

ST. LUCIE WEST SERVICES DISTRICT



**BOARD OF SUPERVISORS'
REGULAR BOARD MEETING
& PUBLIC HEARING
NOVEMBER 5, 2024
9:00 A.M.**

AGENDA
ST. LUCIE WEST SERVICES DISTRICT
BOARD OF SUPERVISORS'
REGULAR BOARD MEETING & PUBLIC HEARING
November 4, 2024 & November 5, 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. October 7, 2024 Workshop Minutes
2. October 8, 2024 Regular Board Meeting Minutes

E. Public Comment

F. Public Hearing

1. Proof of Publication
2. Receive Public Comments on Amending Chapter III of the Rules of the St. Lucie West Services District Relating to Water, Wastewater and Irrigation Water System Regulations, Rates, Fees, Charges and Operating Policies for the Utility Services; Revising Schedules A and D to provide for Annual Rate Adjustments
3. Consider Resolution No. 2024-13 – Amending Chapter III of the Rules of the St. Lucie West Services District Relating to Water, Wastewater and Irrigation Water System Regulations, Rates, Fees, Charges and Operating Policies for the Utility Services; Revising Schedules A and D to provide for Annual Rate Adjustments

G. District Attorney

DA 1 – Status Report/Updates

H. District Engineer

DE 1 – Status Report/Updates

I. District Manager

Action Items

- DM 1 –** Consider Resolution No. 2024-18 – Expressing Appreciation to J.E. “Jack” Doughney, III for His Dedicated Service to the District
- DM 2 –** Consider Approval of Professional Services Agreement with J.E. “JACK” DOUGHNEY III
- DM 3 –** Consider Resolution No. 2024-19 – Approving the Sale, Issuance, and Terms of Sale of the District's Utility System Revenue and Refunding Bond, Series 2024, to Truist Commercial Equity, Inc. Pursuant to a Private Placement through MBS Capital Markets, LLC
- DM 4 –** Consider Acceptance of a Notice of Intent to Issue a Construction Permit for a New Injection Well
- DM 5 –** Consider Resolution No. 2024-20 – Adopting a Fiscal Year 2024 Amended Budget
- DM 6 –** Other Items

J. 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 September, 2024

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

CA 7 – Surplus

K. Supervisors' Requests

L. Adjournment

St. Lucie West Services District
Workshop Meeting
October 7, 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 – in-person
Diane Haseltine – Supervisor – in-person

Staff Present

Josh Miller, District Manager, St. Lucie West Services District (“SLWSD”) – in-person
Maddie Maldonado, Director of Office Administration – in-person
Gerard Rouse, Public Works Director/Assistant District Manager, SLWSD – in-person
Thomas Bayer, Assistant Utilities Director, SLWSD – in-person
Searg Davidian, Assistant Public Works Director – in-person
Jason Pierman, Special District Services, Inc. (“SDS”) – in-person
Laura Archer, Recording Secretary, SDS – in-person

Also present were District resident, Deane Piekara; Donna Rhoden of the City of Port St. Lucie; and Stephanie Brown of Special District Services, Inc.

It was noted that the District had received a resignation letter from Board Member Viorel Mocuta with an effective date of September 11, 2024.

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. August 26, 2024, Workshop**
- 2. August 27, 2024, Public Hearings & Regular Board Meeting**
- 3. September 10, 2024, Public Hearing & Special Board Meeting**

There were no revisions to any of the minutes.

E. Public Comment

Mr. Piekara of the Cascades thanked the District for making sandbags available to the community.

**F. District Attorney
DA 1 – Status Report/Updates**

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

**G. District Engineer
DE 1 – Status Report/Updates**

It was noted that Mr. Zanganeh's report was provided in the meeting materials and was up to date.

**H. District Manager
Actions Items**

DM 1 – Consider District Manager Annual Performance FY 2024

Mr. Miller advised that he had met with each individual Board Member to go over his performance. This was done because of the language within the document.

There was a brief discussion regarding the timing of the evaluation.

DM 2 – Consider Revised District Manager and Staff Prescriptive Goals and Performance Objectives for FY 2025

Mr. Miller reminded the Board that this was initially brought before the Board during the June 4, 2024, Regular Board Meeting. After discussion at that meeting, Mr. Miller went back and revised the items presented to include verbiage related to how these goals and objectives would be measured. In addition, Mr. Miller indicated that he would also provide a year-end report, which will be furnished to measure the goals and objectives described therein.

Supervisor Haseltine believed the revised document was extremely well done and very comprehensive.

That concluded discussion related to this matter.

DM 3 – Consider Utility Revenue and Refunding Bonds, Series 2024 Term Sheet with Truist Commercial Equity, Inc. and Consider Truist Bank as Bond Trustee

Mr. Miller presented the information and indicated that this term sheet included refunding existing utility revenue bonds and bond construction funds for the Water Treatment Plant Upgrade and Redundancy Projects.

There was a brief discussion regarding the interest rate and lower closing costs.

DM 4 – Consider Resolution No. 2024-16 – Adopting the Landscape Maintenance Memorandum of Agreement with Florida Department of Transportation (FDOT)

Mr. Miller presented Resolution No. 2024-16, entitled:

RESOLUTION NO. 2024-16

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE ST. LUCIE WEST SERVICES DISTRICT APPROVING
AND AUTHORIZING EXECUTION OF FLORIDA
DEPARTMENT OF TRANSPORTATION, DISTRICT FOUR,
LANDSCAPE MAINTENANCE MEMORANDUM OF
AGREEMENT.**

Mr. Miller explained that when FDOT started the improvements to the I-95 bridge, a landscaping plan was presented to all the parties involved, to wit: The District, the City of Port St. Lucie, FDOT and the Reserve CDD. Over the past year several meetings were held to determine the type of planting, maintenance responsibilities and any liabilities that needed to be considered.

The District and the City have worked closely concerning the look of public areas and both agree that this interchange should remain maintained as it has been.

The District has maintained the right-of-way areas along the off-ramps of Interstate 95 since 1999 and would like to continue to do so.

Mr. Miller noted that this agreement would not have any impact on the budget, as the District has already been maintaining the areas discussed.

There was no discussion regarding this item.

DM 5 – Consider Purchase of New Rolloff Truck from The Peterbilt Store of Fort Pierce

Mr. Miller presented the item indicating that this would replace the 2015 Freightliner Rolloff Truck, currently used to haul biosolids for the Wastewater Treatment Plant, and to haul debris for the Public Works Divisions.

Mr. Miller highlighted the fact that, if approved, it would be purchased from a vendor located in Fort Pierce, Florida, and indicated that using a local vendor will allow a closer response time assisting in the maintenance or warranty of the truck, if needed.

Mr. Miller advised that the cost was within the FY 2025 budget and would be split between the Wastewater (65%) and Stormwater Divisions (35%).

Discussion ensued regarding the Sheriff's Agreement Discount and the auctioning of the old truck on GovDeals.com.

DM 6 – Consider Request to Advertise for a Public Hearing to Consider Adoption of an Amendment of the District's Rules Establishing Water, Wastewater and Irrigation Water Systems Rates, Fees and Charges

Mr. Miller presented the item indicating that the newspaper had missed the publication dates for this Public Hearing, previously scheduled for October 8, 2024.

Ms. Archer confirmed that the ad had been sent to the newspaper, the newspaper had provided a proof, which Ms. Archer had approved, but that there had been a "system glitch" and it did not get published.

Mr. Miller indicated that staff is requesting authorization to advertise for a Public Hearing on November 5, 2024, to consider amending the District's Rules Establishing Water, Wastewater and Irrigation Water System Rates, Fees and Charges.

A brief discussion ensued.

DM 7 – Consider Resolution No. 2024-17 – Designating an Official Custodian of the District's Public Funds

Mr. Miller presented Resolution No. 2024-17, entitled:

RESOLUTION NO. 2024-17

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE ST. LUCIE WEST SERVICES DISTRICT,
DESIGNATING AN OFFICIAL CUSTODIAN OF THE
DISTRICT'S PUBLIC FUNDS, AND PROVIDING AN
EFFECTIVE DATE.**

Mr. Miller advised that Truist had advised that they require the designation of an official custodian for the District's funds. He indicated it was an administrative item.

Mr. Pierman noted that he already serves as the District Treasurer, for which documentation has been sufficient in the past. This resolution will designate Mr. Pierman as Custodian of the District's Public Funds.

There were no questions from the Board Members.

Mr. Miller noted, with the upcoming storm, the District was providing sandbags. This information was available on the District's website. There is a maximum of six per person preferred.

Mr. Miller indicated that the office may close Tuesday afternoon to allow staff time to prepare themselves personally. He also noted that some staff would "live" here during the storm. He will know more tomorrow.

Mr. Miller indicated there would be an update on the Peacock Boulevard Improvement Project at tomorrow's meeting.

Mr. Miller advised that he was working with Tiffany Jackson from the Commercial Association regarding the Bethany Project. Supervisor Haseltine asked for clarification of this project to which Mr. Miller replied that there was a dirt road behind Sun Terrace which the District uses to gain access to the ponds and preserves.

Vice Chairman Graci asked if the pond levels had been lowered. Mr. Rouse advised that the District had dropped the water levels last week and that the levels were down 8-inches and still dropping in anticipation of an extreme rainfall event.

Secretary Ney asked if there had been any reports of recent flooding to which Mr. Rouse responded that there was some in Country Club Estates due to yard debris blocking the drains, but that it was draining quickly.

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 August, 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

Secretary Ney indicated he was sorry to hear about Mr. Mocuta's resignation.

Vice Chairman Graci reminded everyone to be safe, be careful driving and to tell the stand-by crews to be safe as well.

There were no further comments from the Board Members.

K. Adjournment

There being no further items to be addressed, the Workshop Meeting was adjourned at 9:25 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
October 8, 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
Gregg Ney – Secretary – in-person
Diane Haseltine- Supervisor – in-person

Staff Present

Josh Miller, District Manager, St. Lucie West Services District (“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, Assistant Public Works Director – in-person
Lisa-Marie Beans, Human Resources Specialist, SLWSD – in-person
Ruth Holmes, District Counsel, Torcivia, Donlon, Goddeau & Ansay, P.A. – in-person
Fairborz Zanganeh, 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

Also present were District residents Deane Piekara and Ms. Renais; and Stephanie Brown of Special District Services, Inc.

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 all 4 Supervisors were in attendance.

D. Approval of Minutes

- 1. August 26, 2024, Workshop**
- 2. August 27, 2024, Public Hearings & Regular Board Meeting**
- 3. September 10, 2024, Public Hearing & Special Board Meeting**

The minutes of the August 26, 2024, Workshop, the August 27, 2024, Public Hearings & Regular Board Meeting and the September 10, 2024, Public Hearing & Special Board Meeting were presented for consideration.

A **MOTION** was made by Secretary Ney, seconded by Vice Chairman Graci approving the minutes of the August 26, 2024, Workshop, as presented; the minutes of the August 27, 2024, Public Hearings & Regular Board Meeting, as presented; and the minutes of the September 10, 2024, Public Hearing & Special Board Meeting, as presented. Upon being put to a vote, the **MOTION** carried 4 to 0.

E. Public Comment

Amanda McKenzie of 121 NE Twylite Terrace approached the podium and introduced herself. She took issue with the proposed 9% rate increase and asked why it was so much.

Discussion included the location of Ms. McKenzie's residence not being within the District's service area. Ms. McKenzie advised that her water bill notified of the proposed rate increase and that the Public Hearing to consider same would be held today at the District's offices.

After some discussion, Ms. McKenzie was asked to bring in her bill so that District staff could further research why she received this notification if her residence is not within the District's service area.

That concluded the public comment portion of the meeting.

**F. District Attorney
DA 1 – Status Report/Updates**

Ms. Holmes presented her report, noting that today was the 30th day to appeal the bond. She indicated that it should be scheduled for closing.

That concluded Ms. Holmes' updates.

**G. District Engineer
DE 1 – Status Report/Updates**

Mr. Zanganeh had nothing further to add to his monthly report presented in the meeting materials.

**H. District Manager
Action Items**

DM 1 – Consider District Manager Annual Performance FY 2024

Mr. Miller advised that he had met with each individual Board Member to go over his performance.

A **MOTION** was made by Secretary Ney, seconded by Vice Chairman Graci and passed unanimously selecting 14 (b) Taking action to extend this Agreement for one additional year beyond its then-current term of the District Manager's Employment Agreement, retroactive to October 1, 2024.

DM 2 – Consider Revised District Manager and Staff Prescriptive Goals and Performance Objectives for FY 2025

Mr. Miller presented the revised District Manager and Staff Prescriptive Goals and Performance Objectives for FY 25 for Board consideration.

A **MOTION** was made by Vice Chairman Graci, seconded by Secretary Ney and passed unanimously approving the Revised District Manager and Staff Prescriptive Goals and Performance Objectives for FY 25, as presented.

DM 3 – Consider Utility Revenue and Refunding Bonds, Series 2024 Term Sheet with Truist Commercial Equity, Inc. and Consider Truist Bank as Bond Trustee

Mr. Miller presented the item and noted that the interest rate was a “not to exceed” percentage and should go down.

A **MOTION** was made by Secretary Ney, seconded by Supervisor Haseltine and passed unanimously approving the Utility Revenue and Refunding Bonds Series 2024 with Truist Commercial Equity, Inc., and Truist Bank as the Bond Trustee, as presented.

DM 4 – Consider Resolution No. 2024-16 – Adopting the Landscape Maintenance Memorandum of Agreement with Florida Department of Transportation (FDOT)

Mr. Miller presented Resolution No. 2024-16, entitled:

RESOLUTION NO. 2024-16

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ST. LUCIE WEST SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF FLORIDA DEPARTMENT OF TRANSPORTATION, DISTRICT FOUR, LANDSCAPE MAINTENANCE MEMORANDUM OF AGREEMENT.

A **MOTION** was made by Vice Chairman Graci, seconded by Secretary Ney and passed unanimously adopting Resolution No. 2024-16, as presented.

DM 5 – Consider Purchase of New Roll Off Truck from The Peterbilt Store of Fort Pierce

Mr. Miller presented the item and asked if there were any questions. A brief discussion ensued regarding the warranty.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously approving the purchase of a 2025 Peterbilt Model 548 with Galfab 60K Roll Off from the Peterbilt Store of Fort Pierce for the not-to-exceed amount of \$227,848, broken down as follows:

Available Project Budget for Wastewater (65%):	\$ 150,000.00
Available Project Budget for Stormwater (35%):	\$ 80,000.00
Wastewater Project No.: 5-31101 (65%):	\$ 148,101.20
Stormwater Project No.: 1-34101 (35%):	\$ 79,746.80
Wastewater Available Balance:	\$ 1,898.80
Stormwater Available Balance:	\$ 253.20

as presented.

DM 6 – Consider Request to Advertise for a Public Hearing to Consider Adoption of an Amendment of the District’s Rules Establishing Water, Wastewater and Irrigation Water Systems Rates, Fees and Charges

Mr. Miller presented the item and recommended approval.

A **MOTION** was made by Vice Chairman Graci, seconded by Secretary Ney and passed unanimously approving the advertising for a Public Hearing to Consider Adoption of an Amendment of the District’s Rules Establishing Water, Wastewater and Irrigation Water Systems Rates, Fees and Charges, for November 5, 2024, as presented.

DM 7 – Consider Resolution No. 2024-17 – Designating an Official Custodian of the District’s Public Funds

Mr. Miller presented Resolution No. 2024-17, entitled:

RESOLUTION NO. 2024-17

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE ST. LUCIE WEST SERVICES DISTRICT,
DESIGNATING AN OFFICIAL CUSTODIAN OF THE**

DISTRICT'S PUBLIC FUNDS, AND PROVIDING AN EFFECTIVE DATE.

