. Associations also includes the Payment Card Industry Security Standards Council and the National Automated Clearinghouse Association.
- b. Association Rules means the bylaws, rules, and regulations, as they exist from time to time, of the Associations.
- c. Card or Payment Card means an account, or evidence of an account, authorized and established between a Cardholder and an Association, or representatives or members of an Association that Merchant accepts from Cardholders as payment for a good or service. Payment Instruments include, but are not limited to, credit and debit cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates and credit accounts.
- d. Cardholder means the person to whom a Card is issued or who is otherwise entitled to use a Card.
- e. Chargeback means a reversal of a Card sale Merchant previously presented pursuant to Association Rules.
- f. Member or Member Bank means an entity that is a member of the Associations.

- g. Order Form means a document listing the pricing associated with this Processing Agreement.
- h. Processing Agreement means this Payment Card Processing Agreement, including all exhibits attached hereto and to be attached throughout the Term of this Processing Agreement, all of which are incorporated by reference herein.
- i. Retrieval Request means a request for information by a Cardholder or Card issuer relating to a claim or complaint concerning a Card sale Merchant has made.
- j. Transaction means the evidence and electronic record of a sale or lease transaction representing payment by use of a Card, echeck/ACH, digital payment or of a return/refund/credit to a Cardholder or any other payor.
- k. Tyler Confidential and Proprietary Information means all information in any form relating to, used in, or arising out of Tyler's operations and held by, owned, licensed, or otherwise possessed by Tyler (whether held by, owned, licensed, possessed, or otherwise existing in, on or about Tyler's premises or Merchant's offices, residence(s), or facilities and regardless of how such information came into being, as well as regardless of who created, generated or gathered the information), including, without limitation, all information contained in, embodied in (in any media whatsoever) or relating to Tyler's inventions, ideas, creations, works of authorship, business documents, licenses, correspondence, operations, manuals, performance manuals, operating data, projections, bulletins, customer lists and data, sales data, cost data, profit data, financial statements, strategic planning data, financial planning data, designs, logos, proposed trademarks or service marks, test results, product or service literature, product or service concepts, process data, specification data, know how, software, databases, database layouts, design documents, release notes, algorithms, source code, screen shots, other research and development information and data, and Intellectual Property. Notwithstanding the foregoing, Tyler Confidential and Proprietary Information does not include information that: (a) becomes public other than as a result of a disclosure by Merchant in breach hereof; (b) becomes available to Merchant on a non-confidential basis from a source other than Tyler, which is not prohibited from disclosing such information by obligation to Tyler; (c) is known by Merchant prior to its receipt from Tyler without any obligation of confidentiality with respect thereto; or (d) is developed by Merchant independently of any disclosures made by Tyler.

Exhibit A

American Express Sponsored Merchant Terms ("SMT")

1. **Compliance.** If Merchant, also referred to herein as "Sponsored Merchant," accepts American Express cards as a form of payment processed through Tyler's electronic filing or electronic payment systems, Client agrees to do so in accordance with the terms and conditions of this SMT.
2. **Merchant Operating Guide.** Merchant agrees to comply with the terms and conditions of the American Express Merchant Operating Guide found at: www.americanexpress.com/merchantopguide. Such terms and conditions shall include, without limitation, provisions relating to: (i) trademarks and brand requirements; (ii) applicable laws; (iii) binding arbitration; and (iv), website display requirements.
3. **Re-directing Prohibited.** Merchant agrees it shall not process Transactions, or receive any payments, on behalf of (unless otherwise required by law) any other party.
4. **American Express Liability.** SPONSORED MERCHANT ACKNOWLEDGES AND AGREES THAT IN NO EVENT SHALL AMERICAN EXPRESS, ITS AFFILIATES, AGENTS, SUCCESSORS, OR ASSIGNS BE LIABLE TO SPONSORED MERCHANT

FOR ANY DAMAGES, LOSSES, OR COSTS INCURRED, INCLUDING INCIDENTAL, INDIRECT, SPECULATIVE, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND (WHETHER BASED ON CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, FRAUD, OR OTHERWISE, OR STATUTES, REGULATIONS, OR ANY OTHER THEORY), ARISING OUT OF OR IN CONNECTION WITH THIS SMT.

5. Third-Party Beneficiaries. Sponsored Merchant acknowledges and agrees that American Express has the right, but not the obligation, to the benefits of this SMT that will provide American Express the ability to enforce the terms of this SMT against the Sponsored Merchant. The Sponsored Merchant further acknowledges and agrees that it will not be deemed a beneficiary under any agreement between American Express and Tyler, and will not have the ability to make any claim or assert any right under such agreement between Tyler and American Express.
6. Definitions. Except as defined herein or otherwise required by the context herein, all defined terms used herein have the meaning ascribed to such terms as set forth in the Agreement between Tyler and Merchant or the American Express Merchant Operating Guide.

Exhibit B

Payment Service Devices/Equipment – Rental and Purchase

This Exhibit A is incorporated into that certain Payment Processing Agreement between Tyler and Merchant (the “Processing Agreement”).

1. TERMS APPLICABLE TO BOTH PURCHASE AND RENTAL OF EQUIPMENT
 - a. Generally. Tyler will provide PCI-compliant Payment Service Devices as elected by Merchant and described in the Order Form and related equipment for rent or purchase during the term of this Processing Agreement for the fees set forth in the Order Form.
 - b. Shipping Timelines. Tyler shall ship newly-requested Payment Service Devices (and associated supplies, such as printers, cables, power supplies, mounting hardware or other equipment identified in an Order Form) (“Equipment”) to Merchants within (a) 14 calendar days of the request or (b) 14 calendar days prior to payment service commencement/go-live, whichever is later. Tyler shall ship failure-related replacement Equipment to Merchants within two (2) Business Days of a written request. Shipping timelines are subject to Payment Service Device availability by the applicable manufacturer or supplier and shall be extended until such devices become available.
 - c. Delivery and Acceptance. Tyler will deliver the Equipment to the location designated by Merchant in the Order Form. If an address for delivery is not expressly designated in the Order Form, such Equipment will be delivered to Merchant’s address otherwise set forth in the Order Form. Merchant will be deemed to have accepted each piece of Equipment on the earlier of (i) when Merchant acknowledges receipt, and (ii) seven days after shipment of each such piece of Equipment, unless Tyler is notified earlier in writing by Merchant that the Equipment has not been received or is not functional.
 - d. Rights and Restrictions. Tyler shall process payments received from Merchant’s Payment Service Devices provided by Tyler. Merchant acknowledges that the Payment Service Devices are embedded with proprietary encryption technology that will be injected by Tyler’s designee into the Payment Services Devices. Merchant agrees that all of Merchant’s

over-the-counter transactions processed through a Tyler application will be required to use Payment Service Devices provided by Tyler. Merchant will maintain each Payment Service Device in its possession and will not permit any physical alteration or modification of any piece of Equipment. Each piece of Equipment will be used only in the ordinary course of Merchant's business in connection with Tyler applications. The Equipment is not being sold or rented to the Merchant for home or personal use. Merchant acknowledges that the Equipment rented or purchased through this Exhibit may not be compatible with another processor's systems. Merchant hereby grants Tyler a security interest in (i) all Equipment to secure payment of the purchase price, and (ii) all Equipment to secure payment of the monthly rental payments. Merchant authorizes Tyler to file financing statements with respect to the Equipment in accordance with the Uniform Commercial Code, signed by Tyler directly or as Merchant's attorney-in-fact.

- e. Change Notice. Tyler shall provide thirty (30) calendar days written notice for Equipment changes that affect Merchants, which includes, without limitation, when Tyler will no longer support a Payment Service Device. Tyler will only be obligated to replace Equipment when a Payment Service Device is no longer capable of functioning or Tyler ends support of the specific make and model of the Equipment.

2. TERMS APPLICABLE ONLY TO EQUIPMENT PURCHASED

Tyler will sell to Merchant the Equipment identified in the Order Form, free and clear of all liens and encumbrances, except that any proprietary encryption technology included within the Payment Service Devices or any other Tyler Intellectual Property will be provided to you pursuant to the License set forth in Section 5 of the Processing Agreement. Maintenance and repair of Merchant-purchased Equipment is the responsibility of Merchant, unless Merchant has purchased Tyler's maintenance services for Payment Service Devices.

3. TERMS APPLICABLE ONLY TO EQUIPMENT RENTAL

- a. Tyler will rent to Merchant the Equipment identified in the Order Form, as set forth herein. The rental period will commence when the Equipment is deemed accepted. At the end of the rental term identified in an Order Form or when the Agreement is terminated, Merchant will promptly return each piece of Equipment to Tyler at Merchant's cost, in the same condition as when received, ordinary wear and tear excepted, unless otherwise directed by Tyler. The rental period will terminate when Equipment is returned to Tyler at 840 West Long Lake Road, Detroit, Michigan 48098, Attention: Tyler Payments, or at an earlier date specified by Tyler in writing. The following information must be included within the shipping box: (i) Merchant name, complete address and phone number; (ii) name of person to contact if there are any questions; (iii) your Merchant account number; and (iv) serial number of the Equipment. Merchant will retain proof of delivery documents and the applicable serial number. For any piece of Equipment that is not returned to Tyler in accordance with this paragraph, Merchant will pay Tyler the greater of \$250.00 or the fair market value of such piece of Equipment as if it were in the condition described herein.
- b. Merchant will not assign its rights or obligations under this Exhibit, or pledge, lend, create a security interest in, incur any liens or encumbrances on, or sublease the Equipment to any other person or entity without Tyler's

prior written consent. Any such assignment, delegation, sublease, pledge, security interest or lien in the absence of consent shall be void.

- c. The provisions of this Exhibit will survive the termination or expiration of the Processing Agreement and continue until all rented Equipment is returned to Tyler or paid for.

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 10 Consider Acceptance of the FY2023 Financial Report by Grau & Associates

Summary

For your review and acceptance is the Fiscal Year 2023 Financial Report by Grau & Associates, also known as the end of year audit.

Digital Copies have been emailed the Board and will be available on the website upon acceptance.

Recommendation

Staff recommend acceptance of the FY2023 Financial report as presented.

District Manager: Joshua C Miller

Chief District Manager: William Hayden

Budget Impact

Project Number:

ORG Number:

Available Project Budget:

This Project:

Available Balance:

Board Action

Moved by:

Seconded by:

Action Taken:

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

DM 11 Other Items

Summary

Discussion/Update items:

- August 27,2024 Ethics Training

Recommendation

Budget Impact

Project Number:

Available Project Budget: \$0.00

ORG Number:

This Project: \$0.00

Available Balance: \$0.00

Board Action

Moved by:

Seconded by:

Action Taken:

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

CA 1 Public Works Monthly Reports

Summary

This report is provided for your review and information as an update to the operations of the Public Works Department

Recommendation

Budget Impact

Project Number:

Available Project Budget: \$0.00

ORG Number:

This Project: \$0.00

Available Balance: \$0.00

Board Action

Moved by:

Seconded by:

Action Taken:



St. Lucie West Services District Public Works Department 5/2024

<u>Division</u>	<u>Service Orders*</u>	<u>Work Orders**</u>
Aquatics	66	4
Exotic Plant Removal	73	0
Storm Water	38	55
Vac Truck	55	0
Dredge Barge	0	0
Video Ray	117	0
Shop	168	0
Grand Total	517	59

Aquatics Division:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Algae	25	1
Injection Treatments	0	0
Hydrilla Treatments	3	0
Midge Fly Treatments	0	0
Harvester Removal	0	0
Surface Plant Treatments	1	0
Wetland & Upland Treatments	9	0
Debris Removal	17	0
Miscellaneous	11	3

Scheduled Maintenance

- Lake Cleaning Schedule - Available Upon Request

Exotic Plant Removal Division:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Encroaching Preserves	8	0
Lygodium Treatments	1	0
Exotic Vegetation Treatments	30	n/a
Tree Removals	1	0
Preserves Maintenance	0	n/a
Vine Management	3	0
Miscellaneous	30	n/a

Scheduled Maintenance

- None

Storm Water Division:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Locates	n/a	53
Street Flooding	0	0
Grate Cleaning	4	0
Improved Landscaping & Mowing	4	n/a
Miscellaneous	30	2

Storm Water Division Cont'd:

Scheduled Maintenance

- Right of Way Mowing done the first 2 weeks of each month.

Storm Water Division / Vac Truck:

Operations & Maintenance:

Type	Service Orders	Work Orders
Cleaning Out Pipes	30	n/a
Cleaning Out Structures	24	n/a
Miscellaneous	1	n/a

Scheduled Maintenance

- None

Other Information

- _____ 2250 Estimated Footage Cleaned
- 0
- none

Storm Water Division / Dredge Barge:

Operations & Maintenance:

Type	Service Orders	Work Orders
Dredging Pipes	0	n/a
Miscellaneous	0	n/a

Scheduled Maintenance

- None

Other Information

- _____ 0 Estimated Yardage Cleaned
- None
- None

Storm Water Division / Video Ray:

Operations & Maintenance:

Type	Service Orders	Work Orders
Viewing Pipes	117	n/a
Miscellaneous	0	n/a

Scheduled Maintenance

- None

Shop Division :

Operations & Maintenance:

Type	Service Orders	Work Orders
Vehicle Repair	27	n/a
Equipment Repair	75	n/a
Other Repair	66	n/a
Total Repairs	168	n/a

Scheduled Maintenance

- None

- * Service Orders are internally logged on an as needed basis by each department. No document is created.
- ** Work Orders are generated by office staff and distributed to the appropriate department. A physical document is created and distributed.