Mr. Miller indicated this was an administrative action required by Truist regarding the Utility Revenue and Refunding Bonds Series 2024 and he recommended approval.

A **MOTION** was made by Vice Chairman Graci, seconded by Supervisor Haseltine and passed unanimously adopting Resolution No. 2024-17, designating Jason Pierman as the Official Custodian of the District's Public Funds, as presented.

DM 8 – Other Items

Mr. Miller indicated that it was necessary to officially accept Mr. Mocuta's resignation from the Board.

A **MOTION** was made by Secretary Ney, seconded by Supervisor Haseltine and passed unanimously accepting the resignation of Viorel Mocuta from the District Board, effective September 11, 2024.

There was a brief discussion regarding filling the vacancy.

Mr. Miller advised that he had, thus far, received 8 applications for the Public Information Officer position. He has not yet held any interviews due to the impending storm but will advise as the process progresses.

Mr. Miller noted that the District's offices were closing today at noon in anticipation of Tropical Storm/Hurricane Milton. The plan is to re-open District offices Friday morning.

Mr. Miller indicated that the Reserve CDD evaluation was going well and he hopes to present it to the Board at the December meeting.

Mr. Miller noted that he expects the final bond feasibility report in December.

Mr. Miller advised that there was nothing new to report regarding the Peacock Boulevard Project.

Mr. Miller advised of his vacation plans for the end of October.

That concluded Mr. Miller's updates.

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 August, 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 Secretary Ney approving Consent Agenda items CA 1 through CA 7, as presented. Upon being put to a vote, the **MOTION** carried unanimously.

J. Supervisor Requests

Secretary Ney wished everyone well in the next few days because of the impending storm.

Vice Chairman Graci told everyone to be safe.

Chairman Doughney wished Mr. Mocuta the best.

K. Adjournment

There being no further items to be addressed, the Regular Board Meeting was adjourned at 9:41 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, October 8, 2024

Item

PH 1 Consider Adoption of Resolution 2024-13 Amending Chapter III of the Rules of the St. Lucie West Services District Relating to Water, Wastewater and Irrigation Water System Regulations, Rates, Fees, Charges and Operating Policies for the Utility Services; Revising Schedules A and D to provide for Annual Rate Adjustments; Providing an Effective Date.

Summary

Provided for your review and consideration is the Adoption of Resolution 2024-13 Amending Chapter III of the Rules of the St. Lucie West Services District Relating to Water, Wastewater and Irrigation Water System Regulations, Rates, Fees, Charges, and Operating Policies for Utility Services; Revising Schedules A and D to provide for Annual Rate Adjustments; Providing an Effective Date.

The Public Hearing was advertised in the St. Lucie News Tribune on October 4, 2024 and October 11, 2024. The attached affidavit of publication verifies that the advertisement of this public hearing was published within the general circulation at least 28 days prior to the public hearing on November 5, 2024.

Recommendation

Staff recommends that the Board of Supervisors adopt Resolution 2024-13 amending Chapter III of the Rules of the St. Lucie West Services District Relating to Water, Wastewater and Irrigation Water System Regulations, Rates, Fees, Charges, and Operating Policies for Utility Services; Revising Schedules A and D to provide for Annual Rate Adjustments; Providing an Effective Date.

District Manager: Joshua C Miller

Assistant Utilities Director: TJ Bayer

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:

AFFIDAVIT OF PUBLICATION

Laura Archer
Slw Services District
St Lucie West Services District
2501 Burns RD # A
Palm Beach Gardens FL 33410-5207

STATE OF WISCONSIN, COUNTY OF BROWN

Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Advertising Representative of the Indian River Press Journal/St Lucie News Tribune/Stuart News, newspapers published in Indian River/St Lucie/Martin Counties, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of Classified Legal CLEGL, was published on the publicly accessible websites of Indian River/St Lucie/Martin Counties, Florida, or in a newspaper by print in the issues of, on:

10/04/2024, 10/11/2024

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 10/11/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$1570.43
Tax Amount: \$0.00
Payment Cost: \$1570.43
Order No: 10631214
Customer No: 1125983
PO #:

of Copies:
1

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

KAITLYN FELTY
Notary Public
State of Wisconsin

**NOTICE OF PUBLIC HEARINGS TO CONSIDER THE ADOPTION OF AN
AMENDMENT OF THE DISTRICT'S RULES ESTABLISHING WATER,
WASTEWATER, AND IRRIGATION WATER SYSTEM RATES, FEES, AND
CHARGES**

The Board of Supervisors ("Board") of the St. Lucie West Services District ("District") will hold a public hearings on Tuesday, November 5, 2024, at 9:00 a.m., in the Board Meeting Room located at 450 SW Utility Drive, Port St. Lucie, Florida 34986, for the purpose of hearing public comment and objections to the adoption of revised rates, fees, and charges for monthly water, wastewater, and irrigation charges within the District's utility system service area in St. Lucie County

If adopted by the Board, the proposed amendment to the District's rates for monthly water, wastewater, and irrigation charges shall be effective commencing on December 1, 2024. The amendment proposes to implement an increase of nine percent (9.0%) to the existing utility rates, resulting in the proposed rate structure set forth below. The existing base facility and consumption rates, and the proposed base facility and consumption rates to be effective for utility service periods commencing December 1, 2024, and thereafter, are as follows:

Water System:	Existing Rates	New Rates
Base Facility Charges (All Services)		
5/8" x 3/4" Meter Size	\$ 17.00	\$ 18.53
1" Meter Size	42.51	46.34
1-1/2" Meter Size	85.03	92.68
2" Meter Size	136.05	148.29
3" Meter Size	272.06	296.55
4" Meter Size	425.11	463.37
6" Meter Size	850.22	926.74
8" Meter Size	1,360.36	1,482.79
Monthly Commodity Charge		
Charge per 1,000 gallons of metered water:	\$ 3.82	\$ 4.16
Bulk Water		
Bulk Meter (per ERC)	\$ 10.85	\$ 11.83
Charge per 1,000 gallons of metered water	3.29	3.59
Monthly Dispensed Water through District hose	55.13	60.09
Wastewater System:		
Base Facility Charge (All Services):		
5/8" x 3/4" Connection	\$ 21.26	\$ 23.17
1" Connection	53.16	57.94
1-1/2" Connection	106.28	115.85
2" Connection	170.03	185.33
3" Connection	340.07	370.68
4" Connection	531.39	579.22
6" Connection	1,062.81	1,158.46
8" Connection	1,700.45	1,853.49
Monthly Commodity Charge		
Charge per 1,000 gallons of metered water service	\$ 4.25	\$ 4.63
Bulk Wastewater		
Charge per 1,000 gallons of metered use:	\$ 3.66	\$ 3.99
Irrigation Water Service:		
Residential per month per lot:		
Single family:	\$ 20.34	\$ 22.17
Multi-family:	14.25	15.53
Industrial/Commercial and Common Areas:		
Per Common Area Acre Irrigated	\$ 122.08	\$ 133.07
Golf Course:		
Charge per 1,000 gallons used:	\$ 0.2400	\$ 0.2600

A copy of the proposed amendment will be available at the District Office, 450 SW Utility Drive, Port St. Lucie, Florida 34986. Any person who wishes to provide a proposal for a lower cost regulatory alternative as provided by Section 120.54(1) must do so in writing within 21 days after publication of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearing is advised that the person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based. The meetings are open to the public and will be conducted in accordance with the provisions of Florida law for community development districts. The meeting may be continued to a date, time, and place to be specified on the record at the meeting.

In accordance with the Americans with Disabilities Act, any individual requiring special accommodations or an interpreter to receive District information or participate at these meetings should contact the District Administrator at 1-561-630-4922 and/or toll free at 1-877-737-4922 at least five (5) calendar days prior to the meeting. Persons who are hearing impaired may contact the Florida Relay Service at 1-800-955-8770 for aid in contacting the District's office.

Dated this 8th day of October 2024.

Joshua C. Miller, District Manager
ST. LUCIE WEST SERVICES DISTRICT

www.slwsd.org

RESOLUTION NO. 2024-13

A RESOLUTION AMENDING CHAPTER 111 OF THE RULES OF THE ST. LUCIE WEST SERVICES DISTRICT RELATING TO WATER, WASTEWATER, AND IRRIGATION WATER SYSTEM REGULATIONS, RATES, FEES, CHARGES, AND OPERATING POLICIES FOR UTILITY SERVICES; PROVIDING AN EFFECTIVE DATE.

(AMENDMENT XXXI TO CHAPTER 111)

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Sections 120.54, 190.011(5), and 190.035, Florida Statutes, as amended.

SECTION 2. FINDINGS. The Board of Supervisors of the St. Lucie West Services District ("Board") hereby finds and determines as follows:

- a. The St. Lucie West Services District ("District") is a local unit of special purpose government organized and existing under and pursuant to Chapter 190, Florida Statutes, as amended, of the State of Florida.
- b. The Board is authorized under Chapters 120 and 190, Florida Statutes, to adopt this Resolution as a Rule of the District.
- c. The purpose of this Rule is to amend certain rates, fees, and charges established by the District in its provision of water, wastewater, and irrigation water utility services.
- d. This Rule is necessary to establish and maintain uniform and comprehensive rates and regulations for the provision of water, wastewater, and irrigation water service throughout the District at levels necessary to generate sufficient revenue from users benefiting from such service to pay operating expenses and debt service requirements of the water, wastewater, and irrigation water system.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF ST. LUCIE WEST SERVICES DISTRICT:

SECTION 3. CHAPTER 111 AMENDED. Chapter 111 of the Rules of the St. Lucie West Services District is hereby amended by revising Schedules A (Water and Wastewater Rates and Charges) and D (Irrigation Water Rates and Charges), as more particularly described in the attached revised Schedules.

SECTION 4. EFFECTIVE DATE. This Rule shall become effective on **December 1, 2024.**

APPROVED AND ADOPTED this 5th day of November 2024.

**ATTEST:
DISTRICT**

ST. LUCIE WEST SERVICES

By: _____
Secretary/Assistant Secretary

By: _____
Chairperson/Vice Chairperson

SCHEDULE A

The rates, fees, and charges to be paid for water and wastewater service shall be as follows, effective November 1, 2024:

<u>Water System:</u>	<u>Existing Rates</u>	<u>New Rates</u>
<u>Base Facility Charges (All Services)</u>		
5/8" x 3/4" Meter Size	\$ 17.00	\$ 18.53
1" Meter Size	42.51	46.34
1-1/2" Meter Size	85.03	92.68
2" Meter Size	136.05	148.29
3" Meter Size	272.06	296.55
4" Meter Size	425.11	463.37
6" Meter Size	850.22	926.74
8" Meter Size	1,360.36	1,482.79
<u>Monthly Commodity Charge</u>		
Charge per 1,000 gallons of metered water:	\$ 3.82	\$ 4.16
<u>Bulk Water</u>		
Bulk Meter (per ERC)	\$ 10.85	\$ 11.83
Charge per 1,000 gallons of metered water	3.29	3.59
Monthly Dispensed Water through District hose	55.13	60.09
<u>Wastewater System:</u>		
<u>Base Facility Charge (All Services):</u>		
5/8" x 3/4" Connection	\$ 21.26	\$ 23.17
1" Connection	53.16	57.94
1-1/2" Connection	106.28	115.85
2" Connection	170.03	185.33
3" Connection	340.07	370.68
4" Connection	531.39	579.22
6" Connection	1,062.81	1,158.46
8" Connection	1,700.45	1,853.49
<u>Monthly Commodity Charge</u>		
Charge per 1,000 gallons of metered water service:	\$ 4.25	\$ 4.63
<u>Bulk Wastewater</u>		
Charge per 1,000 gallons of metered use:	\$ 3.66	\$ 3.99

SCHEDULE D

The rates, fees, and charges to be paid for irrigation water service shall be as follows, effective November 1, 2024:

Irrigation Water Service:

Residential per month per lot:

Single family:	\$ 20.34	\$ 22.17
Multi-family:	14.25	15.53

Industrial/Commercial and Common Areas:

Per Common Area Acre Irrigated	\$ 122.08	\$ 133.07
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Golf Course:

Charge per 1,000 gallons used:	\$ 0.2400	\$ 0.2600
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St. Lucie West Services District

Board Agenda Item
Tuesday, November 5, 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:
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**TORCIVIA, DONLON,
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Daniel Harrell, Of Counsel

*FLORIDA BAR BOARD CERTIFIED
CITY COUNTY AND LOCAL GOVERNMENT ATTORNEY

October 23, 2024

St. Lucie West Services District
District Attorney's Report
Time Period September 24, 2024 – October 21, 2024

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

1. Drafted Opinion Letter for the Bond Validation;
2. Attended one bond validation call;
3. Worked with bond counsel, editing and providing recommendations on various closing documents for the Bond Validation, including the District's Certification;
4. Negotiated changes to the Truist Wire Transfer Agreement;
5. Drafted Service Agreement for Chairman Doughney and its associated Resolution;
6. Worked with FDOT regarding the execution of the Final Approved I-95 Landscape Maintenance Memorandum of Agreement (MMA);

Sincerely,

Ruth A. Holmes
Ruth A. Holmes, Esq.

St. Lucie West Services District

Board Agenda Item
Tuesday, November 5, 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:
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Client: St. Lucie West Services District

Topic: Monthly Project Status Report –November 05, 2024

Date of Status: 10/18/2024

1) General

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

2) SLW 018 Stormwater Review

- i) Status:
No new action and/or resubmittal of pending work authorization applications.

3) SLW031 System Engineer's Bond Report

- i) Status: ISS completed the System Engineer's Bond Report which was approved by the Board of Supervisors in July 2024 and provided to the Bond Issuance Team.

- ii) Actions:
None

4) SLW034 Reserve CDD Engineering Evaluation

- i) Status:
 - a. SLWSD Board approved the Task Order at their meeting on July 8, 2024.
 - b. ISS has completed it's review of data and completed developing an inventory of the Reserve's utility assets.
 - c. ISS has developed GIS shapefiles containing the water distribution and wastewater collection system assets.
 - d. ISS has used the GIS shapefiles to develop hydraulic modeling representations of the water distribution and wastewater collection system. The modeling frameworks have been built and are operational. ISS has begun to assign water demand at the billing meter locations for the water distribution system hydraulic model. ISS has begun to develop sanitary wastewater loads to each sanitary lift station for the wastewater collection system hydraulic model.
 - e. ISS submitted Preliminary Evaluation Report on Oct 11, 2024
 - f. ISS participated in an informal review meeting with SLWSD staff on Oct 15, 2024
 - g. A formal review meeting has been scheduled for Oct 21, 2024.
- ii) Actions:
 - a. ISS anticipates completing the water distribution and wastewater collection system hydraulic modeling assessment in late Oct.

- b. ISS anticipates beginning to finalize the system deficiencies and begin the development of system improvements after the Oct 21 review meeting.