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

CA 2 Monthly Report on Utilities Operations

Summary

This report is provided for your review and information as an update on the day-to-day Utilities operations of the St. Lucie West Services District and will be provided once a month.

St. Lucie West Services District Monthly Utilities Operations Report

Summary		ERC Water/Wastewater Update			
WATER					
Commercial Accounts			524		
Residential Accounts			6,304		
Total Plant Capacity Based on 3.6 MGD			14,400.00	ERC's (Factor 250 gpd)	
Water ERC's sold as of October 1st			12,346.00		
Current ERC(use) including the Reserve CDD			9,285.00	ERC's (MAX over 12 Months)	
The Reserve Commitment for 2023			0.00	ERC's	
Unsold Water ERC's as of October 1st			2,054.00		
Sold in FY 2024 (see water table below)			250.40	ERC's	
Total Unsold Capacity for Water			1,803.60		
Total Unused Capacity for Water			4,864.60		
WATER		RESIDENTIAL	COMMERCIAL	THE RESERVE	WATER FEES COLLECTED
ERC's sold in	Oct-23	0.0	13.3	0	\$ 34,591.35
ERC's sold in	Nov-23	0.0	0.0	0	\$ -
ERC's sold in	Dec-23	0.0	12.5	0	\$ 32,437.50
ERC's sold in	Jan-24	0.0	0.0	0	\$ -
ERC's sold in	Feb-24	0.0	23.9	0	\$ 62,020.50
ERC's sold in	Mar-24	0.0	159.8	0	\$ 359,509.65
ERC's sold in	Apr-24	0.0	3.4	0	\$ 8,823.00
ERC's sold in	May-24	0.0	37.5	0	\$ 97,312.50
ERC's sold in	Jun-24	0.0	0.0	0	\$ -
ERC's sold in	Jul-24	0.0	0.0	0	\$ -
ERC's sold in	Aug-24	0.0	0.0	0	\$ -
ERC's sold in	Sep-24	0.0	0.0	0	\$ -
Total Water ERC's sold for FY 2024		0.0	250.4	0	\$ 594,694.50
WASTEWATER					
Commercial Accounts			470		
Residential Accounts			6,303		
Total Plant Capacity Based on 2.60 MG/TMADF			10,400.00	ERC's (Factor 250 gpd) TMADF	
Wastewater ERC's sold as of October 1st			9,876.80		
Current ERC(use) including the Reserve CDD			6,447.00	ERC's (MAX over 12 Months)	
The Reserve Commitment for 2023			0.00	ERC's	
Unsold Wastewater ERC as of October 1st			523.20		
Sold in FY 2024 (see W.Water table below)			249.90	ERC's	
Total Unsold Capacity for Wastewater			273.30		
Total Unused Capacity for Wastewater			3,703.10		
WASTEWATER		RESIDENTIAL	COMMERCIAL	THE RESERVE	WASTEWATER FEES COLLECTED
ERC's sold in	Oct-23	0.0	12.8	0	\$ 25,660.00
ERC's sold in	Nov-23	0.0	0.0	0	\$ -
ERC's sold in	Dec-23	0.0	12.5	0	\$ 25,000.00
ERC's sold in	Jan-24	0.0	0.0	0	\$ -
ERC's sold in	Feb-24	0.0	23.9	0	\$ 47,800.00
ERC's sold in	Mar-24	0.0	159.8	0	\$ 319,540.00
ERC's sold in	Apr-24	0.0	3.4	0	\$ 6,800.00
ERC's sold in	May-24	0.0	37.5	0	\$ 75,000.00
ERC's sold in	Jun-24	0.0	0.0	0	\$ -
ERC's sold in	Jul-24	0.0	0.0	0	\$ -
ERC's sold in	Aug-24	0.0	0.0	0	\$ -
ERC's sold in	Sep-24	0.0	0.0	0	\$ -
Total Wastewater ERC's sold for FY 2024		0.0	249.9	0	\$ 499,800.00
New Connections in May:		37.50	ERC's		

St. Lucie West Services District Monthly Utilities Operations Report

May-24

Water Treatment Facility

- Total Finished Water Produced for May was
- The Finished Water Produced for the Previous Twelve Months was
- The Average Daily Flow of Finished Water for May was
- The Annual Average Daily Flow of Finished Water for May was
- The Three Month Average Daily Flow of Finished Water for May was
- The Water Treatment Plant Capacity is Operating at
- The Water Plant Annual Withdrawal Capacity per SFWMD WUP is at

63.62	MG
740.97	MG
2.05	MG
2.02	MG
2.11	MG
57.0%	
82.2%	

Water Treatment Plant Projects for May:

- Evaluation for Future Capacity Needs Ongoing
- New Injection Well FDEP Permitting Design Engineering Ongoing
- Bond Validation Process Ongoing
-

Wastewater Treatment Facility

- Total Influent Wastewater flow for May was
- Total Effluent Wastewater flow for May was
- The Average Daily Flow of Influent Wastewater for May was
- The Average Daily Flow of Effluent Wastewater for May was
- The Annual Average Daily Flow of Influent Treated for May was
- The Three Month Average Daily Flow of Influent Treated for May was
- The Wastewater Plant Capacity is Operating at

43.71	MG
42.76	MG
1.41	MG
1.38	MG
1.52	MG
1.45	MG
55.9%	

Wastewater Treatment Plant Projects for May:

- Replace rubber seals on Nova Filter 1B
- Replace Noval Filter 1A Drive chain gear box and motor



**Underground Utilities Division
Work Task and Service Order Monthly Report**

Month/Year: May-2024

Count	Description
62	New Service/Connect/Disconnect/occupant change
1	Install Permanent Meter
0	Remove Permanent Meter
1	Install Temporary Meter
1	Remove Temporary Meter
0	Lock off/Close Account
1	Lock off Return payment
8	Lock Off Temporary
39	Lock Off Non-Payment
15	Reconnection "No Fee"
8	Reconnection "Regular Hours"
2	Reconnection "After Hours"
0	Reconnection "Inspection"
79	Check for Leak "No Leak Found"
68	Check for Leak "Customers Responsibility"
25	Check for Leak "Districts Responsibility"
0	Meter Reading Exception
27	Meter Maintenance
4	Read Meter pull Data Office Request
53	Meter Box
0	Meter Test "Passed"
0	Complaints "UGU Irrigation"
0	Meter Test not completed location vacant - reason for no usage
3	Meter Change Out
0	Fire Hydrant
11	Irrigation "Checking for Leaks and Turning on Or Shutting Off Valves"
5	Sewer "Backups, Sewer Caps, or Breaks"
0	Lift station "District"
2	Read Meter Office Request
52	Locates "Water Quality, Pressure, etc..."
14	Complaints "Water Quality, Pressure, etc..."
5	Follow up "Incomplete Task by District or Contractor from Previous Service Orders"
2	Read Meter pull Data Customer Request
0	Lift station /Private
0	Meter Test 1st Customer Request
1	Lockoff failed Arr
0	Irrigation Measurement
2649	AMI Meters Installed
42	AMI Meter Follow-up Events
7	Liftstations Cleaned with Aquatech (50,8,45,35,40,32,27)
UGU CONSTRUCTION CREW PROJECTS:	
<ul style="list-style-type: none"> • (2) ASPHALT REPAIRS- (1)Lake Charles, (1)Sun Terrace • (1) 6'x 6'CONCRETE RAMP - SLWSD WTP • (1) CONCRETE VALLEY CURB REPAIR-Sun Terrace • (1) LIFT STATION VALVES REPAIRS- Lift Station #01 	

IRRIGATION MONTHLY REPORT- MAY 2024

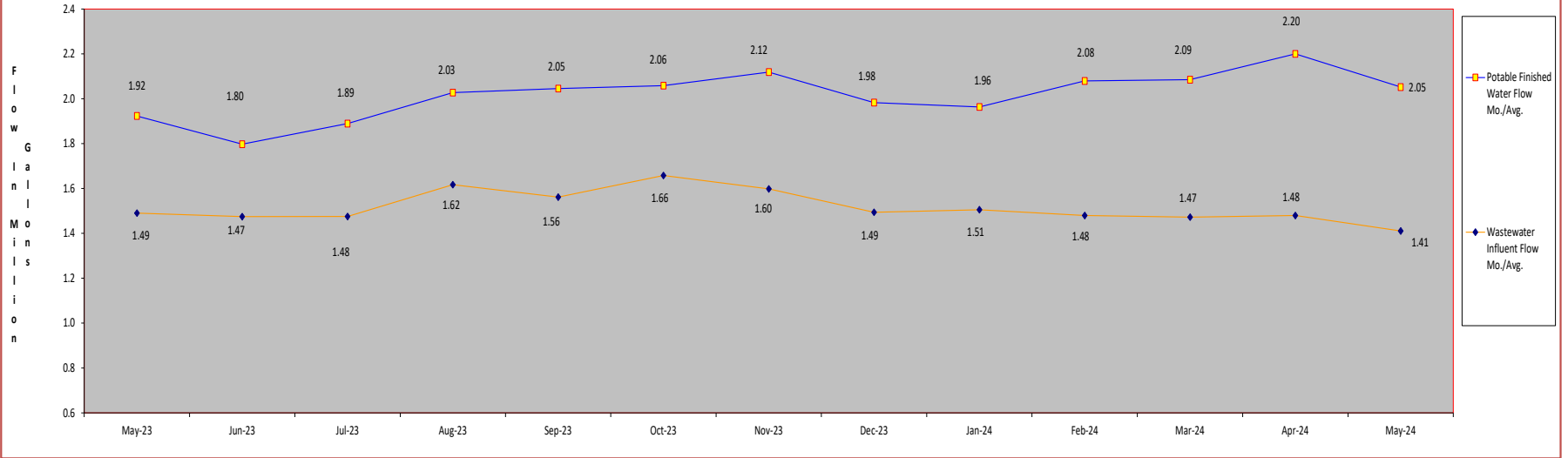
SERVICE ORDERS	
<u>S/O DESCRIPTION</u>	<u>TOTAL</u>
* CHECK FOR LEAK & OPERATE VALVES	29
IQ FOLLOW UP (ANGEL)	4
ACREAGE MEASUREMENT	2
COMPLAINTS	18
TIMER CHANGE REQUEST	0
ADDITIONAL TIME REQUEST NEW PLANTINGS	1
* Also reported un UGU MOR	

IRRIGATION FLOWS			
<u>SOURCE</u>	<u>TOTAL (MG)</u>	<u>ADF (MG)</u>	<u>MAX DAY (MG)</u>
LK CHARLES	0.000	0.000	0.000
LK ERNIE	35.523	1.146	2.856
MAIN PUMP STATION	46.265	1.492	3.911
STORM WATER TRANSFER	6.616	0.213	0.763
SURFICIAL WELLS	2.841	0.092	0.346
BRACKISH WELLS	0.505	0.016	0.03
GOLF COURSE	8.674	0.280	0.538

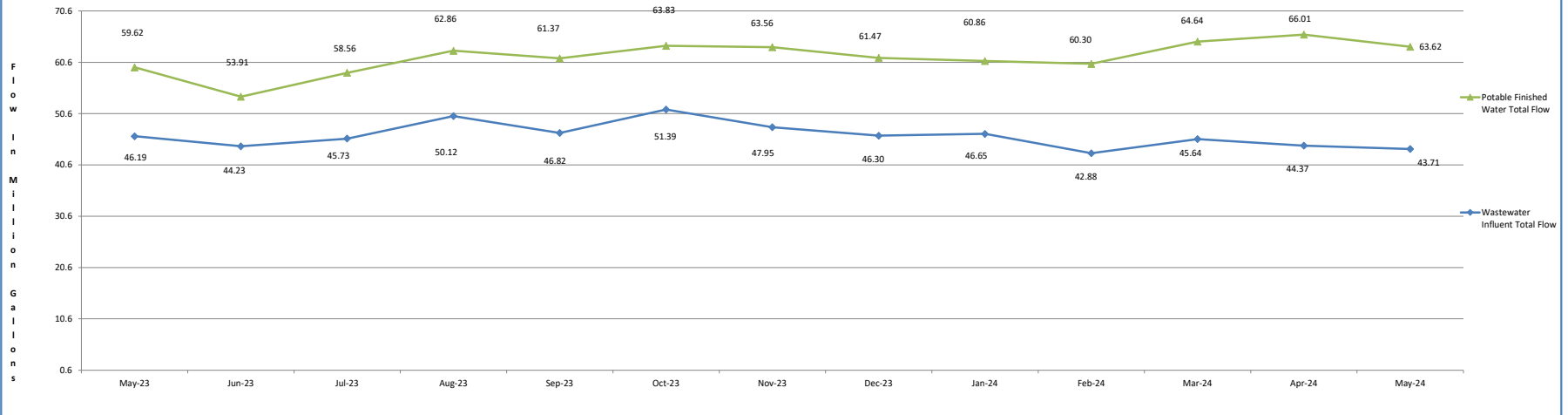
FLOWS (CATEGORIZED)			
	<u>TOTAL (MG)</u>	<u>%</u>	<u>MAX DAY (MG)</u>
REUSE	42.761	50.37%	1.456
STORMWATER	42.139	49.63%	
WELLS (ALL)	3.346	3.94%	
TOTAL	84.900	103.94%	

PROJECTS
Continued and expanded on with IQ restrictions Replaced/repaired all irrigation issues at 95 signs (North, South & Big Sign)

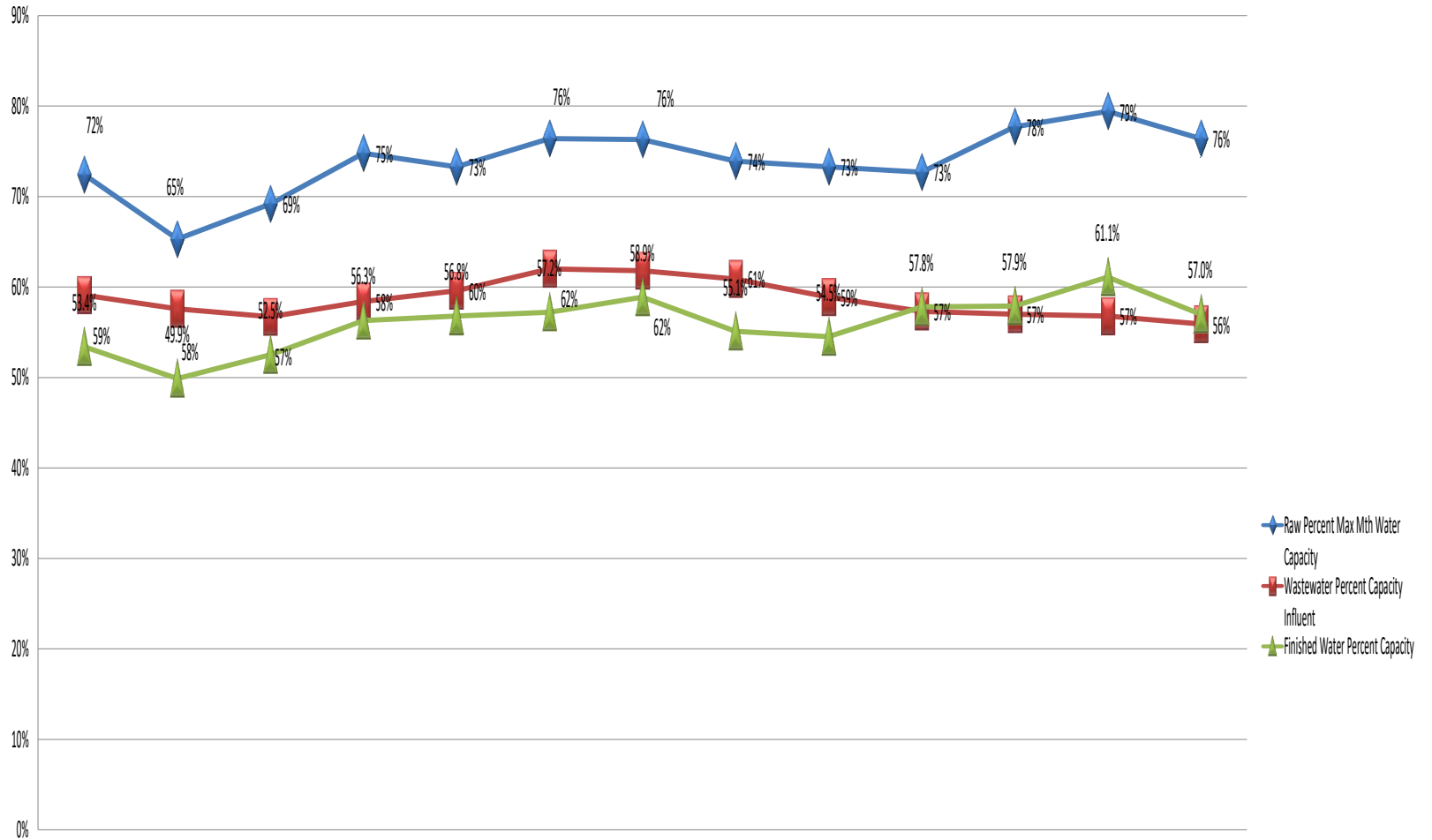
**St. Lucie West Services District
Water & Wastewater Average Daily Flows**



**St. Lucie West Services District
Water & Wastewater Monthly Total Flows**

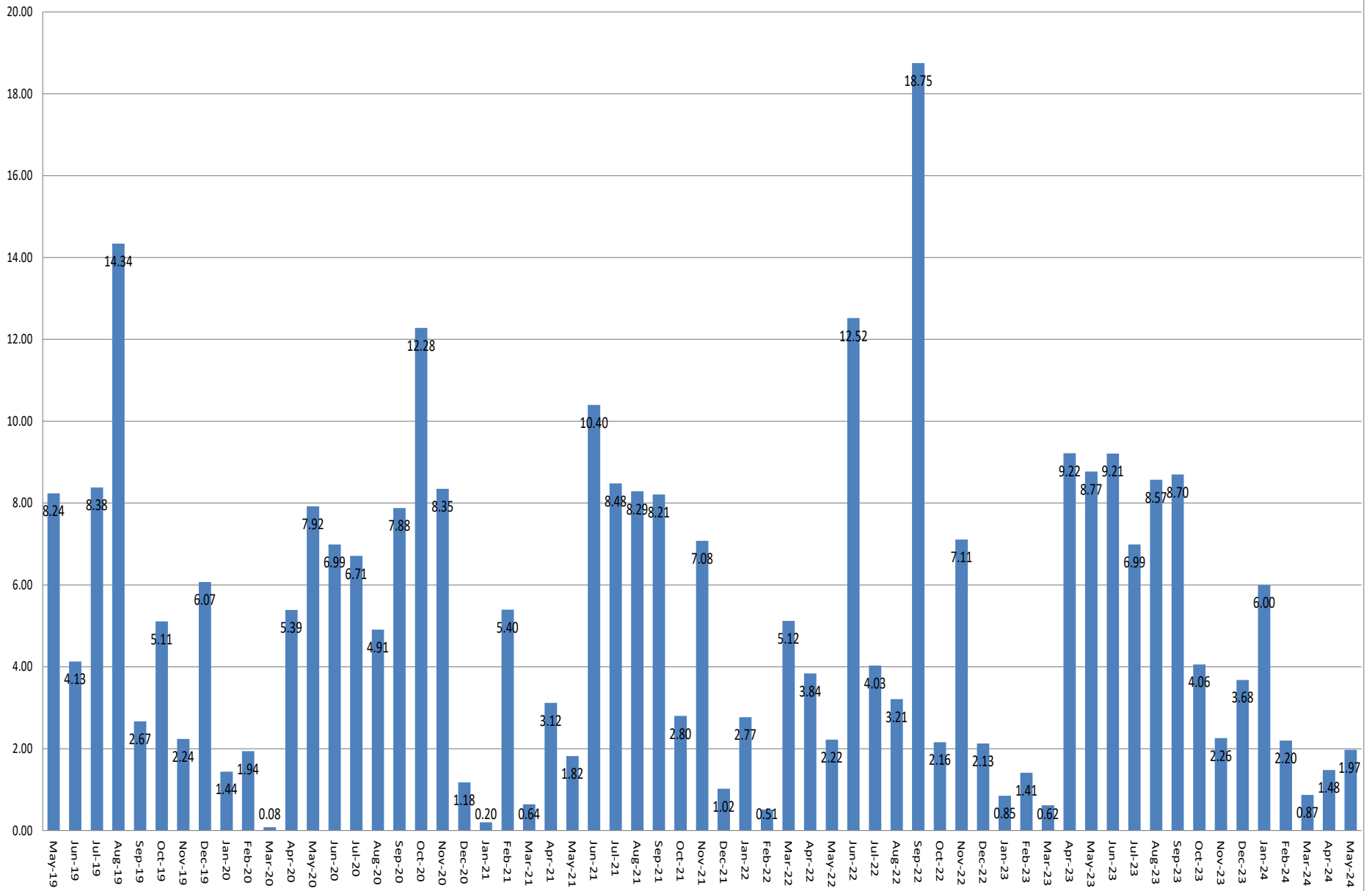


St. Lucie West Services District Water and Wastewater Percent Capacity



	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Raw Percent Max Mth Water Capacity	72%	65%	69%	75%	73%	76%	76%	74%	73%	73%	78%	79%	76%
Wastewater Percent Capacity Influent	59%	58%	57%	58%	60%	62%	62%	61%	59%	57%	57%	57%	56%
Finished Water Percent Capacity	53.4%	49.9%	52.5%	56.3%	56.8%	57.2%	58.9%	55.1%	54.5%	57.8%	57.9%	61.1%	57.0%

St. Lucie West Services District Monthly Rainfall



St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

CA 3 Monthly Report on Capital Improvement Projects

Summary

This report is provided for your review and information as an update on the Capital Improvement Projects for the St. Lucie West Services District and will be provided once a month.

- WM001 4C Gate Automation Project Awarded
- SW064 AMI Potable Water Meter Project Ongoing
- SW076 Clearwell Transfer Pump Expansion Pending WTP Expansion Determination
- SW081 WTP Calcite Project Pending WTP Expansion Determination
- SW092 Phase II Repaving Utility Site in Bid Phase
- SW098 WTP Expansion Injection Well #2 in Design and Permitting Phase

PROJECT TRACKER - St Lucie West Services District

Project No.	Project Engineer	Project Manager	Contractor / Vendor	Approved Capital Budget Funds in Dollars	Encumbered / Actual Cost of Project in Dollars	Available 2024 Budget	Ongoing % Compl.	FY % Completion	Project	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	
WM001	ISS	BH/GR	E&W Mech	316,749	237,748	79,001		75%	Stormwater Emergency Repairs													4C Gate Project Approved
SW001		JM/TB		290,833	191,971	98,862		66%	Lift Station renewal & replacement													
SW037		JM/TB		224,400	174,366	50,034		78%	Emergency Renewal and Replacement Projects													
SW047		JM/TB		33,660	30,528	3,132		91%	Structural Repairs Manholes													
SW048		JM/TB		10,000	-	10,000		0%	Security Camera Upgrades													
SW049		JM/TB		29,700	11,722	17,978		39%	Protective Coating Manholes													
SW064		JM/TB	HST Utility Inc	500,000	440,000	60,000	75%	88%	Replacement Meters													Anticipated to be Completed 9/1/2024
SW066		JM/TB		100,000	-	100,000		0%	WWTF Painting & Sealing of Tanks													
SW069		JM/TB		500,000	-	500,000	10%	0%	Reuse Irrigation Pump Station Improvements													Awaiting ISS Final Design Lake Charles Pump Station
SW076		JM/TB		200,000	-	200,000		0%	Clearwell Tranfer Pump Expansion													Project Pending with WTP Expansion being considered
SW078		JM/TB		75,000	-	75,000		0%	WTP Painting & Sealing of Tanks													
SW081	ISS	JM/TB		100,000	-	100,000		0%	WTP Calcite Tank Project													Project Pending with WTP Expansion being considered
SW084		JM/TB		5,000	-	5,000		0%	UGU Potable Water Flushing Devices													
SW085		JM/TB		15,000	9,808	5,192		65%	Emergency (Assoc. Irr.) R&R Projects													
SW087	ISI	JM/TB		30,000	-	30,000		0%	Irrigation SCADA Conversion													
SW091		JM/TB		5,000	-	5,000		0%	IRR Potable Water Flushing Devices													
SW092	ISS	JM/TB		350,000	-	350,000	5%	0%	Repaving Utility Site													Phase II
SW098	ISS	JM/TB		183,000	160,000	23,000	10%	87%	WTP Expansion													INJ WELL #2 in Permitting Phase
Total				\$ 2,968,342	1,256,143	1,712,199																

Available Budget Amounts Listed in **RED** are Over Budget
 Available Budget Amounts Listed in **Blue** are At or Under Budget

TOTAL PROJECTS IN PROGRESS OR COMPLETE	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
PROJECTS IN DESIGN PHASE	9	8	8	8	8	8	7	7	7												
PROJECTS IN BID PHASE	0	1	1	1	1	1	2	2	2												
PROJECTS IN CONSTRUCTION PHASE	0	0	0	0	0	0	0	0	0												
PROJECTS COMPLETED	0	0	0	0	0	0	0	0	0												
ONGOING CAPITAL R&R PROJECTS	9	9	9	9	9	9	9	9	9												

Major Project(s) Update

The schedules below are provided for your review and information as an update on the Capital Improvement Projects for the St. Lucie West Services District and will be updated and provided once a month.