5) SLWXXX DIW Civil/Site and Piping Improvements for UIW Project

i) Status:

- a. ISS attended a meeting on August 30 with SLWSD staff and Hydro Designs engineers to discuss the Deep Injection Well civil/site design needs.

ii) Actions:

- a. ISS preparing a Task Order to perform the engineering design needed

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

- a) SLWSD Water System Design Criteria Package
- b) Ion Exchange Pilot Testing
- c) Update Utility Standards - Future
- d) Concept Design & Cost Estimate for the WWTF Third Train - Future
- e) WTP Onsite Potable Storage Assessment - Future
- f) WWTF Grease Collection System - Future
- g) SLWSD System Wide Irrigation Modeling (10 HOAs±) - Future



St. Lucie West Services District

Board Agenda Item
Tuesday, November 5, 2024

Item

DM 1 Consider Resolution No. 2024-18 Expressing Appreciation to J.E. “Jack” Doughney, III
for His Dedicated Service to the District

Summary

Recommendation

Staff Recommend Adoption of Resolution No. 2024-18.

District Manager: Joshua Miller

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:
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RESOLUTION 2024-18
RESOLUTION OF APPRECIATION OF
THE BOARD OF SUPERVISORS OF
ST. LUCIE WEST SERVICES DISTRICT
TO J. E. “JACK” DOUGHNEY, III

WHEREAS, J. E. “Jack” Doughney, III was elected to the Board of Supervisors of St. Lucie West Services District starting in 2000 and for multiple terms thereafter; and

WHEREAS, J. E. “Jack” Doughney, III performed outstanding service to the District during his years as Chairman and Supervisor of St. Lucie West Services District and took an unusual, personal interest in performing his task; and

WHEREAS, J. E. “Jack” Doughney, III served the District for eleven years above and beyond the usual call to duty until November 5, 2024; and

BE IT RESOLVED that St. Lucie West Services District, its Board of Supervisors, and each individual member thereof and its officers and other personnel hereby express their sincere and deep appreciation to J. E. “Jack” Doughney, III for his outstanding service to the District.

BE IT FURTHER RESOLVED that this Resolution be made a part of the permanent records of the District and copy thereof to be duly signed and awarded to J. E. “Jack” Doughney, III.

Dated this 5th day of November, 2024.

ST. LUCIE WEST SERVICES DISTRICT

ATTEST

By: _____
Secretary

By: _____
Vice Chairman

(DISTRICT SEAL)



Presented to

J. E. “Jack” Doughney, III

In Recognition and Appreciation of

11 Years of

Dedicated Service

as a Board Supervisor and Chairman at

St. Lucie West Services District

November 5, 2024

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

DM 2 Consider Approval of Professional Services Agreement with J.E. “JACK” DOUGHNEY III

Summary

Provided for your review and approval is a Professional Services Agreement with J.E. “JACK” DOUGHNEY III. The Contractor agrees to provide professional services as an intergovernmental liaison to the District.

Contract duration will begin December 4, 2024, and end on September 30, 2025, subject to a renewal date of October 1, 2025, for an additional term of (1) year.

This agreement may be terminated by either party with or without cause upon thirty (30) days written notice.

Recommendation

Staff recommend moving forward with the approval of this Professional Agreement with J.E. “JACK” DOUGHNEY III.

District Manager: Joshua C Miller

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:
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PROFESSIONAL SERVICES AGREEMENT -
INTERGOVERNMENTAL LIAISON

THIS AGREEMENT is made this _____ day of November, 2024, between the **ST. LUCIE WEST SERVICES DISTRICT**, a community development district organized and existing under the laws of the State of Florida ("District"), acting by and through its Board of Supervisors ("Board"), and **J.E. "JACK" DOUGHNEY III**, ("Contractor"). The District and the Contractor shall be referred to herein collectively as "the Parties."

WHEREAS, the District is a local unit of special-purpose government that provides urban community development services to the St. Lucie West community in accordance with Chapter 190, Florida Statutes; and

WHEREAS, Contractor has served the District as a member of the Board of Supervisors for eleven years, two of which were as Chairman of the District's Board. Contractor has served in management of municipal government in south Florida for more than 45 years and has served on various municipal zoning and planning boards during this time.

WHEREAS, Contractor is a retired public service employee and has chosen not to run for re-election to the District's Board of Supervisors as his term expires on November 5, 2024; and

WHEREAS, the District's Board and District staff recognize the breadth of local government and management knowledge and experience that Contractor has brought to the District over the last seven years and recognize that Contractor could still provide valuable service and advice to the District; and

WHEREAS, Contractor represents that he is capable and prepared to provide ongoing professional services and agrees to provide professional services to the District as an Intergovernmental Liaison to the District.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL BENEFITS TO FLOW EACH TO THE OTHER, THE PARTIES AGREE AS FOLLOWS:

1. The recitals set forth above are true and correct and incorporated herein.
2. **AGREEMENT.** The District agrees to accept from the Contractor, and the Contractor agrees to provide to the District, professional services subject to the following terms and conditions:
 - a) When asked by the District Manager, the District's Board of Supervisors, the District Manager or designee, or the District's legal counsel, the Contractor agrees to:
 - i) accompany District personnel to meetings with other local governments and special districts within and around the geographic region of St. Lucie County (This activity does not include representation of the District on any other government's legislative or policy decisions); and
 - ii) provide advice to the District regarding various

governmental matters.

b) The District agrees to pay to the Contractor for professional services provided in accordance with this Agreement, and for expenses incurred in the provision of such services, as follows:

- 1) Payment for services shall be at the rate of One Hundred Dollars (\$100.00) per hour of time expended, with the understanding that the total amount shall not exceed \$10,000.00 for the initial term (December 4, 2024, through September 30, 2025), and shall not to exceed \$12,000.00 for any subsequent annual period without the express written consent of the District's Board of Supervisors. The Contractor's time shall be logged by service provided and date of service, in one-quarter hour increments, and invoiced on a monthly basis.
- 2) Actual and reasonable expenses incurred by the Contractor in providing services under this Agreement, shall be invoiced and paid on a monthly basis, provided, however, that per diem and travel expenses shall be subject to prior written approval by the District Manager and the limitations set forth in Section 112.061, Florida Statutes.

3. TERM; TERMINATION. The initial term of this Agreement shall commence on December 4, 2024, and shall extend through and including September 30, 2025, subject to renewal as provided in paragraph 9 below, provided, however, and notwithstanding any other provision, this Agreement may be terminated by either party with or without cause upon thirty (30) days' written notice to the other party.

4. CONSIDERATION. The parties agree that the consideration for this Agreement shall be, for the District, the professional services provided by the Contractor, and for the Contractor, the sums paid by the District.

5. PUBLIC RECORDS. Contractor agrees to comply with Florida Statutes regarding public records and specifically agrees to:

- a) Keep and maintain public records required by the District to perform the service.
- b) Upon request from the District, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided for by Florida Statutes.
- c) Ensure that public records that are confidential or exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Agreement and following completion of this Agreement if the Contractor does not transfer the records to the District.
- d) Upon termination of this Agreement, Contractor shall transfer, at no cost to the

District, all public records in possession of the Contractor and destroy any duplicate public records if any. The Contractor shall transfer the public records in a format that is compatible with the information technology systems of the District.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO C O N T R A C T O R ' S D U T Y T O P R O V I D E P U B L I C R E C O R D S R E L A T I N G T O T H I S A G R E E M E N T, P L E A S E C O N T A C T T H E D I S T R I C T ' S M a d e l i n e M a l d o n a d o, S t. L u c i e W e s t S e r v i c e s D i s t r i c t, M a i n # (7 7 2) 3 4 0 - 0 2 2 0 e x t. 1 0 1 o r mmaldonado@slwsd.org, o r m a i l : 4 5 0 S . W . U T I L I T Y D R I V E , P O R T S T. L U C I E , F L O R I D A 3 4 9 8 6 .

6. E-VERIFY

a) As a condition precedent to entering into this Agreement, and in compliance with Section 448.095, Fla. Stat., Contractor and its sub-contractors shall, register with and use the E-Verify system to verify work authorization status of all employees hired after January 1, 2021.

b) Contractor shall require each of its sub-contractors to provide Contractor with an affidavit stating that the sub-contractor does not employ, contract with, or subcontract with an unauthorized alien. Contractor shall maintain a copy of the sub-contractor's affidavit as part of and pursuant to the records retention requirements of this Agreement

7. SCRUTINIZED COMPANIES

a) The Contractor certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List and are not engaged in the boycott of Israel. Pursuant to section 287.135, Florida Statutes, the District may immediately terminate this Agreement at its sole option if the Firm or any of its subcontractors are found to have submitted a false certification; or if the Contractor or any of its subcontractors, are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of this Agreement.

b) If this Agreement is for one million dollars or more, the Contractor certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or engaged in business operations in Cuba or Syria as identified in Section 287.135, Florida Statutes. Pursuant to Section 287.135, the District may immediately terminate this Agreement at its sole option if the Contractor, or any of its subcontractors are found to have submitted a false certification; or if the Contractor or any of its subcontractors are placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or are or have been engaged with business operations in Cuba or Syria during the term of this Agreement.

c) The Contractor agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

d) The Contractor agrees that the certifications in this section shall be effective and relied upon by the SLWSD for the term of this Agreement, including any and all renewals.

e) The Contractor agrees that if it or any of its subcontractors' status changes in regard to any certification herein, the Contractor shall immediately notify the District of the same.

f) As provided in Subsection 287.135(8), Florida Statutes, if federal law ceases to authorize the above-stated contracting prohibitions then they shall become inoperative.

8. INDEPENDENT CONTRACTOR STATUS AND RESPONSIBILITY. The Contractor is an independent contractor and is not an employee or agent of the District. Nothing in this Agreement shall be interpreted to establish any relationship other than that of an independent contractor between the District, on the one hand, and the Contractor, on the other, during or after the performance of this Agreement. The Contractor shall take the whole responsibility and shall bear all losses resulting to him on account of error or omissions. The Contractor shall comply with all applicable provisions of safety laws, rules, ordinances, regulations, and orders of duly constituted public authorities and agencies exercising regulatory authority over him. The Contractor assumes all risk of loss, damage, and destruction to all of his materials, tools, appliances, property of every description, including legal fees, court costs, or other legal expenses, arising out of or in connection with the performance of this Agreement. The Contractor agrees forever to save and keep harmless and fully indemnify the District, its officers, employees, and agents of and from all losses, liabilities, damages, claims, actions, legal proceedings, settlements, judgments, recoveries, costs, and expense because of loss of, or damage to, property, or injury to or deaths of persons in any way arising out of or in connection with the performance of this Agreement and attributable to the negligence or other wrongful conduct of the Contractor.

9. RENEWAL. Unless earlier terminated as provided in Section 3, this Agreement shall renew automatically on October 1, 2025, for an additional term of one (1) year. Any renewal subsequent to the term ending September 30, 2026, shall be effective only upon written agreement of the parties.

10. NONDISCRIMINATION. The Contractor covenants and agrees that it shall not discriminate against any employee or applicant for employment to be employed in the performance of this Agreement with respect to hiring, tenure, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of age, sex, or disability (except where based on a bona fide occupational qualification); or because of marital status, race, color, religion, national origin, or ancestry.

11. AUDIT. The Contractor agrees that until the expiration of three (3) years after expenditure of funds under this Agreement, the District and any of its duly authorized representatives shall have access to and the right to examine any and all directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this Agreement. The Contractor agrees that payments made under this Agreement shall be subject to reduction for amounts charged that are found on the basis of audit examination not to constitute allowable fees or costs. All required records shall be maintained until an audit is completed and all questions arising from such audit are resolved, or until three (3) years after completion of all work under this Agreement.

12. ASSIGNMENT. The Contractor shall not assign this Agreement to any other person or firm without first obtaining the written approval of the District.

13. ATTORNEYS' FEES AND COSTS. In the event either party defaults in the performance of any of the terms, covenants, and conditions of this Agreement, the defaulting party agrees to pay all damages and costs incurred by the other party, including reasonable attorneys' fees.

14. NOTICES. All notices or other communications hereunder shall be in writing and shall be deemed duly given if delivered in person or sent by certified mail, return receipt requested, and addressed as follows:

If to the District:
District Manager
St. Lucie West Serv. Dist.
450 S.W. Utility Dr.
Port St. Lucie, FL 34986

If to the Contractor:
J.E. "Jack" Doughney III

Port St. Lucie, Florida

15. INDULGENCE NOT WAIVER The indulgence of either party with regard to any breach or failure to perform any provision of this Agreement shall not be deemed to constitute a waiver of the provision or any portion of this Agreement, either at the time the breach or failure occurs, or at any time throughout the term of this Agreement.

16. ENTIRE AGREEMENT; AMENDMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements between the parties. This Agreement may only be amended by written document, properly authorized, executed, and delivered by both parties.

17. INTERPRETATION; VENUE. This Agreement shall be interpreted as a whole unit, and section headings are for convenience only. All interpretations shall be governed by the laws of the State of Florida. In the event it is necessary for either party to initiate legal action regarding this Agreement, venue shall be in the Nineteenth Judicial Circuit, in and for St. Lucie County, Florida, for claims under state law, and in the Southern District of Florida for claims justiciable in federal court.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be approved and executed, as follows:

ATTEST:

ST. LUCIE WEST SERVICES DISTRICT

BY: _____
BOARD OF SUPERVISORS, SECRETARY **Date** _____

BY: _____
BOARD OF SUPERVISORS, CHAIRMAN **Date** _____

BY: _____
J.E. "JACK" DOUGHNEY, III **Date** _____

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024.

Item

DM 3 Consider Resolution No. 2024-19 Approving the Sale, Issuance, and Terms of Sale of the District's Utility System Revenue and Refunding Bond, Series 2024, to Truist Commercial Equity, Inc. Pursuant to a Private Placement through MBS Capital Markets, LLC.

Summary

Presented for Board review and approval is a resolution that, if adopted, would (1) authorize the sale of the District's Utility System Revenue and Refunding Bond, Series 2024 (the "Series 2024 Bond") to Truist Commercial Equity, Inc. pursuant to a private placement through MBS Capital Markets, LLC, (2) approve the appointment of Truist Bank, as trustee, (3) approve the forms of Master Trust Indenture, First Supplemental Trust Indenture, and Series 2024 Bond, (4) approve the refunding of the District's Utility Revenue Refunding Bonds, Series 2011, Utility Revenue Bonds, Series 2013 and Utility Revenue Refunding Bonds, Series 2014, (5) approve the undertaking of the Series 2024 Project, and (6) ratify prior actions of the Board with respect to the issuance of the Series 2024 Bond.

Recommendation

Staff recommend approving Resolution No. 2024-19 approving the sale, issuance, and terms of sale of the Series 2024 Bond to Truist Commercial Equity, Inc.