SW064	AMI METER PROJECT	PROJECT TOTAL DURATION=ONGOING																														
COMPANY	TASK	START DATE	END DATE	DURATION	STATUS	10/2022	11/2022	12/2022	01/2023	02/2023	03/2023	04/2023	05/2023	06/2023	07/2023	08/2023	09/2023	10/2023	11/2023	12/2023	01/2024	02/2024	03/2024	04/2024	05/2024	06/2024	07/2024	08/2024	09/2024	10/2024	11/2024	12/2024
KAMSTRUP	NEGOTIATE REPLACEMENT COST	10/1/2022	10/31/2022	30	Completed	█																										
SLWSD	PROJECT AWARD/PURCHASE ORDER ISSUANCE	11/8/2022	11/11/2022	3	Completed		█																									
KAMSTRUP	PROJECT DELAY DUE TO KAMSTRUP PERSONNEL CHANGE	11/11/2022	5/10/2023	180	Completed			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
SLWSD/KAMSTRUP	PROJECT CORRESPONDENCE AND CONFIRMATION	5/10/2023	7/17/2023	68	Completed				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
SLWSD/KAMSTRUP	PROJECT KICKOFF MEETING	7/18/2023	7/20/2023	2	Completed										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	FCC LICENSE APPROVAL	7/18/2023	8/17/2023	30	Completed										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	METER/COLLECTOR CONFIGURATION TESTING	8/17/2023	8/27/2023	10	Completed										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	METER/COLLECTOR TESTING FAILED- DELAYED	8/27/2023	9/22/2023	26	Completed										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	SHIPPED COLLECTOR AND CONFIRMED TESTING	9/22/2023	9/29/2023	7	Completed											█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
WATER WERKS INC	COLLECTOR RECEPTION AND SIGNAL TESTING	9/29/2023	10/5/2023	6	Completed												█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
L&A/WATER WERKS	ONSITE COLLECTOR INSTALLATION	10/5/2023	10/11/2023	6	Completed													█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	FIRST BATCH METER SHIPMENT	10/17/2023	10/22/2023	5	Completed														█	█	█	█	█	█	█	█	█	█	█	█	█	█
KAMSTRUP	SECOND BATCH METER SHIPMENT	10/27/2023	12/27/2023	61	Completed															█	█	█	█	█	█	█	█	█	█	█	█	█
SLWSD/HST	STAFF METER INSTALLATION PERIOD	11/6/2023	9/1/2024	300	Pending																											
SLWSD	CUSTOMER PORTAL INTERFACE IMPLEMENTATION	10/1/2024	10/31/2024	30	Pending																											
SLWSD	CUSTOMER PORTAL PUBLIC MEETINGS	11/1/2024	12/31/2024	60	Pending																											



CRITICAL PATH : No Critical Path for this Project

SW098	WTP EXPANSION-INJ WELL #2	PROJECT TOTAL DURATION= ONGOING					08/2023	09/2023	10/2023	11/2023	12/2023	01/2024	02/2024	03/2024	04/2024	05/2024	06/2024	07/2024	08/2024	09/2024	10/2024	11/2024	12/2024	01/2025	02/2025	03/2025	04/2025	05/2025	06/2025	07/2025	08/2025	09/2025	10/2025	11/2025	12/2025	01/2026	02/2026	03/2026
COMPANY	TASK	START DATE	END DATE	DURATION	STATUS																																	
SLWSD	DESIGN AWARD/PURCHASE ORDER ISSUANCE	8/30/2023	9/1/2023	2	Completed																																	
HYDRODESIGNS	DESIGN ENGINEERING/FDEP PERMIT APP SUBMITTAL	9/1/2023	3/24/2024	205	Completed																																	
FDEP	INJ WELL PERMIT ISSUANCE PROCEDURE	3/24/2024	11/7/2024	228	Pending																																	
SLWSD	ACQUIRE FUNDING/BOND ISSUANCE	3/27/2024	11/7/2024	225	Pending																																	
ISS	DESIGN INJ WELL #2 SYSTEM CONNECTION	7/1/2024	11/28/2024	150	Pending																																	
SLWSD	PROJECT BIDDING	11/12/2024	2/10/2025	90	Pending																																	
SLWSD	PROJECT AWARD/PURCHASE ORDER ISSUANCE	2/10/2025	3/6/2025	24	Pending																																	
CONTRACTOR/TBD	NEW WELL INSTALLATION	3/6/2025	3/1/2026	360	Pending																																	
HYDRODESIGNS	WELL TESTING/PERMIT CLOSEOUT	11/28/2025	3/28/2026	120	Pending																																	



CRITICAL PATH : Must Encumber 5.0% of Project Funds Within 6 months.

WM001	4C GATE AUTOMATION PROJECT	PROJECT TOTAL DURATION= ONGOING											
COMPANY	TASK	START DATE	END DATE	DURATION	STATUS	03/2024	04/2024	05/2024	06/2024	07/2024	08/2024	09/2024	
ISS	FINAL DESIGN REVIEW	3/1/2024	5/4/2024	64	Completed	█							
SLWSD	BIDDING	5/4/2024	6/4/2024	31	Completed			█					
SLWSD	FIRST AWARD/NOA	6/4/2024	6/11/2024	7	Completed				█				
E&W MECH	MOBILIZATION	6/11/2024	6/21/2024	10	Completed				█				
SLWSD/E&W	ACQUIRE PERMITS	6/17/2024	7/1/2024	14	Pending				█				
E&W MECH	CONSTRUCTION	6/18/2024	7/24/2024	36	Pending				█				
E&W MECH	PROJECT CLOSEOUT	7/24/2024	8/14/2024	21	Pending					█			
ISI	SCADA COMPLETION	7/24/2024	8/14/2024	21	Pending					█			
SLWSD/E&W	PERMIT CLOSEOUT	7/24/2024	8/14/2024	21	Pending					█			



CRITICAL PATH 1 : No Critical Path for this project.

St. Lucie West Services District

Board Agenda Item

Tuesday July 9, 2024

Item

CA 4 Monthly Reports on Billing and Customer Service

Summary

This report is provided for your review and information as an update on the monthly Billing and Customer Service Operations.

The following are the totals from the accounts receivable reports.

1. Actual Consumption

Water	43,826,200	Gallons
Sewer	42,252,600	Gallons
Sewer BOD	0.00	Gallons
Sewer TSS	0.20	Gallons

2. Amount Billed

Total Water	\$317,486.44
Total Sewer	\$366,380.21
Total Irrigation	\$168,456.11

3. Billing

Total Water	6,828
Total Sewer	6,773
Total Irrigation	6,453



Month/Year May - 2024

Monthly Deposited Daily Form

Date	WSI Total Deposit /Daily	Misc. Total Deposit/Daily	Date	WSI Total Deposit /Daily	Misc. Total Deposit/Daily
Mon	\$ -	\$ -	Mon 5/20/2024	\$ 19,677.72	\$ -
Tues	\$ -	\$ -	Tues 5/21/2024	\$ 24,451.77	\$ -
Wed 5/1/2024	\$ 56,729.66	\$ -	Wed 5/22/2024	\$ 26,400.54	\$ -
Thur 5/2/2024	\$ 31,417.25	\$ -	Thur 5/23/2024	\$ 27,393.07	\$ -
Fri 5/3/2024	\$ 35,049.19	\$ -	Fri 5/24/2024	\$ 54,953.86	\$ -
Total - Week	\$ 123,196.10	\$ -	Total - Week	\$ 152,876.96	\$ -
Mon 5/6/2024	\$ 49,745.78	\$ -	Mon 5/27/2024 Holiday	\$ -	\$ -
Tues 5/7/2024	\$ 40,785.34	\$ 3,854.79	Tues 5/28/2024	\$ 76,449.64	\$ -
Wed 5/8/2024	\$ 312,828.88	\$ -	Wed 5/29/2024	\$ 23,306.87	\$ -
Thur 5/9/2024	\$ 15,622.95	\$ -	Thur 5/30/2024	\$ 35,728.67	\$ -
Fri 5/10/2024	\$ 4,126.67	\$ -	Fri 5/31/2024	\$ 29,399.93	\$ -
Total - Week	\$ 423,109.62	\$ 3,854.79	Total - Week	\$ 164,885.11	\$ -
Mon 5/13/2024	\$ 171,515.96	\$ -			
Tues 5/14/2024	\$ 66,217.63	\$ 3,175.00			
Wed 5/15/2024	\$ 6,590.67	\$ -			
Thur 5/16/2024	\$ 32,568.31	\$ -			
Fri 5/17/2024	\$ 14,993.51	\$ -			
Total - Week	\$ 291,886.08	\$ 3,175.00			
Total Month Receivables				WSI	MISC
				\$ 1,155,953.87	\$ 7,029.79

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS BILLED AND MONTHLY RECEIVABLES**

REPORT # 1 ACTIVE COMPANY

MONTH END SUMMARY

5/1/2024 - 5/31/2024

BALANCE TOTALS

<u>BEGINNING BALANCE AS OF</u>		<u>5/1/2024</u>
TOTAL BEGINNING BAL.	\$	556,412.22

GENERAL LEDGER

<u>CHARGES</u>	<u>DESCRIPTION</u>	<u>TOTAL BILL COUNT</u>	<u>BILLED AMOUNT</u>			
	<u>BASE CHARGES</u>					
5-04109	IRRIGATION BASE	6453	\$ 166,213.31			
5-04107	SEWER BASE	6773	\$ 186,798.55		\$	722,625.53
5-04106	WATER BASE	6828	\$ 150,069.68		\$	909,424.08
	DISPENSED/TANKER TRUCK				\$	1,059,493.76
5-04046	WATER BASE	18	\$ 1,572.19		\$	
5-04014	WHOLESALE WATER BASE	1	\$ 798.33		\$	1,061,065.95
	TOTAL CHARGE		\$ 505,452.06		\$	1,061,864.28
	<u>CONSUMPTION CHARGES</u>			<u>CONSUMPTION BY GALLONS</u>		
5-04009	IRRIGATION		\$ 2,242.80	9,345,000	\$	1,064,107.08
5-04007	SEWER		\$ 179,581.63	42,252,600	\$	1,243,688.71
5-04007	SEWER-BOD EXCESS		\$ -	0.00	\$	1,243,688.71
5-04007	SEWER-TSS EXCESS		\$ 0.03	0.20	\$	1,243,688.74
5-04006	WATER		\$ 167,416.76	43,826,200	\$	1,411,105.50
	<u>AVERAGE DAYS</u>			<u>29.94</u>		
5-04046	TANKER TRUCK WATER		\$ 575.57	150,670	\$	1,411,681.07
5-04014	WHOLESALE WATER		\$ 34,743.24	11,354,000	\$	1,446,424.31
5-04021	WHOLESALE WASTEWATER		\$ 27,152.40	7,986,000	\$	1,473,576.71
	TOTAL CHARGE		\$ 411,712.43			
	<u>DEPOSIT CHARGE</u>		\$ -		\$	1,473,576.71
	<u>TOTAL CHARGES</u>					
	IRRIGATION CHARGE		\$ 168,456.11			
	SEWER CHARGE		\$ 393,532.61			
	WATER CHARGE		\$ 355,175.77			
	TOTAL CHARGE		\$ 917,164.49			
<u>ADJUSTMENTS</u>	<u>DESCRIPTION</u>			<u>REVENUE</u>	<u>WRITE OFF</u>	
	TOTAL REVENUE CHANGES			\$ (5,821.17)		\$ 1,467,755.54
	TOTAL WRITE OFFS				\$ (29.79)	\$ 1,467,725.75
<u>PENALTY CHARGES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04010	TOTAL PENALTY		\$ 6,756.76			\$ 1,474,482.51
<u>MISCELLANEOUS CHARGES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04012	TOTAL MISCELLANEOUS		\$ 225.00			\$ 1,474,707.51
5-04047	BACK FLOW CHARGES		\$ -			
5-04047	BACK FLOW OPT OUT CHARGES		\$ -			
<u>METER SET FEES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04018	METER FEE		\$ 25.00			
5-04012	INITIAL CONNECTION METER FEE		\$ 1,200.00			
	TOTAL METER FEES		\$ 1,225.00			\$ 1,475,932.51
<u>IMPACT FEES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04033	WATER IMPACT (AFPI)		\$ 71,831.25			\$ 1,547,763.76
5-04035	SEWER IMPACT (AFPI)		\$ 53,906.25			\$ 1,601,670.01
	TOTAL IMPACT (AFPI)		\$ 125,737.50			