District Manager: Joshua C Miller

Budget Impact

Project Number:	Available Project Budget:
ORG Number:	This Project:
	Available Balance:

Board Action

Moved by:	Seconded by:	Action Taken:
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RESOLUTION NO. 2024-19

A RESOLUTION OF THE BOARD OF SUPERVISORS OF ST. LUCIE WEST SERVICES DISTRICT (THE "DISTRICT") APPROVING THE SALE, ISSUANCE AND TERMS OF SALE OF THE ST. LUCIE WEST SERVICES DISTRICT UTILITY REVENUE AND REFUNDING BOND, SERIES 2024 (THE "SERIES 2024 BOND") IN ORDER TO CURRENTLY REFUND AND REDEEM ALL OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE DISTRICT'S UTILITY REVENUE REFUNDING BONDS, SERIES 2011, UTILITY REVENUE BONDS, SERIES 2013, AND UTILITY REVENUE REFUNDING BONDS, SERIES 2014 (COLLECTIVELY, THE "REFUNDED BONDS") AND FINANCE CERTAIN IMPROVEMENTS TO THE DISTRICT'S UTILITY SYSTEM (THE "SERIES 2024 PROJECT"); ESTABLISHING THE INTEREST RATE, MATURITY DATE, REDEMPTION PROVISIONS AND OTHER DETAILS THEREOF; APPROVING A PRIVATE PLACEMENT FOR THE SERIES 2024 BOND; APPROVING THE FORMS OF THE MASTER TRUST INDENTURE AND FIRST SUPPLEMENTAL TRUST INDENTURE AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF BY CERTAIN OFFICERS OF THE DISTRICT; APPOINTING A TRUSTEE, PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2024 BOND; APPROVING THE FORM OF THE SERIES 2024 BOND; AUTHORIZING CERTAIN OFFICERS OF THE DISTRICT TO TAKE ALL ACTIONS REQUIRED AND TO EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024 BOND; AUTHORIZING THE VICE CHAIRMAN AND ASSISTANT SECRETARIES TO ACT IN THE STEAD OF THE CHAIRMAN OR THE SECRETARY, AS THE CASE MAY BE; SPECIFYING THE APPLICATION OF THE PROCEEDS OF THE SERIES 2024 BOND; AUTHORIZING CERTAIN OFFICERS OF THE DISTRICT TO TAKE ALL ACTIONS AND ENTER INTO ALL AGREEMENTS REQUIRED IN CONNECTION WITH THE REFUNDING OF THE REFUNDED BONDS AND THE UNDERTAKING OF THE SERIES 2024 PROJECT; 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 sale and issuance of the St. Lucie West Services District Utility Revenue and Refunding Bond, Series 2024 (the "Series 2024 Bond") to be issued under and pursuant to a Master Trust Indenture, to be dated as of the first day of the first month and year in which the Series 2024 Bond is issued thereunder (the "Master Indenture"), between the District and Truist Bank, Wilson, North Carolina, as

trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture to be dated as of the first day of the first month and year in which the Series 2024 Bond is issued thereunder (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") between the District and the Trustee, in order to currently refund and redeem all of the Outstanding principal amount of the District's Utility Revenue Refunding Bonds, Series 2011, Utility Revenue Bonds, Series 2013 and Utility Revenue Refunding Bonds, Series 2014 (collectively, the "Refunded Bonds") and finance a portion of the Costs of certain capital improvements to the District's Utility System (the "Series 2024 Project");

WHEREAS, the Board has received a proposal from Truist Commercial Equity, Inc., a Delaware corporation (the "Lender") in the nature of a term sheet (the "Commitment") submitted through MBS Capital Markets, LLC (the "Placement Agent") for the purchase of the Series 2024 Bond, and the Board has previously approved such Commitment at a meeting of the Board duly called and held on October 8, 2024; and

WHEREAS, in conjunction with the sale and issuance of the Series 2024 Bond, it is necessary to approve the forms of the Master Indenture and Supplemental Indenture, to establish the principal amount, interest rate, maturity date, redemption provisions, placement fee, costs and certain other details with respect thereto, to approve the form of the Series 2024 Bond and to provide for various other matters with respect to the Series 2024 Bond and the refunding and redemption of the Refunded Bonds and the undertaking of the Series 2024 Project.

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. Award. Pursuant to Section 190.016(7), Florida Statutes, the Board hereby determines that, in its judgment, the issuance of the Series 2024 Bond will be advantageous to the District. The sale of the Series 2024 Bond to the Lender upon the terms and conditions set forth in the Commitment, and in a principal amount not to exceed the amount set forth in the Commitment, is hereby authorized and approved. The Placement Agent shall be paid a placement fee of 1.0% of the principal amount of the Series 2024 Bond, the payment of which fee from the proceeds of the Series 2024 Bond is hereby approved.

3. Private Placement. The Board hereby determines that a private placement of the Series 2024 Bond through the facilities of the Placement Agent is in the best interests of the District because the market for instruments such as the Series 2024 Bond is limited, because of prevailing market conditions and because

the delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2024 Bond.

4. Approval of Forms of Master Indenture and Supplemental Indenture; Appointment of Trustee, Paying Agent and Bond Registrar. Attached hereto as Exhibit A are the forms of the Master Indenture and Supplemental Indenture, which are each hereby authorized and approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest the Master Indenture and Supplemental Indenture and the Chairman is hereby authorized to deliver to the Trustee the Master Indenture and Supplemental Indenture which, when executed and delivered by the Trustee, shall each constitute the legal, valid and binding obligation of the District, enforceable in accordance with its respective terms. Trust Bank is hereby appointed as Trustee, Paying Agent and Bond Registrar under the Indenture.

5. Description of Series 2024 Bond. The Series 2024 Bond shall be dated as of the date of issuance and delivery to the Lender and may be issued in one Series in a principal amount not to exceed \$60,270,000, having such details as are set forth in the Series 2024 Bond and as reflected in the Supplemental Indenture. The Series 2024 Bond shall be subject to redemption on the terms, at the times and prices and in the manner provided in the form of Series 2024 Bond attached to the Supplemental Indenture, which form is hereby approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest and seal the Series 2024 Bond and the Chairman is hereby authorized to deliver to the Trustee for authentication and delivery to the Lender upon payment by the Lender of the purchase price therefor, the Series 2024 Bond which, when authenticated and delivered by the Trustee, shall be the legal, valid and binding obligation of the District, enforceable in accordance with its terms.

6. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the Series 2024 Bond, 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 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 Series 2024 Bond and the consummation of all transactions in

connection therewith, including the execution of all certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Indenture, this Resolution, and the Commitment.

The Vice Chairman is hereby authorized to act in the stead of the Chairman in any undertaking authorized or required of the Chairman hereunder and any Assistant Secretary is hereby authorized to act in the stead of the Secretary in any undertaking authorized or required of the Secretary hereunder.

8. Deposits to Funds and Accounts. The Trustee is hereby authorized and directed to apply the proceeds of the Series 2024 Bond in the amounts and in the manner set forth in Section 401 of the Supplemental Indenture.

9. Refunding of the Refunded Bonds; Undertaking of the Series 2024 Project; Execution and Delivery of Other Instruments. The Board hereby authorizes and approves the refunding of the Refunded Bonds. The Board hereby authorizes the undertaking of the Series 2024 Project and authorizes and directs the District staff and Consulting Engineers to proceed with due diligence to the completion thereof in accordance with the Indenture.

The Board hereby authorizes the Chairman and the Secretary to execute and deliver, receive or enter into such agreements, contracts, documents, instruments, certificates and proceedings incident thereto or necessary in order to effect the refunding of the Refunded Bonds, the undertaking of the Series 2024 Project and the issuance, sale and delivery of the Series 2024 Bond.

10. Approval of Prior Actions. All actions taken to date by the members of the Board and the officers, agents and consultants of the District in furtherance of the issuance of the Series 2024 Bond, including but not limited to the approval of the Commitment, are hereby approved, confirmed and ratified.

11. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

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

PASSED in Public Session of the Board of Supervisors of St. Lucie West Services District, this 5th day of November, 2024.

**ST. LUCIE WEST SERVICES
DISTRICT**

Attest:

Secretary/Assistant Secretary

Chairman/Vice Chairman,
Board of Supervisors

Exhibit A – Forms of Master Indenture and Supplemental Indenture

MASTER TRUST INDENTURE

BETWEEN

ST. LUCIE WEST SERVICES DISTRICT

AND

**TRUIST BANK,
AS TRUSTEE**

Dated as of November 1, 2024

**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 November 1, 2024, 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 **TRUIST BANK**, as trustee (the "Trustee"), a North Carolina banking corporation 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:

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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 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.

"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.

"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.

"Bond Registrar" shall mean the bank or trust company designated as such by Supplemental Indenture with respect to a Series of Bonds for the purpose of maintaining the registration books of the District reflecting the names, addresses, and other identifying information of the Owners of Bonds of such Series.

"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 November 1, 2024, 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 the Operation and Maintenance Fund 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 Truist Bank, 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:

Truist Bank
2713 Forest Hills Road, Building 2, Floor 2
Wilson, North Carolina 27893
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 written 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. Except as otherwise provided herein or in a Supplemental Indenture, 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 written 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 written 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 written 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 direction 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 in writing 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 written 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 for the portion of the Bond to which such Hedge Payment applies. 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 provided herein or in a Supplemental Indenture, 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 written 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; provided that, if provided in a Supplemental Indenture, additional events may be incorporated and constitute an "Event of Default" under and for purposes of this Master Indenture and such Supplemental 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 thirty (30) 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, including the right to declare any Bonds immediately due and payable; provided, however, that no Owner, the Trustee or any receiver shall have the right to declare any Bonds secured by a Bond Insurance Policy or Credit Facility immediately due and payable without the consent of any affected Insurers or Credit Banks except to the extent the acceleration of any Bonds secured by a Bond Insurance Policy or Credit Facility 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 of Bonds secured by a Bond Insurance Policy or Credit Facility 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.

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, entity, association or purchaser 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: Truist Bank
Corporate Trust Department
2713 Forest Hills Road, Building 2, Floor 2
Wilson, North Carolina 27893
Telephone: 252-246-2127
Facsimile: 252-246-4303

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.

[Remainder of Page Intentionally Left Blank]

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

TRUIST BANK,
as Trustee

By: _____
Senior Vice President

EXHIBIT A
FORM OF BOND

No. R-_____

\$

ST. LUCIE WEST SERVICES DISTRICT
UTILITY REVENUE BOND
SERIES _____

Maturity Date

Interest Rate

Dated Date

CUSIP

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 Truist Bank, 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 November 1, 2024, 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.

TRUIST BANK,
as Trustee

Date of Authentication:

By: _____
Senior 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 September 9, 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 Truist Bank, Wilson, North Carolina, as trustee (the "Trustee"), dated as of November 1, 2024, 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

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

ST. LUCIE WEST SERVICES DISTRICT

AND

TRUIST BANK,

AS TRUSTEE

Dated as of November 1, 2024

\$56,530,000 Utility Revenue and Refunding Bond, Series 2024

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this "First Supplemental Indenture") is dated as of November 1, 2024, between **ST. LUCIE WEST SERVICES DISTRICT** (the "District") and **TRUIST BANK**, as trustee (the "Trustee"), a North Carolina banking corporation, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 2713 Forest Hills Road, Building 2, Floor 2, Wilson, North Carolina 27893, Attention: Corporate Trust Department.

WHEREAS, the District entered into a Master Trust Indenture, dated as of November 1, 2024 (the "Master Indenture" and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its St. Lucie West Services District Utility Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

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 wastewater management, reclamation, and reuse or any combination thereof, and to construct and operate connecting intercepting or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts 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, 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 District has heretofore issued, sold and delivered its \$24,000,000 St. Lucie West Services District Utility Revenue Refunding Bonds, Series 2011 (the "Series 2011 Bonds"), as an issue of Bonds under an Indenture of Trust between the District and U.S. Bank National Association, as successor in trust to First Union National Bank (the "Prior Trustee"), dated as of February 1, 2000 (the

"Prior Master Indenture"), as supplemented by a Second Supplemental Trust Indenture, between the District and the Prior Trustee, dated as of October 1, 2011, for the principal purposes of (a) refunding and redeeming all of the then Outstanding St. Lucie West Services District Utility Revenue Bonds, Series 2000 (Senior Lien) and St. Lucie West Services District Utility Revenue Bonds, Series 2000 (Subordinate Lien), and (b) paying the costs of issuance of the Series 2011 Bonds; and

WHEREAS, the Series 2011 Bonds are currently Outstanding in the principal amount of \$9,955,000;

WHEREAS, the District has heretofore issued, sold and delivered its \$5,470,000 St. Lucie West Services District Utility Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), as an issue of Bonds under the Prior Master Indenture, as supplemented by a Third Supplemental Trust Indenture, between the District and the Prior Trustee, dated as of April 1, 2013, for the principal purposes of (a) financing the cost of certain capital improvements to the Utility System, (b) paying the costs of issuance of the Series 2013 Bonds, and (c) funding the Senior Lien Reserve Account (as defined in the Prior Master Indenture); and

WHEREAS, the Series 2013 Bonds are currently Outstanding in the principal amount of \$2,565,000; and

WHEREAS, the District has heretofore issued, sold and delivered its \$12,025,000 St. Lucie West Services District Utility Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds") as an issue of Bonds under the Prior Master Indenture, as supplemented by a Fourth Supplemental Trust Indenture, between the District and the Prior Trustee, dated as of August 1, 2014, for the principal purposes of (a) refunding and redeeming all of the then Outstanding St. Lucie West Services District Utility Revenue Bonds, Series 2004, (b) paying the costs of issuance of the Series 2014 Bonds, and (c) funding the Senior Lien Reserve Account; and

WHEREAS, the Series 2014 Bonds are currently Outstanding in the principal amount of \$10,005,000;

WHEREAS, the Series 2011 Bonds, the Series 2013 Bonds and the Series 2014 Bonds are all currently held by the Lender and are all subject to mandatory redemption by tender by the Lender on certain dates prior to the respective maturity dates (collectively, the "Put"); and

WHEREAS, the Series 2011 Bonds, the Series 2013 Bonds and the Series 2014 Bonds are collectively referred to herein as the "Refunded Bonds"; and

WHEREAS, the District has determined that under existing market conditions and in order to avoid the Put, it would be in the best financial interest of the District to currently refund and redeem all of the Refunded Bonds and to finance a portion of the Cost of the Series 2024 Project (hereinafter defined); and

WHEREAS, pursuant to Resolution No. 2024-19, adopted by the Board on November 5, 2024, the District has authorized the issuance, sale and delivery of, among other things, its \$56,530,000 St. Lucie West Services District Utility Revenue and Refunding Bond, Series 2024 (the "Series 2024 Bond"), which is issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2024 Bond and to set forth the terms of the Series 2024 Bond and the sale thereof; and

WHEREAS, the District will apply the proceeds of the Series 2024 Bond, together with other funds of the District, to (a) currently refund and redeem all of the Refunded Bonds, (b) finance a portion of the Cost of constructing and equipping certain capital improvements to the Utility System comprising the Series 2024 Project, (c) pay certain costs associated with the issuance of the Series 2024 Bond, and (d) pay a portion of the interest to become due on the Series 2024 Bond; and

WHEREAS, the Series 2024 Bond and any obligations issued on parity therewith pursuant to the Master Indenture shall be secured by the Trust Estate provided therein and herein; and

WHEREAS, the execution and delivery of the Series 2024 Bond and of this First Supplemental Indenture have been duly authorized by the Board and all things necessary to make the Series 2024 Bond, when executed by the District and authenticated by the Trustee, a valid and binding legal obligation of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Trust Estate have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2024 Bond by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, the Series 2024 Bond Outstanding from time to time, according to its tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2024 Bond (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions

of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the Pledged Funds and the other property comprising the Trust Estate on a parity with the lien and pledge thereof under the Master Indenture to any Additional Bonds issued under and pursuant to the Master Indenture;

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2024 Bond issued under and secured by this First Supplemental Indenture, and any Additional Bonds issued under and pursuant to the Master Indenture, without preference, priority or distinction as to lien or otherwise, of any one Bond over any other Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2024 Bond or any portion thereof issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2024 Bond, the Master Indenture and this First Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this First Supplemental Indenture 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 to it in accordance with the terms and provisions of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to the Series 2024 Bond or such portion thereof, otherwise this First Supplemental Indenture shall remain in full force and effect;

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the Series 2024 Bond issued and secured hereunder is to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture) and this First Supplemental Indenture, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the Owner of the Series 2024 Bond, as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Authorized Denomination" shall mean, with respect to the Series 2024 Bond, the then Outstanding principal amount of the Series 2024 Bond, from time to time; provided, however, that any partial redemption of the Series 2024 Bond shall be in integral whole number multiples of \$5,000.

"Default Rate" shall mean the lesser of (a) the sum of the Prime Rate plus four percent (4%) per annum, and (b) the maximum lawful rate.

"Engineer's Report" shall mean the St. Lucie West Services District Utility System Engineer's Bond Report for the Utility Revenue Bonds, Series 2024, dated June 27, 2024, prepared by Infrastructure Solution Services, LLC, a copy of which is attached hereto as Exhibit A.

"Event of Default" with respect to the Series 2024 Bond shall mean (a) an Event of Default under the Master Indenture, or (b) the failure of the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this First Supplemental Indenture for a period of thirty (30) days after the earlier of (i) the date written notice specifying such failure and requesting that it be remedied is given to the District by the Owner, or (ii) the date the District was required to give notice of the event or condition to the Owner pursuant to Section 602(b) hereof, unless the Owner shall agree in writing to an extension of such time prior to its expiration.

"Event of Taxability" shall mean the occurrence after the date of issuance of the Series 2024 Bond of a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Series 2024 Bond is or was includable in the gross income of an Owner for federal income tax purposes; provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the District has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the District's own expense to contest the same, either directly or in the name of any Owner, and until the conclusion of any appellate review, if sought. An Event of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable under Owner's gross income.

For all purposes of this definition, the effective date of any Event of Taxability will be the first date as of which interest is deemed includable in the gross income of the registered Owner of the Series 2024 Bond.

"Interest Payment Date" shall mean each April 1 and October 1, commencing April 1, 2025.

"Interest Rate" shall mean a per annum rate equal to (a) 4.42% prior to the occurrence of an Event of Taxability, and (b) after an Event of Taxability, the Taxable Rate. Notwithstanding the foregoing, after and during the continuance of an Event of Default, "Interest Rate" shall mean the Default Rate.

"Lender" or "Owner" shall mean, initially, Truist Commercial Equity, Inc., a Delaware corporation and/or its affiliates, successors and assigns, as the initial registered owner (or its authorized representative) of the Series 2024 Bond.

"Prime Rate" shall mean the per annum rate which the Lender's affiliate Truist Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Lender's affiliate Truist Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Series 2024 Project" shall mean those certain capital improvements to the Utility System to be financed with the proceeds of the Series 2024 Bonds on deposit in the Construction Account, as more particularly described in the Engineer's Report.

"Taxable Period" shall mean the period of time between (a) the date that interest on the Series 2024 Bond is deemed to be includable in the gross income of the Owner thereof for federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability and after which the Series 2024 Bond bears interest at the Taxable Rate.

"Taxable Rate" shall mean the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Event of Taxability. The Lender shall provide the District and the Trustee with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the District.

ARTICLE II
AUTHORIZATION, ISSUANCE AND PROVISIONS OF
SERIES 2024 BOND

Section 201. Authorization of Series 2024 Bond. The Series 2024 Bond is hereby authorized to be issued in the principal amount of \$56,530,000 for the purposes enumerated in the recitals hereto to be designated "St. Lucie West Services District Utility Revenue and Refunding Bond, Series 2024." The Series 2024 Bond shall be substantially in the form attached hereto as Exhibit B. The Series 2024 Bond shall bear the designation "2024R-1."

The Series 2024 Bond shall be initially issued in the form of a separate single certificated fully registered Series 2024 Bond. Subject to Section 205 hereof, the provisions of the Master Indenture with respect to the registration, transfer and exchange of Bonds shall apply to the Series 2024 Bond.

Section 202. Terms. The Series 2024 Bond shall be issued as one (1) Term Bond, shall be dated as of the date of its issuance and delivery to the initial purchaser thereof, shall bear interest at the Interest Rate per annum, subject to adjustment as hereinafter provided, and shall mature in the amount and on the date set forth below:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Initial Interest Rate</u>
\$56,530,000	October 1, 2044	4.42%

Section 203. Dating; Interest Accrual; Interest Adjustment. (a) The Series 2024 Bond shall be dated November 7, 2024. The Series 2024 Bond shall also bear its date of authentication. The Series 2024 Bond shall bear interest at the Interest Rate from its date.

(b) The District shall pay interest upon the unpaid principal balance of the Series 2024 Bond at the Interest Rate, subject to adjustment as provided herein. Interest on the Series 2024 Bond shall be due and payable on each April 1 and October 1, commencing April 1, 2025, and shall be calculated based upon a year of 360 days consisting of twelve (12) thirty (30) day months.

(c) Except as otherwise provided herein, upon the occurrence of an Event of Taxability and for as long as the Series 2024 Bond remains Outstanding, the Interest Rate on the Series 2024 Bond shall be converted to the Taxable Rate and this adjustment shall survive payment on the Series 2024 Bond until such time as the federal statute of limitations under which the interest on the Series 2024 Bond could be declared taxable under the Code shall have expired. In addition, upon an Event of Taxability, the District shall, immediately upon demand, pay to the Lender (or prior holders, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Series 2024 Bond during the Taxable Period, and (B) the amount of interest that would have been paid during the Taxable Period

had the Series 2024 Bond borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as a result of the Event of Taxability.

(d) Upon the occurrence of an Event of Default, interest on the Series 2024 Bond shall accrue from the date of the default at an interest rate equal to the Default Rate until such time as such Event of Default has been cured, at which time interest shall again accrue at the interest rate in effect prior to the occurrence of such Event of Default.

Section 204. Denominations. The Series 2024 Bond shall be issued in the Authorized Denomination.

Section 205. Transfer Restrictions. The registration of ownership of the Series 2024 Bond may be transferred only in whole and only to a Qualified Institutional Buyer (as defined in Section 517.021(20), Florida Statutes), certified by the transferee to the Trustee in writing, on which certification the Trustee may conclusively rely. The Series 2024 Bond shall bear a legend consistent with this Section 205.

Section 206. Bond Registrar and Paying Agent. The District appoints the Trustee as Bond Registrar and Paying Agent for the Series 2024 Bond.

Section 207. Conditions Precedent to Issuance of Series 2024 Bond. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2024 Bond, the Series 2024 Bond shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee and the Lender of:

(a) executed copies of the Master Indenture and this First Supplemental Indenture;

(b) a customary Bond Counsel opinion in a form satisfactory to the Lender;

(c) a customary opinion of Counsel to the District in a form satisfactory to the Lender;

(d) a certificate of an Authorized District Officer to the effect that, upon the authentication and delivery of the Series 2024 Bond, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;

(e) a certificate of the Consulting Engineers and a copy of the Engineer's Report, which sets forth the estimated Costs of the Series 2024 Project; and

(f) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

Payment to the Trustee of the net proceeds from the issuance of the Series 2024 Bond shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the Lender.

ARTICLE III REDEMPTION OF SERIES 2024 BOND

Section 301. Series 2024 Bond Subject to Redemption. The Series 2024 Bond is subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Anything herein or in the Master Indenture to contrary notwithstanding, the District shall provide notice of redemption, other than scheduled redemption from Sinking Fund Installments as to which no notice need be given, to the Trustee at least ten (10) Business Days prior to the date of redemption, and the Trustee shall provide notice of redemption, other than scheduled redemption from Sinking Fund Installments as to which no notice need be given, to the Lender at least two (2) Business Days prior to the date of redemption. Anything herein or in the Master Indenture to the contrary notwithstanding, any partial redemptions of the Series 2024 Bond other than Sinking Fund Installments shall be applied in inverse order of maturity, treating Sinking Fund Installments as maturities.

ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF

Section 401. Use of Series 2024 Bond Proceeds. The proceeds of sale of the Series 2024 Bond in the amount of \$56,530,000.00, less proceeds of the Series 2024 Bond in the amount of \$19,552,715.39, which shall be wired by the Lender directly to the Prior Trustee to be deposited to the Senior Lien Redemption Account established under the Prior Master Indenture, for a total of \$36,977,284.61, shall as soon as practicable upon the delivery hereof to the Trustee by the District, be applied as follows:

(a) \$770,382.27, representing the costs of issuance relating to the Series 2024 Bond, shall be deposited to the credit of the Transaction Cost Account in the Construction Fund;

(b) \$1,460,124.90, representing a portion of the interest coming due on the Series 2024 Bond through and including October 1, 2025, shall be deposited to the credit of the Interest Account in the Debt Service Fund; and

(c) \$34,746,777.44 shall be deposited to the credit of the Construction Account in the Construction Fund.

Proceeds of the Series 2024 Bond in the amount of \$19,552,715.39 will be wired to the Prior Trustee and, together with certain other moneys held by the Prior Trustee, will be deposited to the Senior Lien Redemption Account established under the Prior Master Indenture and used to refund and redeem the Refunded Bonds on November 7, 2024. Following the redemption of the Refunded Bonds, the Trustee is directed to deposit all moneys transferred from the Prior Trustee (representing all moneys on deposit in the funds and accounts established under the Prior Master Indenture) into the funds and accounts established under the Master Indenture as further provided in a certificate signed by an Authorized District Officer, upon which certificate the Trustee may conclusively rely.

Section 402. Construction Account. Amounts on deposit in the Construction Account shall be applied to pay Costs of the Series 2024 Project upon compliance with the requirements set forth in Section 403 of the Master Indenture.

Section 403. Transaction Cost Account. The amount deposited in the Transaction Cost Account shall be used to pay the costs of issuance relating to the Series 2024 Bond. Any amounts deposited in the Transaction Costs Account which are not used to pay such costs on or before May 1, 2025, shall on May 2, 2025, be transferred over and deposited into the Revenue Account and used for the purposes permitted therefor.

Section 404. Reserve Account. The Reserve Account Requirement for the Series 2024 Bond is hereby set at \$0.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth herein and in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article IX thereof.

ARTICLE VI MISCELLANEOUS

Section 601. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2024 Bond issued hereunder.

Section 602. Additional Covenants Required by the Lender. (a) For so long as the Series 2024 Bond is Outstanding, the District covenants and agrees that it will provide, at its own expense, to the Owner: (i) a copy of its audited financial statements no later than 270 days following the end of each Fiscal Year; (ii) a copy of its annual budget within thirty (30) days following the adoption by the District of such budget; and (iii) any such additional information that the Owner may reasonably request from time to time.

(b) The District shall, within five (5) days after it acquires knowledge thereof, notify the Lender in writing at its notice address provided herein, (i) of any change in any material fact or circumstance represented or warranted by the District in the Master Indenture or this First Supplemental Indenture or in connection with the issuance of the Series 2024 Bond, (b) upon the happening, occurrence, or existence of any Event of Default, and (c) of any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lender, with such written notice, a detailed statement by an Authorized District Officer of all relevant facts and the action being taken or proposed to be taken by the District with respect thereto. Regardless of the date of receipt of such notice by the Lender, such date shall not in any way modify the date of occurrence of the actual Event of Default.

(c) In the event any debt payable from or secured by the Pledged Funds is accelerated, the Lender shall have the right to accelerate the principal and interest of the Series 2024 Bond and upon the exercise of such right the principal and interest of the Series 2024 Bond shall become immediately due and payable.

(d) The Series 2024 Bond shall be governed by applicable federal law and the internal laws of the State. The District agrees that certain material events and occurrences relating to the Series 2024 Bond bear a reasonable relationship to the laws of the State and the validity, terms, performance and enforcement of the Series 2024 Bond shall be governed by the internal laws of the State which are applicable to agreements which are negotiated, executed, delivered and performed solely in the State. The parties hereto submit to the jurisdiction of State courts and federal courts and agree that venue for any suit concerning the Indenture shall be in St. Lucie County, Florida and the Southern District of Florida and applicable appellate courts.

(e) TO THE EXTENT PERMITTED BY LAW, THE DISTRICT KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY, WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED ON OR ARISING OUT OF THE MASTER INDENTURE, THIS FIRST SUPPLEMENTAL INDENTURE OR THE SERIES 2024 BOND, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, VERBAL OR WRITTEN STATEMENT OR ACTIONS OR OMISSIONS OF ANY PARTY WHICH IN ANY WAY RELATES TO THE SERIES 2024 BOND, THE MASTER INDENTURE OR THIS FIRST SUPPLEMENTAL INDENTURE.

(f) No modification or amendment of this First Supplemental Indenture may be made except with the written consent of the Lender. No modification or amendment to Sections 404 and 502, Article VI or Article VIII of the Master Indenture or amendments under Section 1001(m) may be made without the written consent of the Lender.

(g) Notwithstanding Section 607 of the Master Indenture, the Lender will have the right at all reasonable times to inspect the books, records and accounts of the District.

(h) Notwithstanding Section 608 of the Master Indenture, the Trustee will not waive any Event of Default without the express written consent of the Lender.

(i) The District shall pay all out of pocket expenses of the Lender including (i) the fees and expenses of counsel to the Lender in an amount not to exceed \$25,000 which shall be paid by the District directly to Holland & Knight LLP, (ii) any waiver or consent hereunder or any amendment hereof, or (iii) the enforcement or protection of the Owner's rights during or after any default or Event of Default hereunder.

Section 603. Applicability of Additional Bonds Test. The requirements of Section 502 of the Master Indenture shall only apply to Bonds issued subsequent to the issuance of the Series 2024 Bond.

Section 604. Notices. All notices, requests, consents and other communications under this First Supplemental Indenture ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

If to the District:	St. Lucie West Services District 450 SW Utility Drive Port St. Lucie, Florida 34986 Attn: District Manager
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With a copy to: Torcivia, Donlon, Goddeau & Rubin, P.A.
701 Northpoint Parkway, Suite 209
West Palm Beach, Florida 33407
Attn: Ruth A. Holmes, Esq.

If to the Lender: Truist Commercial Equity, Inc.
515 E. Las Olas Boulevard, 7th Floor
Fort Lauderdale, Florida 33302
Attn: Nanci Campbell

With a copy to: Holland & Knight LLP
100 North Tampa Street, Suite 4100
Tampa, Florida 33602
Attn: Michael Wiener, Esq.

Any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-Business Day, shall be deemed received on the next Business Day. If any time for giving Notice contained herein would otherwise expire on a non-Business day, the Notice period shall be extended to the next succeeding Business Day. Counsel for the District and counsel for the Lender may deliver Notice on behalf of the District or the Lender. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, St. Lucie West Services District has caused this First Supplemental Indenture to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Senior Vice President.

(SEAL)

ST. LUCIE WEST SERVICES DISTRICT

Attest:

Secretary

By:_____
Chairman, Board of Supervisors

TRUIST BANK,
as Trustee

By:_____
Senior Vice President

EXHIBIT A
DESCRIPTION OF SERIES 2024 PROJECT

[See Report of Consulting Engineer Attached Hereto]

EXHIBIT B

FORM OF SERIES 2024 BOND

THE REGISTRATION OF OWNERSHIP OF THIS BOND MAY BE TRANSFERRED ONLY IN WHOLE AND ONLY TO A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN SECTION 517.021(20), FLORIDA STATUTES) AS PROVIDED IN THE INDENTURE

No. 2024R-1

\$56,530,000

**UNITED STATES OF AMERICA
STATE OF FLORIDA
ST. LUCIE WEST SERVICES DISTRICT
UTILITY REVENUE AND REFUNDING BOND,
SERIES 2024**

<u>Maturity Date</u>	<u>Initial Interest Rate</u>	<u>Dated Date</u>
October 1, 2044	4.42%	November 7, 2024

Owner: TRUIST COMMERCIAL EQUITY, INC.