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS RECEIVABLE SUMMARY**

REPORT # 2 ACTIVE COMPANY

MONTH END SUMMARY

5/1/2024 - 5/31/2024

GENERAL LEDGER

BALANCE TOTALS
CONTINUED BALANCE REF. REPORT # 1

<u>PAYMENTS</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>		
			\$	1,601,670.01
5-01025	DISPENSED WATER/TANKER TRUCK	443.06	\$	
5-01025	IRRIGATION	167,602.23	\$	1,601,226.95
5-01025	PENALTY	7,133.73	\$	1,433,624.72
5-01025	SEWER BASE	189,842.21	\$	1,426,490.99
5-01025	SEWER CONSUMPTION	186,458.19	\$	1,236,648.78
5-01025	WATER BASE	153,314.34	\$	1,050,190.59
5-01025	WATER CONSUMPTION	173,784.54	\$	896,876.25
5-01025	MISCELLANEOUS	773.96	\$	723,091.71
5-04047	BACK FLOW CHARGES	-	\$	722,317.75
5-04047	BACK FLOW OPT OUT CHARGES	-	\$	722,317.75
5-01025	BOD EXCESS CONSUMPTION	-	\$	722,317.75
5-01025	TSS EXCESS CONUMPTION	0.03	\$	722,317.72
	CREDIT BALANCE CHANGE	33,545.11	\$	688,772.61
		-	\$	
		-	\$	
	SUBTOTAL	912,897.40	\$	688,772.61
5-04014	WHOLESALE WATER	35,541.57	\$	653,231.04
5-04021	WHOLESALE WASTEWATER	27,152.40	\$	626,078.64
5-04033	WATER IMPACT (AFPI)	71,831.25	\$	554,247.39
5-04035	SEWER IMPACT (AFPI)	53,906.25	\$	500,341.14
5-04018	METER FEE	25.00	\$	500,316.14
5-04012	INITIAL CONNECTION METER FEE	1,200.00	\$	499,116.14
	TOTAL PAYMENTS	1,102,553.87	\$	
 <u>REVERSE PAYMENTS</u>				
	DESCRIPTION			
	POSTING ERRORS	-	\$	
5-01025	REVERSE PAYMENT/BAL TRANSFER	434.65	\$	
	RETURN PAYMENTS	2,023.40	\$	
	TOTAL	2,458.05	\$	501,574.19
 <u>REVERSE PENALTIES</u>				
	DESCRIPTION			
5-01025	REVERSE PENALTIES	(217.18)	\$	501,357.01
 <u>BILL ADJUSTMENT</u>				
	DESCRIPTION			
5-01025	BILL - VOID/ADJUSTMENT/REVERSAL	-	\$	501,357.01
 <u>DEPOSIT REFUNDS</u>				
	DESCRIPTION			
	DEPOSIT REFUNDS	(13,800.00)	\$	487,757.01
 <u>REVERSE DEPOSIT</u>				
	DESCRIPTION			
	REVERSE DEPOSIT	-	\$	487,757.01

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS RECEIVABLE SUMMARY**

REPORT # 2 ACTIVE COMPANY

MONTH END SUMMARY

5/1/2024 - 5/31/2024

<u>REFUNDS</u>	<u>DESCRIPTION</u>	<u>COUNT</u>	<u>AMOUNT</u>		
	TOTAL REFUND CHECKS	11	\$ 1,432.43		\$ 489,189.44
<u>TRANSFER BALANCE</u>	<u>DESCRIPTION</u>		<u>NET AMOUNT</u>		
	RECEIVABLES ADJUSTED		\$ -		\$ 489,189.44
	RECEIVABLES RE-APPLIED		\$ -		\$ 489,189.44
<u>DEPOSIT ACTIVITY</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>		
	BEGINNING DEPOSIT BALANCE		\$ 207,000.00		
	BILLED DEPOSITS		\$ -		
5-02030	NEW DEPOSITS		\$ 5,900.00		
	REFUNDS		\$ (13,600.00)		
	REVERSE REFUNDS		\$ -		
	REVERSE DEPOSITS		\$ -		
	TOTAL DEPOSIT ENDING BALANCE		\$ 199,300.00		
<u>MISC. PAYMENTS</u>	<u>DESCRIPTION</u>				
	MISCELLANOUS PAYMENTS RECEIVED		\$ 7,029.79		

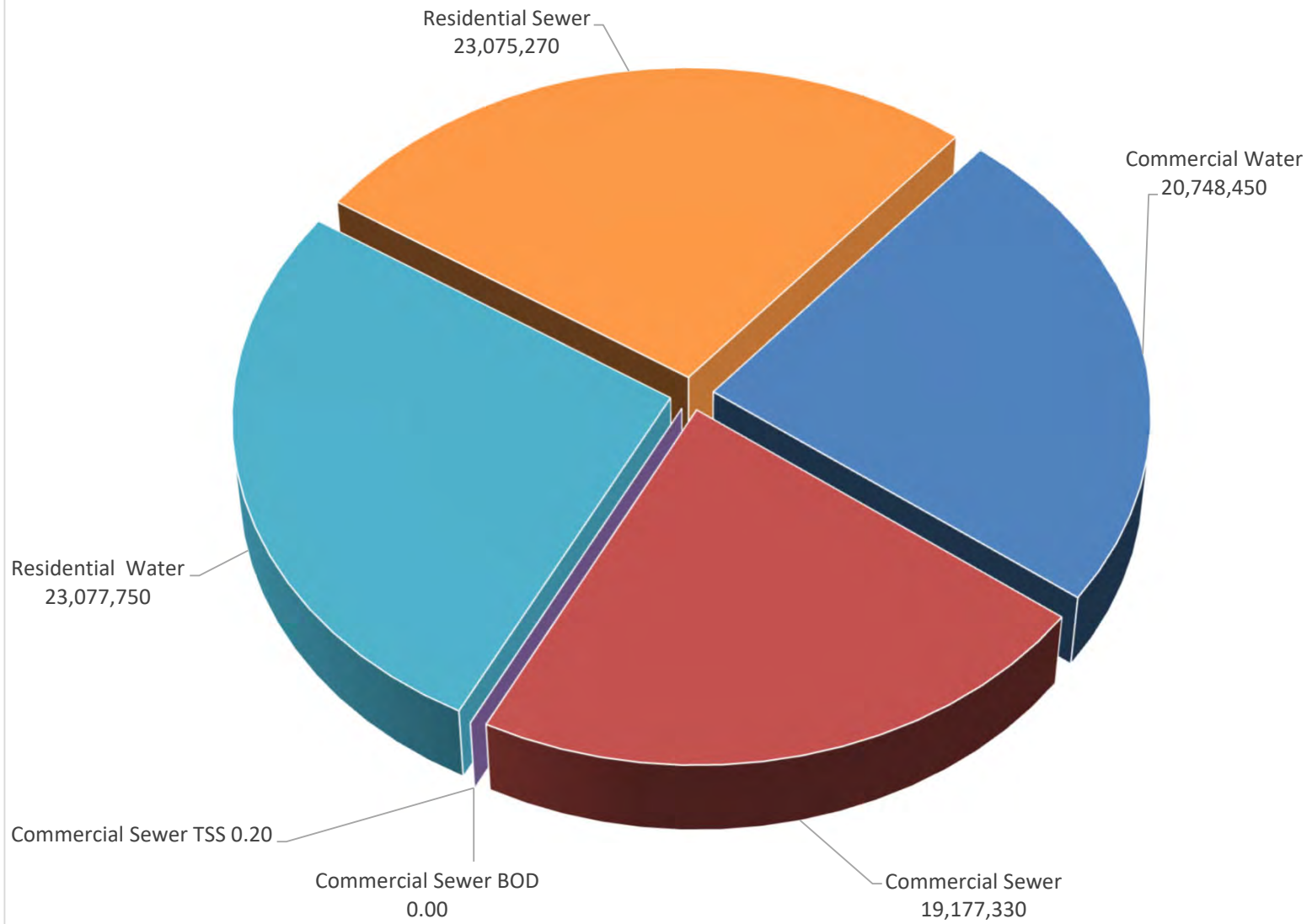
ENDING BALANCE AS OF
5/31/2024

	\$ 489,189.44
unpaid Reserve invoice	\$ -
Total Ending Balance	\$ 489,189.44

ST LUCIE WEST SERVICES DISTRICT AGED DEBT SUMMARY

MONTH/YEAR	Current Amount 1-30 DAYS	Amount 31-60 DAYS	Amount 61-90 DAYS	Amount 91-120 DAYS	Amount > 120 DAYS	BALANCE
May 2022	\$ 399,275.87	\$ 2,668.90	\$ 904.40	\$ (13.67)	\$ 9,049.74	\$ 411,885.24
June 2022	\$ 391,678.11	\$ 4,694.75	\$ 1,040.55	\$ 414.41	\$ 7,661.38	\$ 405,489.20
July 2022	\$ 414,939.36	\$ 2,969.72	\$ 2,198.58	\$ 521.57	\$ 8,075.79	\$ 428,705.02
August 2022	\$ 416,573.13	\$ 2,956.56	\$ 816.17	\$ 502.16	\$ 8,439.98	\$ 429,288.00
September 2022	\$ 394,312.84	\$ 7,855.32	\$ 1,554.83	\$ 554.11	\$ 8,992.47	\$ 413,269.57
October 2022	\$ 336,805.43	\$ 3,313.39	\$ 2,972.41	\$ 878.78	\$ 9,419.58	\$ 353,389.59
November 2022	\$ 456,246.19	\$ 854.01	\$ 1,354.25	\$ 916.51	\$ 9,962.28	\$ 469,333.24
December 2022	\$ 418,720.96	\$ 3,345.81	\$ 567.03	\$ 493.53	\$ 10,443.12	\$ 433,570.45
Jauary 2023	\$ 450,205.60	\$ 6,198.63	\$ 1,886.54	\$ 719.75	\$ 10,822.36	\$ 469,832.88
February 2023	\$ 530,621.59	\$ 2,146.80	\$ 1,210.20	\$ 1,465.26	\$ 11,348.41	\$ 546,792.26
March 2023	\$ 450,306.57	\$ 4,607.31	\$ 2,719.92	\$ 1,267.16	\$ 12,813.68	\$ 471,714.64
April 2023	\$ 549,658.95	\$ 3,304.54	\$ 842.42	\$ 632.84	\$ 12,801.53	\$ 567,240.28
May 2023	\$ 474,951.08	\$ 5,673.58	\$ 987.18	\$ 712.85	\$ 13,410.96	\$ 495,735.65
June 2023	\$ 446,766.98	\$ 2,420.76	\$ 1,781.79	\$ 840.74	\$ 14,098.81	\$ 465,909.08
July 2023	\$ 460,568.90	\$ 2,635.66	\$ 783.29	\$ 749.43	\$ 8,313.23	\$ 473,050.51
August 2023	\$ 448,932.40	\$ 4,317.86	\$ 861.39	\$ 590.41	\$ 7,071.97	\$ 461,774.03
September 2023	\$ 459,827.82	\$ 2,615.12	\$ 693.88	\$ 402.56	\$ 5,675.49	\$ 469,214.87
October 2023	\$ 528,339.07	\$ 1,074.96	\$ 922.70	\$ 484.63	\$ 5,667.46	\$ 536,488.82
November 2023	\$ 521,901.25	\$ 6,882.22	\$ 758.97	\$ 429.91	\$ 4,488.03	\$ 534,460.38
December 2023	\$ 630,607.26	\$ 9,595.79	\$ 701.04	\$ 455.59	\$ 4,848.81	\$ 646,208.49
January 2024	\$ 477,568.71	\$ 3,294.78	\$ 1,262.04	\$ 457.47	\$ 4,980.63	\$ 487,563.63
February 2024	\$ 522,990.19	\$ 3,882.76	\$ 1,713.38	\$ 626.02	\$ 5,301.05	\$ 534,513.40
March 2024	\$ 547,751.06	\$ 1,843.03	\$ 1,071.99	\$ 525.72	\$ 5,927.07	\$ 557,118.87
April 2024	\$ 543,936.72	\$ 4,635.41	\$ 1,049.81	\$ 549.65	\$ 6,240.63	\$ 556,412.22
May 2024	\$ 481,556.41	\$ 1,419.75	\$ 1,107.76	\$ 640.60	\$ 4,464.92	\$ 489,189.44
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Actual Consumption May 2024



CONSUMPTION BY GALLONS	
Commercial:	
Water	20,748,450
Sewer	19,177,330
Sewer- BOD	0.00
Sewer- TSS	0.20
Single:	
Water	20,284,520
Sewer	20,282,040
Multi:	
Water	2,793,230
Sewer	2,793,230
AMOUNT BILLED/TOTAL CHARGES:	
Commercial:	
Water	\$122,417.90
Sewer	\$134,622.38
IQ	\$48,629.30
TOTAL:	\$305,669.58
Single:	
Water	\$165,567.63
Sewer	\$196,335.99
IQ	\$105,345.00
TOTAL:	\$467,248.62
Multi:	
Water	\$29,500.91
Sewer	\$35,421.84
IQ	\$14,481.81
TOTAL:	\$79,404.56
TOTAL BILL COUNT	
Commercial:	
Water	524
Sewer	470
IQ	247
Single:	
Water	5,189
Sewer	5,188
IQ	5,187
Multi:	
Water	1,115
Sewer	1,115
IQ	1,019

CONSUMPTION	
Water	43,826,200
Sewer	42,252,600
Sewer- BOD	0.00
Sewer- TSS	0.20
AMOUNT BILLED	
Water	\$317,486.44
Sewer	\$366,380.21
IQ	\$168,456.11
BILLS	
Water	6,828
Sewer	6,773
IQ	6,453

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

CA 5 Financial Statements for May 31, 2024

Summary

Attached for your review are the Financial Reports for the period ending May 31, 2024.

- Financial Statements for all District Funds
- Check Register for General Fund and Water & Sewer Fund
 - Summary of Checks over \$35,000
- Balance Sheet Report for all Funds
- Bank Reconciliation Summary for all Depository Accounts

Recommendation

No Action Required.

Budget Impact

None.

Board Action

Moved by:	Seconded by:	Action Taken:
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St Lucie West Service District (General Fund)
Income Statement Budget vs. Actual
May 2024

	<u>Oct 23-Mayr 24</u>	<u>Budget YTD</u>	<u>\$ +/- Budget YTD</u>	<u>% of Budget YTD</u>	<u>Total Budget</u>
Ordinary Income/Expense					
Income					
1-04000 · GF SLWSD GENERAL FUND REVENUE	3,345,671.43	3,372,076.60	-26,405.17	99.22%	3,659,208.00
Total Income	<u>3,345,671.43</u>	<u>3,372,076.60</u>	<u>-26,405.17</u>	<u>99.22%</u>	<u>3,659,208.00</u>
Gross Income	3,345,671.43	3,372,076.60	-26,405.17	99.22%	3,659,208.00
Expense					
1-05000 · GF BOARD OF DIRECTORS	9,101.19	10,430.00	-1,328.81	87.26%	15,645.00
1-06000 · GF DISTRICT MANAGER	8,666.58	25,573.92	-16,907.34	33.89%	38,360.88
1-07000 · GF FINANCE	165,951.12	220,851.11	-54,899.99	75.14%	239,092.04
1-12000 · GF GRANT MANAGEMENT	0.00	958.00	-958.00	0.0%	1,437.00
1-13000 · GF CLERK TO THE BOARD	6,914.29	10,039.28	-3,124.99	68.87%	15,058.92
1-14000 · GF AQUATICS DIVISION-PERSNL	206,182.46	302,082.72	-95,900.26	68.25%	453,124.08
1-15000 · GF ADMINISTRATION DIV-PERSNL	707,295.11	766,514.64	-59,219.53	92.27%	1,149,771.96
1-16000 · GF STORM WATER MGMT-PERSNL	218,683.94	303,969.92	-85,285.98	71.94%	455,954.88
1-17000 · GF EXOTIC PLNT RMVL DIV-PERSNL	257,039.44	221,644.72	35,394.72	115.97%	332,467.08
1-18000 · GF SHOP OPERATIONS-PERSNL	43,209.50	61,271.28	-18,061.78	70.52%	91,906.92
1-19000 · GF GENERAL COUNSEL	24,237.30	20,841.36	3,395.94	116.29%	31,262.04
1-23000 · GF SPECIAL COUNSEL	0.00	2,547.36	-2,547.36	0.0%	3,821.04
1-26000 · GF ENGINEERING	13,938.42	32,392.00	-18,453.58	43.03%	48,588.00
1-29000 · GF POLLUTION CONTROL	0.00	1,778.64	-1,778.64	0.0%	2,667.96
1-31000 · GF AQUATICS DIVISION-OPERATING	107,282.66	149,003.36	-41,720.70	72.0%	202,505.04
1-33000 · GF ADMINISTRATION DIV-OPERATING	120,330.05	161,048.72	-40,718.67	74.72%	241,573.08
1-34000 · GF STORM WATER MGMT-OPERATING	137,485.64	139,663.36	-2,177.72	98.44%	206,995.04
1-35000 · GF EXOTIC PLANT RMVL-OPERATING	116,757.22	128,936.08	-12,178.86	90.55%	150,904.12
1-36000 · GF SHOP OPERATIONS-OPERATING	17,286.65	24,986.00	-7,699.35	69.19%	35,479.00
1-46000 · GF RENEWAL & REPLACEMENT	122,106.02	171,586.00	-49,479.98	71.16%	257,379.00
Total Expense	<u>2,282,467.59</u>	<u>2,756,118.47</u>	<u>-473,650.88</u>	<u>82.82%</u>	<u>3,973,993.08</u>
Net Ordinary Income	<u>1,063,203.84</u>	<u>615,958.13</u>	<u>447,245.71</u>	<u>172.61%</u>	<u>-314,785.08</u>
Net Income	<u><u>1,063,203.84</u></u>	<u><u>615,958.13</u></u>	<u><u>447,245.71</u></u>	<u><u>172.61%</u></u>	<u><u>-314,785.08</u></u>

St Lucie West Service District (WMB DS)
Income Statement Budget vs. Actual
 May 2024

	Oct 23 - May 24	Budget YTD	\$ +/- Budget YTD	% of Budget YTD	Total Budget
Ordinary Income/Expense					
Income					
2-04000 · WB WTR MGMT BEN SRS 1999A REV	2,302,972.12	2,195,994.34	106,977.78	104.87%	2,613,077.96
2-07000 · DS WMB OTHER INCOME	0.00	0.00	0.00	0.0%	0.00
Total Income	<u>2,302,972.12</u>	<u>2,195,994.34</u>	<u>106,977.78</u>	<u>104.87%</u>	<u>2,613,077.96</u>
Gross Income	2,302,972.12	2,195,994.34	106,977.78	104.87%	2,613,077.96
Expense					
2-05000 · WB WTR MGMT BEN SRS 1999A DS	2,265,927.14	2,229,459.64	36,467.50	101.64%	2,444,627.96
Total Expense	<u>2,265,927.14</u>	<u>2,229,459.64</u>	<u>36,467.50</u>	<u>101.64%</u>	<u>2,444,627.96</u>
Net Ordinary Income	<u>37,044.98</u>	<u>-33,465.30</u>	<u>70,510.28</u>	<u>-110.7%</u>	<u>168,450.00</u>
Net Income	<u>37,044.98</u>	<u>-33,465.30</u>	<u>70,510.28</u>	<u>-110.7%</u>	<u>168,450.00</u>

St Lucie West Service District (WMB CAP)
Income Statement Budget vs. Actual
 May 2024

	<u>Oct 23 - May 24</u>	<u>Budget YTD</u>	<u>\$ +/- Budget YTD</u>	<u>% of Budget YTD</u>	<u>Total Budget</u>
Ordinary Income/Expense					
Income					
4-04000 · CP WMB CAP PROJECTS REVENUE	12,955.62				0.00
4-07000 · CP WMB OTHER INCOME	0.00	0.00	0.00	0.0%	0.00
Total Income	<u>12,955.62</u>	<u>0.00</u>	<u>12,955.62</u>	<u>100.0%</u>	<u>0.00</u>
Gross Income	12,955.62	0.00	12,955.62	100.0%	0.00
Expense					
4-06000 · CP WMB CAPITAL PROJECT EXPENSES	0.00	73,348.00	-73,348.00	0.0%	73,348.00
Total Expense	<u>0.00</u>	<u>73,348.00</u>	<u>-73,348.00</u>	<u>0.0%</u>	<u>73,348.00</u>
Net Ordinary Income	<u>12,955.62</u>	<u>-73,348.00</u>	<u>86,303.62</u>	<u>-17.66%</u>	<u>-73,348.00</u>
Net Income	<u>12,955.62</u>	<u>-73,348.00</u>	<u>86,303.62</u>	<u>-17.66%</u>	<u>-73,348.00</u>

St Lucie West Service District (Water & Sewer Fund)
Income Statement Budget vs. Actual
May 2024

	<u>Oct 23-May 24</u>	<u>Budget YTD</u>	<u>\$ +/- of Budget YTD</u>	<u>% of Budget YTD</u>	<u>Total Budget</u>
Ordinary Income/Expense					
Income					
5-04000 · WS SLWSD WATER & SEWER REVENUE	6,921,215.89	6,114,237.80	806,978.09	113.2%	10,355,593.08
Total Income	<u>6,921,215.89</u>	<u>6,114,237.80</u>	<u>806,978.09</u>	<u>113.2%</u>	<u>10,355,593.08</u>
Gross Income	6,921,215.89	6,114,237.80	806,978.09	113.2%	10,355,593.08
Expense					
5-05000 · WS BOARD OF DIRECTORS	9,676.94	9,607.36	69.58	100.72%	14,411.04
5-06000 · WS DISTRICT MANAGER	543.65	18,453.36	-17,909.71	2.95%	27,680.04
5-07000 · WS FINANCE	382,681.49	414,934.75	-32,253.26	92.23%	455,503.00
5-09000 · WS PROPERTY CONTROL	38,626.52	24,533.36	14,093.16	157.45%	36,800.04
5-11000 · WS UTILITY RATE CONSULTANT	6,556.02	13,832.00	-7,275.98	47.4%	20,748.00
5-13000 · WS CLERK TO THE BOARD	10,717.74	13,309.36	-2,591.62	80.53%	19,964.04
5-14000 · WS ADMIN DVSN-PERSNL	815,506.68	911,475.36	-95,968.68	89.47%	1,367,213.04
5-15000 · WS WATER TRTMNT PLANT-PERSNL	309,646.06	337,002.00	-27,355.94	91.88%	505,503.00
5-16000 · WS WASTEWATER TRTMT PL-PERSNL	307,938.36	334,072.64	-26,134.28	92.18%	501,108.96
5-17000 · WS UNDERGROUND UTIL-PERSNL	576,503.40	610,396.64	-33,893.24	94.45%	915,594.96
5-18000 · WS IRRIGATION DIV-PERSNL	41,675.65	48,541.36	-6,865.71	85.86%	72,812.04
5-40000 · WS SHOP DIV - PERSNL	111,974.00	121,322.64	-9,348.64	92.29%	181,983.96
5-19000 · WS GENERAL COUNSEL	19,285.70	27,407.36	-8,121.66	70.37%	41,111.04
5-23000 · WS SPECIAL COUNSEL	0.00	5,844.64	-5,844.64	0.0%	8,766.96
5-26000 · WS ENGINEERING	0.00	65,826.00	-65,826.00	0.0%	98,739.00
5-27000 · WATER & SEWER DEBT SERVICE	366,417.46	404,777.50	-38,360.04	90.52%	2,574,555.00
5-28000 · WS WATER & SEWER SERVICES	454,178.00	454,178.00	0.00	100.0%	681,267.00
5-29000 · WS ADMIN DIV-OPERATING	272,902.12	416,617.44	-143,715.32	65.5%	608,426.16
5-30000 · WS WATER TRTMNT PLANT-OPER	550,672.41	690,132.72	-139,460.31	79.79%	1,017,699.08
5-31000 · WS WASTEWATER TRTMT PL-OPER	430,344.76	429,254.72	1,090.04	100.25%	643,882.08
5-32000 · WS UNDERGROUND UTIL-OPERATING	440,929.67	470,724.08	-29,794.41	93.67%	654,836.12
5-33000 · WS IRRIGATION DIV-OPERATING	126,829.57	198,886.08	-72,056.51	63.77%	298,329.12
5-41000 · WS SHOP DIV - OPER	20,178.63	27,132.64	-6,954.01	74.37%	38,698.96
Total Expense	<u>5,293,784.83</u>	<u>6,048,262.01</u>	<u>-754,477.18</u>	<u>87.53%</u>	<u>10,785,632.64</u>
Net Ordinary Income	<u>1,627,431.06</u>	<u>65,975.79</u>	<u>1,561,455.27</u>	<u>2,466.71%</u>	<u>-430,039.56</u>
Net Income	<u><u>1,627,431.06</u></u>	<u><u>65,975.79</u></u>	<u><u>1,561,455.27</u></u>	<u><u>2,466.71%</u></u>	<u><u>-430,039.56</u></u>

St Lucie West Service District (W&S Capital Outlay) Income Statement Budget vs. Actual