Principal Amount: FIFTY-SIX MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS

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 (as defined in the hereinafter defined Supplemental Indenture), as the same may be adjusted as provided in Section 203 of the hereinafter defined Supplemental Indenture, on April 1, 2025, and on each October 1 and April 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 and interest hereon is payable by wire or other electronic payment as mutually agreed upon by the Owner and the District, on the Interest Payment Date to the Person whose name appears on the Bond Register maintained by the Bond Registrar 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.

The District has not established a book-entry system of registration for the Series 2024 Bond and the transfer, registration and exchange of the Series 2024 Bond shall be as provided for in the Indenture and shall be maintained on the Bond Register maintained by the Bond Registrar on behalf of the District; provided that the Owner shall not be required to present or deliver this Series 2024 Bond for prepayment or principal installment payments.

This Bond is a duly authorized issue of bonds of the District designated as the "St. Lucie West Services District Utility Revenue and Refunding Bond, Series 2024" (the "Series 2024 Bond"), issued in the principal amount of \$56,530,000, 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 November 1, 2024 (the "Master Indenture"), between the District and Trust Bank, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of November 1, 2024, between the District and the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture").

The Series 2024 Bond is issued for the principal purposes of (a) currently refunding and redeeming all of the District's Outstanding Utility Revenue Refunding Bonds, Series 2011, Utility Revenue Bonds, Series 2013, and Utility Revenue Refunding Bonds, Series 2014, (b) financing a portion of the Cost of constructing and equipping certain capital improvements to the Utility System comprising the Series 2024 Project, (c) paying certain costs associated with the issuance of the Series 2024 Bond, and (d) paying a portion of the interest to become due on the Series 2024 Bond. The District may issue obligations on parity with the Series 2024 Bond as provided in the Indenture (the Series 2024 Bond and any obligations on parity therewith are hereinafter referred to as the "Bonds").

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 Series 2024 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.

The District may prepay the Series 2024 Bond in whole or in part on any date on or after November 7, 2034, at the Redemption Price of the principal amount of the Series 2024 Bond or portion thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024 Bond shall be subject to mandatory sinking fund redemption by operation of Sinking Fund Installments in the following principal amounts on the following dates:

October 1 of the Year	Sinking Fund Installment	October 1 of the Year	Sinking Fund Installment
2025	\$1,645,000	2035	\$2,810,000
2026	1,905,000	2036	2,935,000
2027	1,990,000	2037	3,065,000
2028	2,075,000	2038	3,200,000
2029	2,165,000	2039	3,340,000
2030	2,265,000	2040	3,485,000
2031	2,365,000	2041	3,640,000
2032	2,465,000	2042	3,800,000
2033	2,575,000	2043	3,970,000
2034	2,690,000	2044*	4,145,000

* Final maturity

The Series 2024 Bond redeemed in accordance with the foregoing Sinking Fund Installments shall be redeemed at the Redemption Price of 100% of the principal amount of the Series 2024 Bond or portion thereof so redeemed, plus accrued interest to the redemption date, and without redemption premium. Anything in the Indenture to the contrary notwithstanding, any redemptions other than Sinking Fund Installments shall be applied in inverse order of maturity.

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. 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 paid to the Owner), 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 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 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.

[Remainder of Page Intentionally Left Blank]

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 set forth above.

ST. LUCIE WEST SERVICES DISTRICT

(SEAL)

Chairman

ATTEST:

Secretary

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 September 9, 2024.

Chairman, Board of Supervisors,
St. Lucie West Services District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture.

TRUIST BANK,
as Trustee

Date of Authentication:

November 7, 2024

By: _____
Senior Vice President

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.

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

DM 4 Consider Acceptance of a Notice of Intent to Issue a Construction Permit for a New Injection Well

Summary

Presented for Board review and acceptance is a notice of intent to issue a construction permit for a new injection well located at 450 SW Utility Drive, Port St Lucie, FL 34986.

This injection well shall be used to discharge impurities removed by the water treatment plant reverse osmosis treatment membranes deep into the ground. Our current injection well is 20 years old and is near capacity.

This new injection well is being constructed to provide redundancy for SLWSD customers as well as provide additional discharge capacity to accommodate future growth.

Recommendation

Staff recommend accepting the notice of intent to issue a permit for the construction of a new injection well located at 450 SW Utility Drive, Port St Lucie, FL 34986.

District Manager: Joshua C Miller

Budget Impact

Project Number:	Available Project Budget:
ORG Number:	This Project:
	Available Balance:

Board Action

Moved by:	Seconded by:	Action Taken:
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State of Florida
Department of Environmental Protection

Notice of Intent

The Department of Environmental Protection hereby provides Notice of Intent to Issue a permit for the proposed project, subject to the conditions specified in the draft permit and summarized below. The applicant, St. Lucie West Services District, Joshua C. Miller, Utilities Director, 450 Southwest Utility Drive, Port St. Lucie, Florida 34986 applied on January 10, 2024 for a permit to construct a Class I injection well system. The project is located at the St. Lucie West Services District Water Treatment Plant, 450 Southwest Utility Drive, Port St. Lucie, Florida 34986, in St. Lucie County (File 0206302-006-UC/1X, WACS ID 94184).

The permittee will drill, construct, and operationally test one, non-hazardous Class I injection well (IW-2) to supplement the disposal of demineralized water concentrate, generated by the St. Lucie West Services District Water Treatment Plant (WTP) reverse osmosis treatment process, that is currently injected into injection well IW-1. The source water for the WTP reverse osmosis operation is obtained from the Floridan aquifer. The concentrate waste stream has a total dissolved solids concentration of approximately 18,000 milligrams per liter.

IW-2 is proposed to be constructed with a 14-inch outside diameter injection casing set to approximately 2,700 feet below land surface (bls), a 9 $\frac{5}{8}$ -inch nominal size tubing set to approximately 2,690 feet bls with a fluid-filled annulus (tubing and packer design), and total drilled depth of approximately 3,300 feet bls.

IW-2 is designed for a maximum injection rate of 1,504 gallons per minute and a maximum injection volume of 2.17 million gallons per day at an injection velocity of 10 feet per second in the proposed injection tubing of the well. The permitted injection rate and volume will be established after testing of the well is complete.

The dual-zone monitor well (DZMW-1) that is currently used for monitoring IW-1 will also be used to monitor IW-2. DZMW-1 is completed in the Floridan aquifer with an upper monitor zone at 1,614 to 1,664 feet bls and a lower monitor zone in the at 1,900 to 1,950 feet bls.

The Department has permitting jurisdiction under Chapter 403 of the Florida Statutes (F.S.) and the rules adopted thereunder. The project is not exempt from permitting procedures. The Department has determined that an Underground Injection Control permit is required for the proposed work.

The Department will issue the permit unless a petition for an administrative hearing is timely filed under Sections 120.569 and 120.57, F.S., before the deadline for filing a petition. On the filing of a timely and sufficient petition, this action will not be final and effective until further order of the Department. Because the administrative hearing process is designed to formulate final agency action, the hearing process may result in a modification of the agency action or even denial of the application.

Petition for Administrative Hearing

A person whose substantial interests are affected by the Department's action may petition for an administrative proceeding (hearing) under Sections 120.569 and 120.57, F.S. Pursuant to Rules 28-106.201 and 28-106.301, Florida Administrative Code (F.A.C.), a petition for an administrative hearing must contain the following information:

- a. The name and address of each agency affected and each agency's file or identification number, if known;

- b. The name, address, any e-mail address, any facsimile number, and telephone number of the petitioner, if the petitioner is not represented by an attorney or a qualified representative; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination;
- c. A statement of when and how the petitioner received notice of the agency decision;
- d. A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- e. A concise statement of the ultimate facts alleged, including the specific facts that the petitioner contends warrant reversal or modification of the agency's proposed action;
- f. A statement of the specific rules or statutes that the petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes; and
- g. A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wishes the agency to take with respect to the agency's proposed action.

The petition must be filed (received by the Clerk) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, or via electronic correspondence at Agency_Clerk@FloridaDEP.gov. A copy of the petition shall be mailed to the applicant at the address indicated above at the time of filing.

Time Period for Filing a Petition

In accordance with Rule 62-110.106(3), F.A.C., petitions for an administrative hearing by the applicant and persons entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of receipt of this written notice. Petitions filed by any persons other than the applicant, and other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of the notice or within 14 days of receipt of the written notice, whichever occurs first. The failure to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the discretion of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

Extension of Time

Under Rule 62-110.106(4), F.A.C., a person whose substantial interests are affected by the Department's action may also request an extension of time to file a petition for an administrative hearing. The Department may, for good cause shown, grant the request for an extension of time. Requests for extension of time must be filed with the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, or via electronic correspondence at Agency_Clerk@FloridaDEP.gov, before the deadline for filing a petition for an administrative hearing. A timely request for extension of time shall toll the running of the time period for filing a petition until the request is acted upon.

Mediation

Mediation is not available in this proceeding.

The files associated with this order are available for public inspection during normal business hours, 8 a.m. to 5 p.m., Monday through Friday, except state holidays, at the Department of Environmental Protection, Southeast District, 3301 Gun Club Road, MSC 7210-1 West Palm Beach, Florida 33406, and at the Department of Environmental Protection, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

Board Agenda Item
Tuesday, November 5, 2024

DM5 Consider Resolution No. 2024-20 – Adopting an Amended Budget for Fiscal Year 2024

Per Florida Statutes and state auditing requirements, the District must adopt a Final Amended Budget each year for the prior fiscal year. This must be completed no later than 60 days from the conclusion of the prior fiscal year.

The attached Final Amended Budget for Fiscal Year 2024 is an accounting of the District’s actual income and expenditures for the year – it represents a “true-up” for the prior fiscal year.

Please note that all “actual” numbers are as-of September 29, 2024. The reason for this is because some September invoices are still being received and we must leave a day open to account for those expenses. The revised numbers are estimates based on anticipated outstanding invoices and will therefore be slightly inflated from the true “actuals” through September 29, 2024.

Staff recommends adoption of Resolution No. 2024-20.

Moved by: Seconded by: Action Taken:

RESOLUTION NO. 2024-20

**A RESOLUTION OF THE ST. LUCIE WEST SERVICES DISTRICT
ADOPTING AN AMENDED FISCAL YEAR 2024 BUDGET; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Board of Supervisors of the St. Lucie West District (hereinafter called District) is empowered to impose special assessments upon the properties within the District; and,

WHEREAS, the District has prepared an Amended Budget for Fiscal Year 2024.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS
OF THE ST. LUCIE WEST SERVICES DISTRICT THAT:**

Section 1. The Amended Budget for Fiscal Year 2024 attached hereto as Exhibit “A” is hereby approved and adopted.

Section 2. The Secretary/Assistant Secretary of the District is authorized to execute any and all necessary transmittals, certifications or other acknowledgements or writings, as necessary, to comply with the intent of this Resolution.

PASSED, ADOPTED and EFFECTIVE this 5th day of November, 2024.

ATTEST:

ST. LUCIE WEST SERVICES DISTRICT

By: _____
Secretary

By: _____
Chairman

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

DM 6 Other Items

Summary

Discussion/Update items:

- NW Peacock Road Expansion Project Letter to City of PSL
- Public Information Officer Update
- Somerset Conceptual Site Development
- Reserve CDD Evaluation Update

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:
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NATHAN E. NASON

E-MAIL ADDRESS:
nnason@nasonyeager.com

DIRECT DIAL:
(561) 471-3505

FAX NUMBER:
(561) 686-5442

October 15, 2024

VIA EMAIL: rberrios@cityofpsl.com

Richard Berrios, City Attorney
City of Port St. Lucie
121 SW Port St Lucie Blvd.
Port Saint Lucie, FL 34984-5042

Re: The St. Lucie West Services District

Dear Mr. Berrios:

As you are aware, we represent St. Lucie West Services District (“SLWSD”) as special utility counsel. We write in response to your letter to Ms. Ruth Holmes, Esq. dated June 20, 2024 pertaining to whether SLWSD or the City of Port St. Lucie (the “City”) should pay for the cost of relocating water and sewer infrastructure within platted utility easements which are coextensive with rights-of-way assumed by the City. Following our retention to review this matter, we initiated a public records request to the City, seeking all pertinent documents. We received the final tranche of responsive records from the City on September 24th. Following an in-depth review of those records, and having fully considered the arguments posited in your June 20th letter, we conclude that the obligation to pay for such relocation lies with the City. Here’s why:

On January 20, 1988, the Thos. J. White Development Corp. recorded Plat No. 1 for St. Lucie West, which includes Peacock Road (the “Plat”). The Plat dedicated rights-of-way depicted therein to the general public and, pursuant to plat note 4, dedicated to SLWSD’s predecessor in interest, St. Lucie West Utilities, Inc., “utility easements which [shall] co-exist with all public and private road rights-of-way.” Consequently, by virtue of the plat, St. Lucie West Utilities, Inc., and now SLWSD, have the absolute legal right to operate and maintain utility infrastructure within the platted rights-of-way. The City did not accept the dedication of the rights-of-way until 2006, when it enacted resolution 06-R 09 (the “Resolution”), at which point, utility infrastructure had been in place for years.

Now, the City wishes SLWSD to relocate portions of its utility infrastructure within the Peacock Road platted easement/right-of-way at SLWSD’s expense. While the City recognizes, as it must, that Florida Statute Section 337.403(1)(j) provides that the City must bear that cost if the utilities lie within a platted easements, as they do here, the City posits that the Resolution, then existing City codes and Florida Statutes, and certain permits issued by the City created an

agreement or understanding that SLWSD would bear those costs. As will be demonstrated below, that argument fails.

Let's start with the Resolution. On Jan. 23, 2006, the City passed a Resolution whereby it accepted the streets and drainage facilities contained in the Plat when the City accepted the dedication, utility infrastructure was already in place in the co-extensive rights-of-way/utility easements. Neither SLWSD nor its predecessor was a party to the Resolution, nor were they the applicant. Furthermore, while your June 20th letter states that, pursuant to a report attached as Exhibit "D" to the Resolution, the City declined to accept the obligation to pay for utility relocations, the exhibit did not go that far. Exhibit "D", a Report prepared by American Consulting Engineers of Florida, LLC, merely states "we would suggest that the City require that the development . . . [b]e required to relocate their facilities at their cost when they interfere with future work". This statement neither absolves the City of its obligation to pay for utility relocation, particularly where required by statute, nor imposes that obligation on SLWSD.

SLWSD is neither the 'development' nor the developer referred in the Resolution. The developer is defined in the Resolution as "St. Lucie West Development Company, LLC" and the development is obviously the St. Lucie West Development. The mere fact that SLWSD provides utility services to the development does not transform it into the developer. Second, the Resolution did not require any party to bear the cost of relocation pursuant. American Consulting's suggestion was not made a condition of approval; it was merely a suggestion. Simply put, whatever legal import the Resolution may have, it does not remotely rise to the level of an agreement between the City and SLWSD requiring SLWSD to pay the cost of relocating its utility infrastructure if asked by the City. Further, as noted, as the statutory law now makes clear, that payment obligation is now the City's.

The same must be said for the various permits cited in your letter. At the outset, the City did not have the legal authority to require permits for repair work done to utility infrastructure because the infrastructure exists in a platted utility easement. Section 54.03(b) of the City's Code of Ordinances specifically provides that right-of-way permits are not required where the facilities are in place pursuant to "specific legal authority", in this case, platted easements. *Id.* ("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**")(emphasis added). This has recently been confirmed on an unrelated matter by the letter dated July 15, 2024 from the City, a copy of which is attached hereto:

Building permits, as required by the Florida Building Code under FS. 553, do not apply in statutory easements or Right-of-Way. Please let me know if you have any questions or concerns.