May 2024

	Oct 23-May 24	Budget YTD	\$ +/- Budget YTD	% of Budget YTD	Total Budget
Ordinary Income/Expense					
Income					
5-36000 · WS CAP REVENUES					
5-36001 · INTEREST - R&R 4076011209	162,950.31				
5-36002 · INTEREST - WWCF - 4076011236	15,340.86	0.00	15,340.86	100.0%	0.00
5-36004 · INTEREST - WCF 4076011227	49,625.99	0.00	49,625.99	100.0%	0.00
5-36005 · WATER IMPACT FEES	445,703.41	2,554.64	443,148.77	17,446.82%	3,831.96
5-36006 · WW IMPACT FEES	371,429.86	1,917.36	369,512.50	19,371.94%	2,876.04
5-36007 · R&R TRANS FROM W&S OPERATING	454,178.00	454,178.00	0.00	100.0%	681,267.00
Total 5-36000 · WS CAP REVENUES	1,499,228.43	458,650.00	1,040,578.43	326.88%	687,975.00
Total Income	1,499,228.43	458,650.00	1,040,578.43	326.88%	687,975.00
Gross Income	1,499,228.43	458,650.00	1,040,578.43	326.88%	687,975.00
Expense					
5-37000 · WS RENEWAL & REPLACEMENT CIP					
5-37004 · CAPITAL PROJECTS SW049	11,722.50	29,700.00	-17,977.50	39.47%	29,700.00
5-37006 · CAPITAL PROJECTS SW064	324,402.49	10,000.00	314,402.49	3,244.03%	10,000.00
5-37007 · CAPITAL PROJECTS SW001	294,565.87	215,833.00	78,732.87	136.48%	215,833.00
5-37009 · CAPITAL PROJECTS SW037	208,062.50	224,400.00	-16,337.50	92.72%	224,400.00
5-37013 · CAPITAL PROJECTS SW047	30,528.00	33,660.00	-3,132.00	90.7%	33,660.00
5-37018 · CAPITAL PROJECTS SW069	0.00	500,000.00	-500,000.00	0.0%	500,000.00
5-37027 · CAPITAL PROJECTS SW073	5,938.42				0.00
5-37031 · CAPITAL PROJECTS SW084	0.00	5,000.00	-5,000.00	0.0%	5,000.00
5-37032 · CAPITAL PROJECTS SW085	9,808.00	9,450.00	358.00	103.79%	9,450.00
5-37034 · CAPITAL PROJECTS SW087	0.00	30,000.00	-30,000.00	0.0%	30,000.00
5-37038 · CAPITAL PROJECTS SW091	0.00	5,000.00	-5,000.00	0.0%	5,000.00
5-37039 · CAPITAL PROJECTS SW092	0.00	300,000.00	-300,000.00	0.0%	300,000.00
5-37045 · CAPITAL PROJECTS SW048	0.00	10,000.00	-10,000.00	0.0%	10,000.00
Total 5-37000 · WS RENEWAL & REPLACEMENT CIP	885,027.78	1,373,043.00	-488,015.22	64.46%	1,373,043.00
5-38000 · WS WATER CONNECT FEE CIP					
5-38012 · CAPITAL PROJECTS SW077	0.00	0.00	0.00	0.0%	0.00
5-38014 · CAPITAL PROJECTS SW076	0.00	0.00	0.00	0.0%	0.00
5-38015 · CAPITAL PROJECTS SW098	108,123.50	0.00	0.00	0.0%	0.00
Total 5-38000 · WS WATER CONNECT FEE CIP	108,123.50	0.00	108,123.50	100.0%	0.00
5-39000 · WS WASTEWATER CONNECT FEE CIP					
5-39010 · CAPITAL PROJECTS SW067	0.00	0.00	0.00	0.0%	0.00
Total 5-39000 · WS WASTEWATER CONNECT FEE CIP	0.00	0.00	0.00	0.0%	0.00
Total Expense	993,151.28	1,373,043.00	-379,891.72	72.33%	1,373,043.00
Net Ordinary Income	506,077.15	-914,393.00	1,420,470.15	-55.35%	-685,068.00
Net Income	506,077.15	-914,393.00	1,420,470.15	-55.35%	-685,068.00

St Lucie West Service District
Check Register
As of May 31, 2024

Date	Num	Name	Memo	Credit
ASSETS				
Current Assets				
Checking/Savings				
1-00001 - TRUIST (GF operating) #1363				
05/01/2024		ASCENSUS	PR 05/01/2024 (04/13/24 -04/26/24)	2,577.62
05/02/2024	12367	AABACO ENVIRONMENTAL INDUSTRIES, LLC	PO#85878	65.00
05/02/2024	12368	ARMADILLO DIRT WORKS, LLC	PO#85893	5,255.00
05/02/2024	12369	COMPUTER NETWORK SERVICES	PO#84983B	7,965.35
05/02/2024	12370	EUROFINS FLOWERS	PO#85894	5,963.00
05/02/2024	12371	FRANKLIN TEMPLETON BANK AND TR	SEP PAYROLL 05.01.24	12,590.37
05/02/2024	12372	MIKE'S ORGANIC TOP SOIL	PO#85880	375.00
05/02/2024	12373	NAPA AUTO SUPPLY OF PORT ST. LUCIE	PO#85892	2,712.00
05/02/2024	12374	NATURE'S KEEPER INC.	PO#85885	1,600.00
05/02/2024	12375	ST LUCIE CO BALING & RECYCLING	PO#85890	2,315.56
05/02/2024	12376	ST LUCIE COUNTY TAX COLLECTOR	TAX ROLL POSTAGE 2023	304.13
05/02/2024	12377	SUMMIT FIRE & SECURITY, LLC	PO#85895	461.00
05/02/2024	12378	SYSTEM DESIGN WIZARDS, INC.	PO#85887	660.00
05/02/2024	12379	THE BUSHEL STOP, INC.		1,200.00
05/02/2024	12380	UNIVERSAL SIGNS & ACCESSORIES	PO#85879	40.13
05/02/2024	12381	VERIZON WIRELESS	PO#85862	851.43
05/02/2024	12382	WEX BANK	PO#85896	12,843.67
05/09/2024	12383	ARMADILLO DIRT WORKS, LLC	PO#85683	9,000.00
05/09/2024	12384	CIGNA HEALTHCARE	HEALTHCARE Group: 00636982 MAY 2024	90,333.38
05/09/2024	12385	FPL	PO# 85905	56,996.96
05/09/2024	12386	HELENA CHEMICAL CO	PO#85686	675.00
05/09/2024	12387	INTEGRATION SERVICES, INC.	PO#85492 B	28,204.03
05/09/2024	12388	MIKE'S ORGANIC TOP SOIL	PO#85684	525.00
05/09/2024	12389	PALMDALE OIL COMPANY, INC	PO#85685	1,558.63
05/09/2024	12390	SAM'S CLUB MASTERCARD	PO#85694	761.43
05/09/2024	12391	SITEONE LANDSCAPE SUPPLY, LLC	PO#85900	579.22
05/09/2024	12392	SUNCOAST SPRAYER EQUIPMENT CENTER ...	PO#85690	214.53
05/09/2024	12393	SUNSHINE STATE ONE CALL OF FLORIDA, I...	PO#85689	127.38
05/09/2024	12394	TORCIVIA, DONLON, GODDEAU & RUBIN, P.A.		6,168.00
05/09/2024	12395	UNIFIRST	INV# 3020070004 & INV# 3020070003	244.96
05/09/2024	12396	VERO CHEMICAL DISTRIBUTORS INC	PO#85688	24,914.97
05/09/2024	12397	WageWorks, Inc.	PO#85692	460.05
05/09/2024	12398	TRUIST CARD SERVICES		11,443.02
05/15/2024		ASCENSUS	PR 05/15/2024 (04/27/24 -05/10/24)	2,649.60
05/15/2024	12399	ISAIAH A THERMILUS	FINAL PAYCHECK PAY PERIOD 05.11.24- 05.24.24	535.97
05/16/2024	12400	AABACO ENVIRONMENTAL INDUSTRIES, LLC	PO#85705	1,213.00
05/16/2024	12401	ADP, LLC	PO#85714	1,387.65
05/16/2024	12402	CINTAS CORPORATION	PO#85709	267.00
05/16/2024	12403	FRANKLIN TEMPLETON BANK AND TR	SEP PAYROLL 05.15.24	12,386.97
05/16/2024	12404	INTEGRATION SERVICES, INC.	PO#85687	1,710.00
05/16/2024	12405	KYOCERA	PO#85908	16.27
05/16/2024	12406	LOWE'S	PO#85713	3,583.43
05/16/2024	12407	VERIZON WIRELESS	PO#85909	1,090.13
05/23/2024	12408	CHANDLER EQUIPMENT OF THE TREASURE...	PO#85731	64.98
05/23/2024	12409	CINTAS CORPORATION	PO#85706	119.31
05/23/2024	12410	COMPUTER NETWORK SERVICES	VOID: PO#85720- lost in mail	
05/23/2024	12411	ELPEX		1,018.80
05/23/2024	12412	FCC ENVIRONMENTAL SERVICES, LLC	PO#85725	419.07
05/23/2024	12413	GRAU AND ASSOCIATES	INV#24925	500.00
05/23/2024	12414	HELENA CHEMICAL CO	PO#85718	4,975.00
05/23/2024	12415	HOME DEPOT CREDIT SERVICES	PO#85729	4,622.21
05/23/2024	12416	MIKE'S ORGANIC TOP SOIL	PO#85730	575.00
05/23/2024	12417	PITNEY BOWES-PURCHASE POWER	PO#85719	200.00
05/23/2024	12418	SAMPSON TREE SERVICE CO.	PO#85736	3,420.00
05/23/2024	12419	SITEONE LANDSCAPE SUPPLY, LLC	PO#85920	478.82
05/23/2024	12420	UNIFIRST	INV# 3020071190 & INV# 3020071189	845.23
05/23/2024	12421	VERIZON WIRELESS	PO#85716	851.55
05/29/2024		ASCENSUS	PR 06/12/2024 (05/11/24 -05/24/24)	2,707.44
05/30/2024	12422	AQUAFIX	PO#85921	3,735.13
05/30/2024	12423	CHANDLER EQUIPMENT OF THE TREASURE...	PO#85925	217.85
05/30/2024	12424	FRANKLIN TEMPLETON BANK AND TR	SEP PAYROLL 05.29.24	12,466.61
05/30/2024	12425	GROVE EQUIPMENT SERVICE, INC	PO#85740	1,176.56
05/30/2024	12426	GUARDIAN	GROUP ID 00563384-JUNE 2024	4,655.36
05/30/2024	12427	SPECIAL DISTRICT SERVICES, INC.	PO#85739	9,127.51
05/30/2024	12428	SUN LIFE	PLAN NUMBER: 960974-0001 MAY 2024	4,187.77

Date	Num	Name	Memo	Credit
05/30/2024	12429	UNIFIRST		469.42
05/30/2024	12430	US BANK- TRUSTEE	ACCT #20382300 INV#7332465	4,138.75
05/30/2024	12431	SCHAEFFER MANUFACTURING COMPANY	PO#85726	3,804.85
Total 1-00001 · TRUIST (GF operating) #1363				379,603.06
1-00002 · TRUIST (GF R&R Fund) # 3968				
Total 1-00002 · TRUIST (GF R&R Fund) # 3968				
5-00002 · TRUIST (WS Operating) #7918				
05/02/2024	14448	CHARLOTTE BUNTING	CUSTOMER REFUND 443 SW FAIRWAY LNDG	80.53
05/02/2024	14449	DONN BEARMAN	CUSTOMER REFUND 614 SW LAKE CHARLES C...	103.52
05/02/2024	14450	FREDERICK EDUARDO MOJICA MERCADO	CUSTOMER REFUND 238 SW SANDY WAY	62.57
05/02/2024	14451	JOHN WESLEY	CUSTOMER REFUND 398 NW BREEZY POINT L...	127.04
05/02/2024	14452	MARCELINA QUIJANO	CUSTOMER REFUND 593 NW SAN REMO CIR	52.09
05/02/2024	14453	STEPHEN PIEKARA	CUSTOMER REFUND 351 SW SANDY WAY	71.59
05/02/2024	14454	VENTURE CONSTRUCTION CO	CUSTOMER REFUND 1 TEMP METER	749.84
05/02/2024	14455	VOIDED CHECK		
05/09/2024	14456	CASCADES AT SLW	OVERAGE ON INCORRECT MEASUREMENT CH...	8,873.41
05/09/2024	14457	JHULAN BISWAS	CUSTOMER REFUND 211 NW PLEASANT GROV...	48.87
05/09/2024	14458	KATHERINE R KENNY	CUSTOMER REFUND 636 NW WHITFIELD WAY	86.70
05/09/2024	14459	KAUKO V OJALA	CUSTOMER REFUND 578 NW MONTEVINA DR	8.36
05/09/2024	14460	LINCOLN FLANNERY	CUSTOMER REFUND 229 SW MANATEE SPRIN...	41.32
05/16/2024	14461	PHILIP LORTZ	WATER CONSERVATION REBATE 2023-24 31	200.00
05/20/2024	14462	HST UTILITY INC	PO#85491 A	22,942.50
05/28/2024	14463	MIKE'S ORGANIC TOP SOIL	12 OFFICE CHAIRS	536.97
05/30/2024	14464	US BANK- TRUSTEE	ACCT#407601165B INV#7337266	3,843.13
Total 5-00002 · TRUIST (WS Operating) #7918				37,828.44
Total Checking/Savings				417,431.50
Total Current Assets				417,431.50
TOTAL ASSETS				417,431.50
LIABILITIES & EQUITY				
TOTAL LIABILITIES & EQUITY				

St Lucie West Service District
Checks Over \$35,000
As of May 31, 2024

Date	Num	Name	Memo	Credit
ASSETS				
Current Assets				
Checking/Savings				
1-00001 · TRUIST (GF operating) #1363				
05/09/2024	12384	CIGNA HEALTHCARE	HEALTHCARE Group: 00636982 MAY 2024	90,333.38
05/09/2024	12385	FPL	PO# 85905	56,996.96
Total 1-00001 · TRUIST (GF operating) #1363				147,330.34
5-00002 · TRUIST (WS Operating) #7918				
Total 5-00002 · TRUIST (WS Operating) #7918				147,330.34
Total Checking/Savings				147,330.34
Total Current Assets				147,330.34
TOTAL ASSETS				147,330.34
LIABILITIES & EQUITY				
TOTAL LIABILITIES & EQUITY				