Second, while you cite a total of 17 permits (of which the City has only produced 6), the vast majority of repair and tapping work done by SLWSD within the subject roadways has been

done without permits. Scores, perhaps over 100, instances of similar utility work on these facilities have taken place since 2006 without any permits having been issued or required by the City.

Third, these permits cannot be considered to be agreements for at least two (2) reasons: the permits are not supported by legal consideration (because SLWSD always had the right to tap into, operate and maintain its facilities within a lawfully platted easement); and, these “agreements” were never authorized or approved by SLWSD’s governing board. Without these necessary prerequisites, no agreement could have come into place.

Finally, even if the permits rose to a level sufficient to constitute an agreement or were otherwise binding on SLWSD, their scope and effect would be limited to the specific improvements specified therein. Of the 6 permits that the City produced¹, all but one were either for a development tapping into existing utility lines or for valve replacement or repair. To illustrate, following is a brief abstract of the permits which the City produced:

18 SLW 20. This permit was issued in conjunction with the replacement of a SLWSD lift station which is located outside of the platted right-of-way/utility easement. The work being conducted within the right-of-way/utility easement was limited to tapping into an existing force main. We also note that this permit does not include a section entitled “permit requirements” which contains language to which you point to sustain your argument that SLWSD is required to pay for utility relocations.

18 SLW 76. This permit provided for a 60-inch concrete drainage pipe to cross Cashmere Street at a 90-degree angle. Even if the City wished to relocate this pipe, there is no valid engineering or practical reason to do so. Nonetheless, this is the only permit produced by the City which comprised anything more than routine tap in or valve replacement.

18 SLW 91. This permit dealt with a new valve placed on a reclaimed water pipe in order for a developer to tap into the pipe.

18 SLW 127. This permit is functionally identical to the prior permit, providing for tapping into an existing reclaimed water line.

19 SLW 35. This is an emergency valve repair on a potable water line.

19 SLW 110. This permit dealt with tapping into an existing re-use line.

Thus, even if the permits were sufficient to rise to the level of agreements or a binding obligation to pay for the cost of relocation of facilities (which they do not), their subject matter is confined to the discreet improvements described therein. The overwhelming majority of the utility

¹ While the City’s production included 8 permits, two, 18 CC 129 and 18 CC 130, were issued to Comcast, were not related to SLWSD, and have no bearing on the issue at hand.

infrastructure at issue here, indeed almost all of it, was installed and maintained with no permits being issued or required by the City. These few insignificant permits simply cannot be used to bootstrap an argument that SLWSD has agreed to forego the protections of Florida Statute 337.403(1)(j) and assume the cost of relocating all of its utility facilities other than those for the specific improvements which the permits were issued.

We pause to address your contention that the City's "understanding" of who might be responsible for the cost of relocating utility infrastructure was colored by conditions at the time, such as the fact that Florida Statute Section 337.403(1)(j) had not yet been enacted by the Florida legislature. Yet laws can, and do, change, and this amendment was enacted with the express intent to place the burden of relocating utilities existing in a platted or private utility easement on the governmental authority requesting relocation. As set forth above, none of the other circumstances you cite changes this fundamental precept. Instead, we believe this matter to be firmly, and exclusively, governed by Florida Statutes. Consequently, SLWSD must respectfully decline the City's request to participate in the cost of utility relocation within this Plat.

Very truly yours,

NASON, YEAGER, GERSON, HARRIS
& FUMERO, P.A.

Nathan E. Nason

Nathan E. Nason

cc: Joshua C. Miller – via email



BUILDING

Joel Dramis
Building Director

July 15, 2024

Joshua C Miller
District Manager
St. Lucie West Services District
450 SW Utility Drive
Port St. Lucie, FL 34986

Mr. Miller,

Building permits, as required by the Florida Building Code under FS.553, do not apply in statutory easements or Right-of-Way. Please let me know if you have any questions or concerns.

Sincerely,

Joel A. Dramis
Building Director

www.CityofPSL.com

St. Lucie West Services District

Board Agenda Item
Tuesday, November 5, 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:
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St. Lucie West Services District Public Works Department sep 2024

<u>Division</u>	<u>Service Orders*</u>	<u>Work Orders**</u>
Aquatics	65	6
Exotic Plant Removal	47	18
Storm Water	31	80
Vac Truck	9	0
Dredge Barge	0	0
Video Ray	6	0
Shop	185	0
Grand Total	343	104

Aquatics Division:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Algae	13	0
Injection Treatments	1	0
Hydrilla Treatments	3	0
Midge Fly Treatments	0	0
Harvester Removal	1	0
Surface Plant Treatments	4	0
Wetland & Upland Treatments	0	0
Debris Removal	34	0
Miscellaneous	9	6

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	18	18
Lygodium Treatments	1	0
Exotic Vegetation Treatments	4	n/a
Tree Removals	3	0
Preserves Maintenance	0	n/a
Vine Management	1	0
Miscellaneous	20	n/a

Scheduled Maintenance

- None

Storm Water Division:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Locates	n/a	76
Street Flooding	1	0
Grate Cleaning	15	4
Improved Landscaping & Mowing	3	n/a
Miscellaneous	12	0

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:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Cleaning Out Pipes	4	n/a
Cleaning Out Structures	3	n/a
Miscellaneous	2	n/a

Scheduled Maintenance

- None

Other Information

- _____ 275 _____ Estimated Footage Cleaned
- 0
- none

Storm Water Division / Dredge Barge:

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
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:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Viewing Pipes	6	n/a
Miscellaneous	0	n/a

Scheduled Maintenance

- None

Shop Division :

Operations & Maintenance:

<u>Type</u>	<u>Service Orders</u>	<u>Work Orders</u>
Vehicle Repair	38	n/a
Equipment Repair	77	n/a
Other Repair	70	n/a
Total Repairs	185	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, November 5, 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			
<u>WATER</u>					
Commercial Accounts			525		
Residential Accounts			6,286		
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
<u>WASTEWATER</u>					
Commercial Accounts			472		
Residential Accounts			6,286		
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 August:		-	ERC's		

St. Lucie West Services District Monthly Utilities Operations Report

September-24

Water Treatment Facility

- Total Finished Water Produced for September was
- The Finished Water Produced for the Previous Twelve Months was
- The Average Daily Flow of Finished Water for September was
- The Annual Average Daily Flow of Finished Water for September was
- The Three Month Average Daily Flow of Finished Water for September was
- The Water Treatment Plant Capacity is Operating at
- The Water Plant Annual Withdrawal Capacity per SFWMD WUP is at

54.75	MG
738.10	MG
1.83	MG
2.02	MG
1.88	MG
50.7%	
82.1%	

Water Treatment Plant Projects for September:

- Evaluation for Future Capacity Needs Ongoing
- New Injection Well FDEP Draft Permit Issued
- Series 2024 Utility Bonds Validated and Term Sheet Approved
-

Wastewater Treatment Facility

- Total Influent Wastewater flow for September was
- Total Effluent Wastewater flow for September was
- The Average Daily Flow of Influent Wastewater for September was
- The Average Daily Flow of Effluent Wastewater for September was
- The Annual Average Daily Flow of Influent Treated for September was
- The Three Month Average Daily Flow of Influent Treated for September was
- The Wastewater Plant Capacity is Operating at

45.16	MG
46.72	MG
1.51	MG
1.56	MG
1.49	MG
1.46	MG
56.0%	

Wastewater Treatment Plant Projects for September:

-
-



**Underground Utilities Division
Work Task and Service Order Monthly Report**

Month/Year: September-2024

Count	Description
47	New Service/Connect/Disconnect/occupant change
2	Install Permanent Meter
0	Remove Permanent Meter
1	Install Temporary Meter
1	Remove Temporary Meter
0	Lock off/Close Account
0	Lock off Return payment
1	Lock Off Temporary
3	Lock Off Non-Payment
13	Reconnection "No Fee"
4	Reconnection "Regular Hours"
3	Reconnection "After Hours"
0	Reconnection "Inspection"
54	Check for Leak "No Leak Found"
100	Check for Leak "Customers Responsibility"
32	Check for Leak "Districts Responsibility"
0	Meter Reading Exception
1	Meter Maintenance
4	Read Meter pull Data Office Request
9	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
0	Irrigation "Checking for Leaks and Turning on Or Shutting Off Valves"
9	Sewer "Backups, Sewer Caps, or Breaks"
0	Lift station "District"
0	Read Meter Office Request
45	Locates "Water Quality, Pressure, etc..."
6	Complaints "Water Quality, Pressure, etc..."
1	Follow up "Incomplete Task by District or Contractor from Previous Service Orders"
1	Read Meter pull Data Customer Request
0	Lift station /Private
0	Meter Test 1st Customer Request
2	Lockoff Non Payment Office
0	Irrigation Measurement
37	Service Action
101	AMI Leak Alarm
0	VACTOR used in Reserve CDD for RESERVE CDD Infrastructure Evaluation with ISS
UGU CONSTRUCTION CREW PROJECTS:	
<ul style="list-style-type: none"> • (2) ASPHALT REPAIRS-Heatherwood(1), Kings Isle(1) • (2) CONCRETE SIDEWALK REPAIRS - Lake Charles(1), Cascades(1) 	

IRRIGATION MONTHLY REPORT- SEPTEMBER 2024

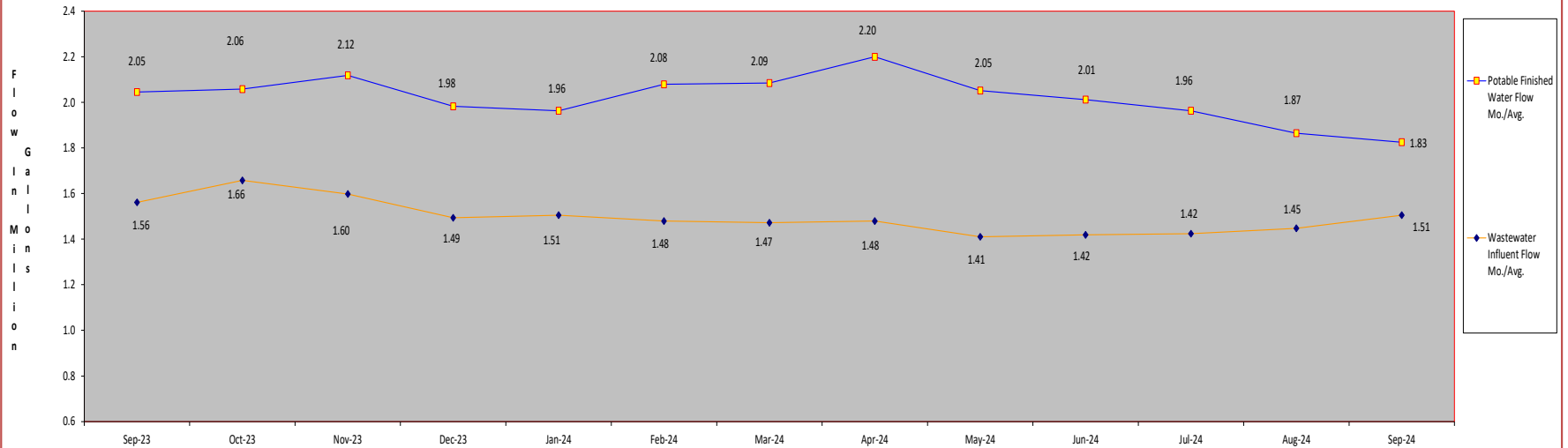
SERVICE ORDERS	
<u>S/O DESCRIPTION</u>	<u>TOTAL</u>
* CHECK FOR LEAK & OPERATE VALVES	18
IQ FOLLOW UP (ANGEL)	1
ACREAGE MEASUREMENT	0
COMPLAINTS	4
TIMER CHANGE REQUEST	0
ADDITIONAL TIME REQUEST NEW PLANTINGS	1
* Also reported un UGU MOR	

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	19.150	0.638	2.005
MAIN PUMP STATION	54.148	1.805	4.231
STORM WATER TRANSFER	0.000	0.000	0.000
SURFICIAL WELLS	0.000	0.000	0.000
BRACKISH WELLS	0.586	0.020	0.064
GOLF COURSE	0.965	0.032	0.198

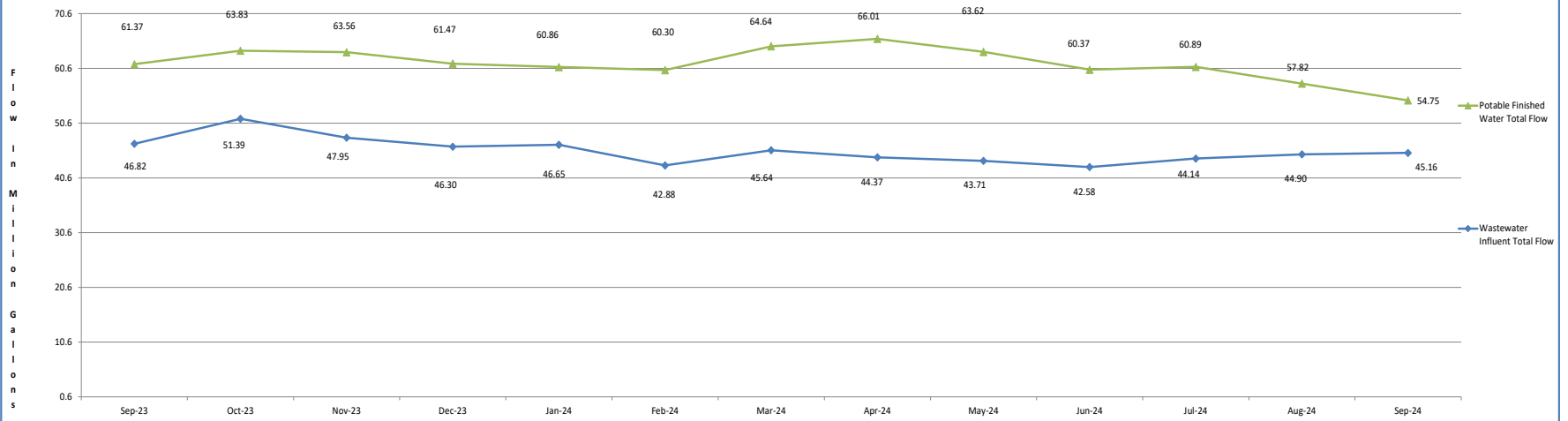
FLOWS (CATEGORIZED)			
	<u>TOTAL (MG)</u>	<u>%</u>	<u>MAX DAY (MG)</u>
REUSE	46.721	70.93%	2.026
STORMWATER	19.150	29.07%	
WELLS (ALL)	0.586	0.89%	
TOTAL	65.871	100.89%	