St Lucie West Service District
Balance Sheet
As of May 31, 2024

	May 31, 24
ASSETS	
Current Assets	
Checking/Savings	
D-ACCNT	-803.60
xxx	0.06
1-00001 · TRUIST (GF operating) #1363	923,898.01
1-00002 · TRUIST (GF R&R Fund) # 3968	365,590.78
5-00001 · TRUIST (WS Deposit) #1355	95,835.16
5-00002 · TRUIST (WS Operating) #7918	8,501,026.55
Total Checking/Savings	9,885,546.96
Other Current Assets	
1-02000 · GF SLWSD GENERAL ASSETS	1,320,172.64
2-01000 · WB WTR MGMT BEN 1999A ASSETS	1,062,044.11
4-03000 · CP WMB CAP PROJECTS ASSETS	184,553.82
5-01000 · WS SLWSD WATER & SEWER ASSETS	52,980,750.11
Total Other Current Assets	55,547,520.68
Total Current Assets	65,433,067.64
Other Assets	
000000 · Journal Entry Exchange	2,465.25
Total Other Assets	2,465.25
TOTAL ASSETS	65,435,532.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	4,368.50
Total Accounts Payable	4,368.50
Other Current Liabilities	
1-03000 · GF SLWSD GENERAL LIAB	178,114.56
2-02000 · WB WTR MGMT BEN 1999A LIAB	117,105.38
5-02000 · WS SLWSD WATER & SEWER LIAB	27,587,008.64
Total Other Current Liabilities	27,882,228.58
Total Current Liabilities	27,886,597.08
Total Liabilities	27,886,597.08
Equity	
1-01000 · GF SLWSD GENERAL FND BAL	827,947.27
2-03000 · WB WTR MGMT BEN 1999A FND BAL	3,364,957.58
3-03000 · CB CASCADES SRS 1998 FND BAL	352,271.63
32000 · Retained Earnings	16,843,233.12
4-02000 · CP WMB CAP PROJECTS FUND BAL	3,188,817.19
5-03000 · WS SLWSD WATER & SEWER FND BAL	9,725,233.02
Net Income	3,246,476.00
Total Equity	37,548,935.81
TOTAL LIABILITIES & EQUITY	65,435,532.89

**ST LUCIE WEST SERVICE DISTRICT
ACCOUNT RECONCILIATION SUMMARY
FOR MONTH END MAY 2024**

G/L #	Account Name	Bank	Account #	Statement EOM Balance	In Transit	Reconciled Statement Balance	G/L Balance	Reconciled
OPERATING								
1-00001	Operating Checking	ST	1000104111363	1,423,225.36	(911,458.25)	511,767.11	511,767.11	* Yes
1-00002	Operating Checking R&R Fund	ST	1000104113968	365,590.78	-	365,590.78	365,590.78	* Yes
1-00002	Operating Checking Escrow Fund	ST	1000104118740	-	-	-	-	Yes
1-02022	Surplus Funds - SBA	SBA	271912	7,187.70		7,187.70	7,187.70	Yes
TOTAL OPERATING						\$ 884,545.59	\$ 884,545.59	
WATER MANAGEMENT BOND FUNDS								
2-01060	Revenue Fund-WMB 2013	US	203823000	658,986.65		658,986.65	658,986.65	Yes
2-01061	Interest Account-WMB 2013	US	203823001	-		-	-	Yes
2-01062	Sinking Account-WMB 2013	US	203823002	8,044.33		8,044.33	8,044.33	Yes
2-01063	Redemption Account-WMB 2013	US	203823003	-		-	-	Yes
2-01064	Reserve Fund-WMB 2013	US	203823004	183,079.30		183,079.30	183,079.30	Yes
2-01065	COI Fund-WMB 2013	US	203823005	-		-	-	Yes
2-01070	Revenue Fund-WMB 2014	US	213449000	11,440.03		11,440.03	11,440.03	Yes
2-01071	Interest Account-WMB 2014	US	213449001	-		-	-	Yes
2-01072	Sinking Account-WMB 2014	US	213449002	-		-	-	Yes
2-01073	Redemption Account-WMB 2014	US	213449003	-		-	-	Yes
2-01074	Reserve Fund-WMB 2014	US	213449004	200,000.00		200,000.00	200,000.00	Yes
2-01075	Acquisition Fund-WMB 2014	US	213449005	-		-	-	Yes
2-01076	COI Fund-WMB 2014	US	213449006	-		-	-	Yes
2-01080	Revenue Fund-WMB 2021	US	242655000	493.80		493.80	493.80	Yes
2-01081	Interest Account-WMB 2021	US	242655001	-		-	-	Yes
2-01082	Sinking Account-WMB 2021	US	242655002	-		-	-	Yes
2-01083	Prepayment Account-WMB 2021	US	242655003	-		-	-	Yes
2-01085	Cap I Fund-WMB 2021	US	242655005	-		-	-	Yes
4-03048	Acq & Con Fund-WMB 2021	US	242655004	184,553.82		184,553.82	184,553.82	Yes
4-03049	COI Fund-WMB 2021	US	242655006	-		-	-	Yes
WATER MANAGEMENT BOND FUNDS TOTAL						\$ 1,246,597.93	\$ 1,246,597.93	
WATER AND SEWER ACCOUNTS								
5-00001	Water & Sewer Cash Depository	ST	1000104111355	27,388.03	517,527.25	544,915.28	544,915.28	* Yes
5-00002	Water & Sewer Operating Checking	ST	1000104117918	8,529,196.96	(205,969.88)	8,323,227.08	8,323,227.08	* Yes
5-01005	Construction Fund	US	4076011281	0.01		0.01	0.01	Yes
5-01006	Operating/Maintenance	US	4076011174	-		-	-	Yes
5-01007	Reserve Fund	US	4076011192	2,524,601.50		2,524,601.50	2,524,601.50	Yes
5-01008	Senior Interest	US	4076011183	578,902.09		578,902.09	578,902.09	Yes
5-01010	Renewal & Replacement	US	4076011209	1,992,039.42		1,992,039.42	1,992,039.42	Yes
5-01011	Rate Stabilization	US	4076011218	625,389.06		625,389.06	625,389.06	Yes
5-01012	Water Connection	US	4076011227	615,397.37		615,397.37	615,397.37	Yes
5-01013	Wastewater Connection	US	4076011236	155,392.51		155,392.51	155,392.51	Yes
5-01014	Revenue Fund	US	4076011165	187,796.16		187,796.16	187,796.16	Yes
5-01015	Surplus Fund	US	4076011272	3,852,217.87		3,852,217.87	3,852,217.87	Yes
5-01016	Principal Account	US	4076036781	1,233,345.29		1,233,345.29	1,233,345.29	Yes
5-01042	Surplus Funds - SBA	SBA	271911	556.91		556.91	556.91	Yes
WATER AND SEWER ACCOUNTS TOTAL						\$ 20,633,780.55	\$ 20,633,780.55	
GRAND TOTAL						\$ 22,764,924.07	\$ 22,764,924.07	

* Note: These checking accounts (1363, 3968, 1355, & 7918) are reconciled to 6/23/24, not to the end of the month, due to the software's "in transit" calculation.

COMPLETED BY: 

Michael McElligott - Assistant Finance Director

DATE: 6/23/24

St. Lucie West Services District

Board Agenda Item

Tuesday, July 9, 2024

Item

CA 6 Consider Approval to Transfer Funds for the R&R Account Requisition for Fiscal Year 2024

Summary

Attached for your review and approval is a request to transfer funds from the Renewal & Replacement Account (R&R) for expenses that are previously budgeted project-related expenses for FY 2024 and have been previously approved by the Board to be funded from one of the afore mentioned accounts.

All of the expenditures are appropriate for payment from the R&R Account Fund. All expenditures are in compliance with the District's policy where the cost exceeds the capitalization threshold for Fixed Assets.

- \$282,715.50 – Renewal & Replacement Account

All Invoices for this requisition are attached for your review.

Recommendation

Staff recommends Board approval to transfer funds from the R&R Account for FY 2024 \$282,715.50 to the Public Fund Checking account for reimbursement for payments made that have been budgeted to be funded by this account.

Budget Impact

None.

Board Action

Moved by:

Seconded by:

Action Taken:

**ST. LUCIE WEST SERVICES DISTRICT
REQUISITION FOR PAYMENT
RENEWAL & REPLACEMENT TRUST ACCOUNT**

The undersigned, an Authorized Officer of St. Lucie West Services District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Indenture of Trust from the District to US Bank, as trustee (the "Trustee"), dated as of February 1, 2000 (the "Indenture") (all capitalized terms used herein shall have the meaning as such term in the Indenture);

(A) Requisition Number:

2024-10

(B) Name of Payee:

***St. Lucie West Services District, Water & Sewer Checking Account
Trust Account # 1000144367918***

(C) Amount Payable:

\$282,715.50

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of issuance, if applicable):

Per attached letter and invoices; all of these expenditures are for renewal and replacement projects where the costs exceeds the capitalization threshold for fixed assets held by the St. Lucie West Services District.

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

Renewal/Replacement, Account Number 4076011209

The undersigned hereby certifies that obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [✓] Renewal/Replacement Fund that each disbursement set forth above was incurred in connection with the cost of extensions, improvements or

additions to, or the replacement or renewal of capital assets of the Utility System, or extraordinary repairs of the Utility System.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

If this requisition is for a disbursement from other than the Transaction Cost Account or for payment of capitalized interest, there shall be attached a resolution of the Governing Body of the District approving the specific contract with respect to which disbursements pursuant to this requisition are due and payable.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested.

ST. LUCIE WEST SERVICES DISTRICT

By:

Chairman

**CONSULTING ENGINEER'S APPROVAL FOR NON-COST OF ISSUANCE
AND CAPITALIZED INTEREST REQUESTS ONLY**

If this requisition is for a disbursement from other than Capitalized Interest or Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Renewal & Replacement Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Renewal & Replacement Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer shall have been amended or modified on the date hereof.

Consulting Engineer
Fariborz Zangeneh, P.E.

2024-10

**St Lucie West Service District
Transaction Detail By Account
May 2024**

Type	Date	Num	Name	Memo	Debit	Credit	Balance
5-37000 · WS RENEWAL & REPLACEMENT CIP							
5-37006 · CAPITAL PROJECTS SW064							
Bill	05/20/2024	1042	HST UTILITY INC	PO#85491 A	22,942.50		22,942.50
Bill	05/23/2024	6504759	FORTILINE WATERWORKS	PO#85902 A	11,970.00		34,912.50
Bill	05/23/2024	6507454	FORTILINE WATERWORKS	PO#85902 B	35,240.00		70,152.50
Bill	05/23/2024	1045	HST UTILITY INC	PO#85491 B	36,907.50		107,060.00
Bill	05/30/2024	1052	HST UTILITY INC	PO#85491 C	41,265.00		148,325.00
Total 5-37006 · CAPITAL PROJECTS SW064					148,325.00	0.00	148,325.00
5-37007 · CAPITAL PROJECTS SW001							
Bill	05/02/2024	3018024	BARNEY'S PUMP	PO#85555 A	18,578.00		18,578.00
Bill	05/02/2024	U704858	CORE & MAIN	PO#85572 B	4,800.00		23,378.00
Bill	05/09/2024	3018183	BARNEY'S PUMP	PO#85084	21,591.00		44,969.00
Bill	05/16/2024	1269798-1	FERGUSON ENTERPRISES	PO#85693	1,985.50		46,954.50
Bill	05/23/2024	3018447	BARNEY'S PUMP	PO#85084A	27,160.00		74,114.50
Bill	05/23/2024	5609564479	SIEMENS INDUSTRY, INC	PO#85575A	28,480.00		102,594.50
Total 5-37007 · CAPITAL PROJECTS SW001					102,594.50	0.00	102,594.50
5-37009 · CAPITAL PROJECTS SW037							
Bill	05/16/2024	535333	MERCHANT TRANSPORT AND AFFILIATES	PO#85712	3,270.00		3,270.00
Bill	05/23/2024	U811092	CORE & MAIN	PO#85899	30,426.00		33,696.00
Total 5-37009 · CAPITAL PROJECTS SW037					33,696.00	0.00	33,696.00
5-37027 · CAPITAL PROJECTS SW073							
Credit	05/02/2024	U738400	CORE & MAIN	PO#85591 A		1,900.00	-1,900.00
Total 5-37027 · CAPITAL PROJECTS SW073					0.00	1,900.00	-1,900.00
Total 5-37000 · WS RENEWAL & REPLACEMENT CIP					284,615.50	1,900.00	282,715.50
TOTAL					284,615.50	1,900.00	282,715.50



Supervisors' Requests



Adjournment