PROJECTS	

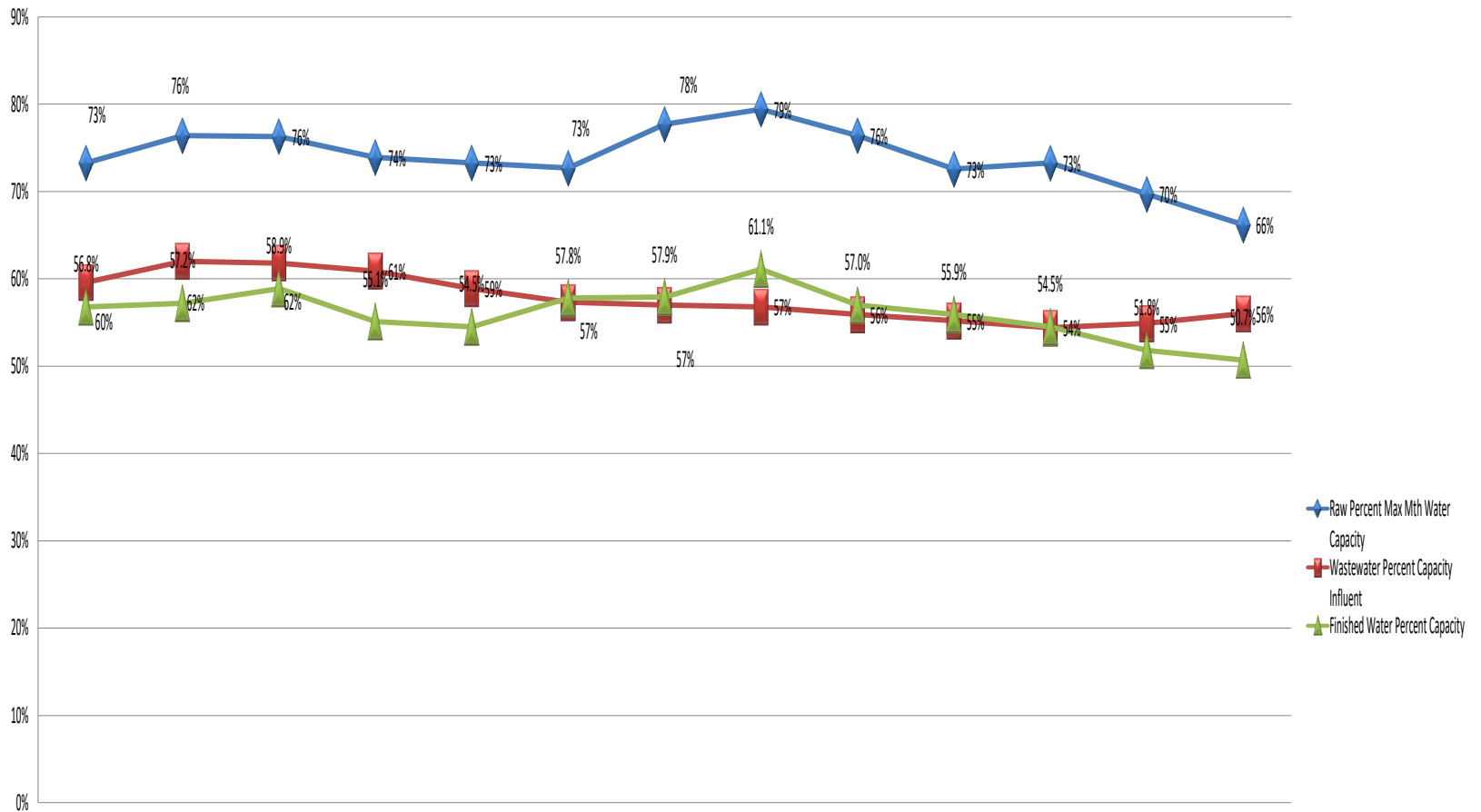
St. Lucie West Services District Water & Wastewater Average Daily Flows



St. Lucie West Services District Water & Wastewater Monthly Total Flows

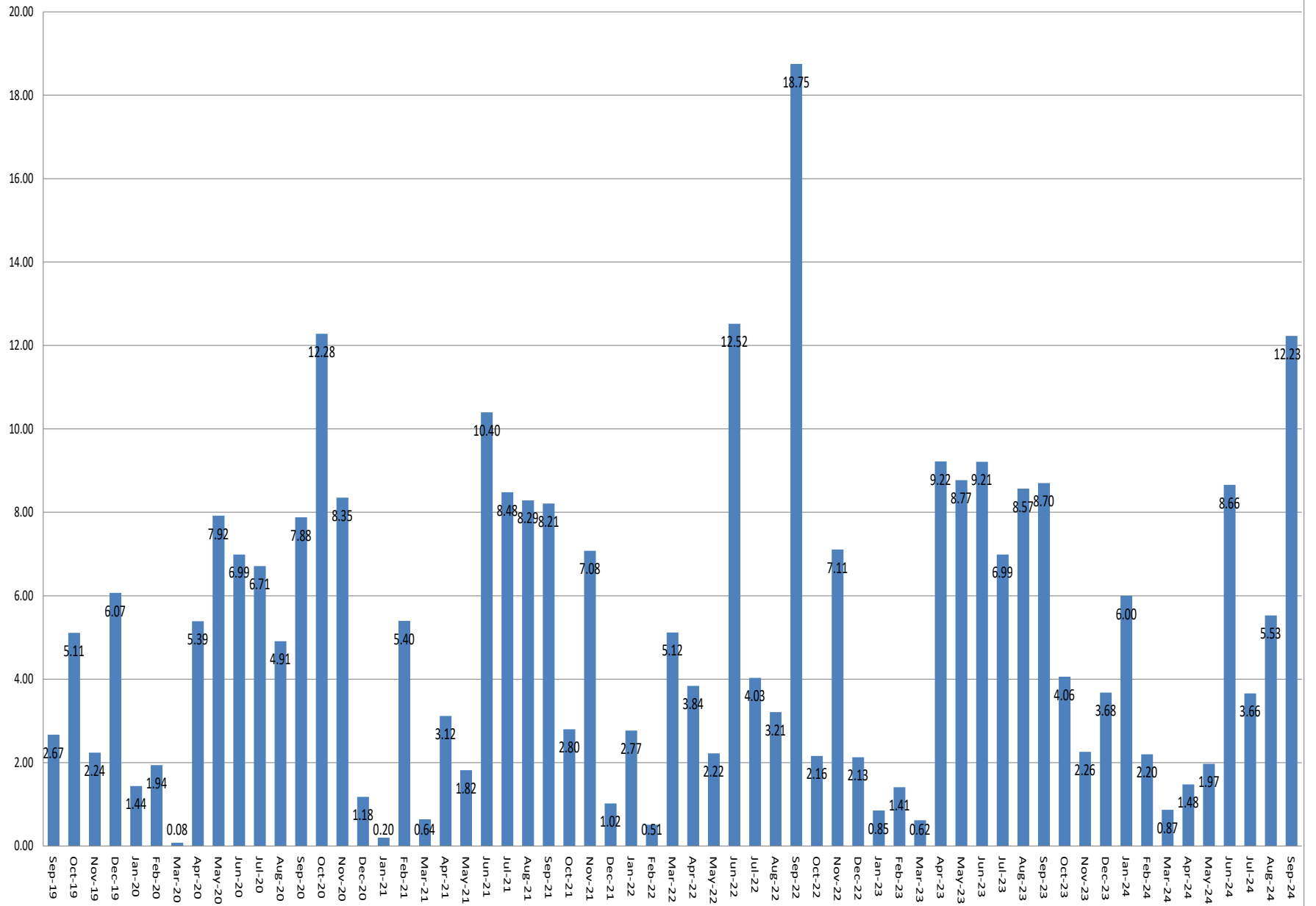


St. Lucie West Services District Water and Wastewater Percent Capacity



	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Raw Percent Max Mth Water Capacity	73%	76%	76%	74%	73%	73%	78%	79%	76%	73%	73%	70%	66%
Wastewater Percent Capacity Influent	60%	62%	62%	61%	59%	57%	57%	57%	56%	55%	54%	55%	56%
Finished Water Percent Capacity	56.8%	57.2%	58.9%	55.1%	54.5%	57.8%	57.9%	61.1%	57.0%	55.9%	54.5%	51.8%	50.7%

St. Lucie West Services District Monthly Rainfall



St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 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 Completed (FY24)
SW078	WTP Painting & Sealing of Tanks Began
SW092	Phase II Repaving Utility Site Completed (FY24)
SW098	WTP Expansion Injection Well #2 Permit NOI Issued (Phase I of Project)
SW098	WTP Expansion Bond Issuance by November 7,2024

PROJECT TRACKER - St Lucie West Services District

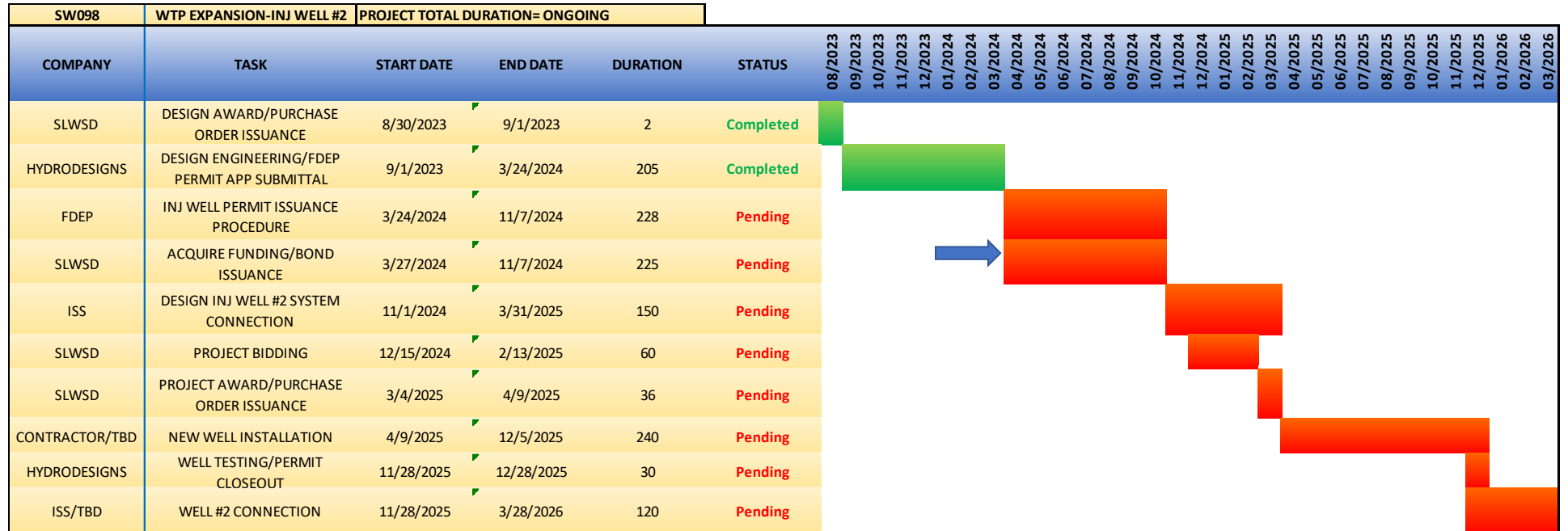
Project No.	Project Engineer	Project Manager	Contractor / Vendor	Approved Capital Budget Funds in Dollars	Encumbered / Actual Cost of Project in Dollars	Available 2024 Budget	Ongoing % Compl.	FY % Completion	Project	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	
WM001		GR		267,460	-	267,460		0%	Stormwater Emergency Repairs													
SW001		JM/TB		215,833	25,000	190,833		12%	Lift Station Renewal & Replacement													
SW037		JM/TB		250,000	30,000	220,000		12%	Emergency Renewal and Replacement Projects													
SW047		JM/TB		33,660	-	33,660		0%	Structural Repairs Manholes													
SW048		JM/TB		10,000	-	10,000		0%	Security Camera Upgrades													
SW049		JM/TB		29,700	-	29,700		0%	Protective Coating Manholes													
SW066		JM/TB		100,000	-	100,000		0%	WWTF Painting & Sealing of Tanks													
SW078		JM/TB	SHAMROCK	150,000	130,000	150,000		87%	WTP Painting & Sealing of Tanks													Project carried over from FY24- Completion 12/31/24
SW084		JM/TB		5,000	-	5,000		0%	UGU Potable Water Flushing Devices													
SW085		JM/TB		15,750		15,750		0%	Emergency (Assoc. Irr.) R&R Projects													
SW087		JM/TB		70,000	-	70,000		0%	Irrigation SCADA Conversion													
SW091		JM/TB		5,000	-	5,000		0%	IRR Water Flushing Devices													
SW098	ISS	JM/TB		39,000,000	160,000	38,840,000		0%	WTP Expansion													INJ WELL #2 Draft Permit Issued
Total				\$ 40,152,403	345,000	39,937,403																

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	13																					
PROJECTS IN DESIGN PHASE	5																					
PROJECTS IN BID PHASE	0																					
PROJECTS IN CONSTRUCTION PHASE	0																					
PROJECTS COMPLETED	0																					
ONGOING CAPITAL R&R PROJECTS	8																					

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.



CRITICAL PATH : Must Encumber 5.0 % of Project Funds Within 6 months(Bond Requirement).

St. Lucie West Services District

Board Agenda Item

Tuesday November 5, 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	39,319,130	Gallons
Sewer	38,382,030	Gallons
Sewer BOD	0.00	Gallons
Sewer TSS	0.00	Gallons

2. Amount Billed

Total Water	\$300,689.63
Total Sewer	\$348,944.80
Total Irrigation	\$167,786.40

3. Billing

Total Water	6,811
Total Sewer	6,758
Total Irrigation	6,441



Month/Year Sep - 2024

Monthly Deposited Daily Form

Date	WSI Total Deposit /Daily	Misc. Total Deposit/Daily	Date	WSI Total Deposit /Daily	Misc. Total Deposit/Daily
Mon 9/2/2024 Holiday	\$ -	\$ -	Mon 9/23/2024	\$ 59,306.45	\$ -
Tues 9/3/2024	\$ 95,355.01	\$ -	Tues 9/24/2024	\$ 9,712.38	\$ -
Wed 9/4/2024	\$ 26,606.01	\$ 4,984.39	Wed 9/25/2024	\$ 40,252.14	\$ -
Thur 9/5/2024	\$ 65,157.79	\$ -	Thur 9/26/2024	\$ 19,464.09	\$ -
Fri 9/6/2024	\$ 38,651.87	\$ -	Fri 9/27/2024	\$ 31,784.61	\$ -
Total - Week	\$ 225,770.68	\$ 4,984.39	Total - Week	\$ 160,519.67	\$ -
Mon 9/9/2024	\$ 328,315.83	\$ -	Mon 9/30/2024	\$ 67,342.04	\$ -
Tues 9/10/2024	\$ 12,444.23	\$ -	Tues	\$ -	\$ -
Wed 9/11/2024	\$ 5,013.14	\$ -	Wed	\$ -	\$ -
Thur 9/12/2024	\$ 4,965.06	\$ -	Thur	\$ -	\$ -
Fri 9/13/2024	\$ 4,148.67	\$ -	Fri	\$ -	\$ -
Total - Week	\$ 354,886.93	\$ -	Total - Week	\$ 67,342.04	\$ -
Mon 9/16/2024	\$ 4,393.45	\$ -			
Tues 9/17/2024	\$ 8,113.79	\$ -			
Wed 9/18/2024	\$ 20,124.86	\$ -			
Thur 9/19/2024	\$ 8,706.48	\$ -			
Fri 9/20/2024	\$ 9,834.56	\$ -			
Total - Week	\$ 51,173.14	\$ -			
			Total Month Receivables	\$ 859,692.46	\$ 4,984.39

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS BILLED AND MONTHLY RECEIVABLES**

REPORT # 1 ACTIVE COMPANY

MONTH END SUMMARY

9/1/2024 - 9/30/2024

BALANCE TOTALS

BEGINNING BALANCE AS OF		9/1/2024
TOTAL BEGINNING BAL.	\$	568,330.50

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	6441	\$ 166,690.80		\$	735,021.30
5-04107	SEWER BASE	6758	\$ 186,903.42		\$	921,924.72
5-04106	WATER BASE	6811	\$ 150,000.70		\$	1,071,925.42
	DISPENSED/TANKER TRUCK					
5-04046	WATER BASE	15	\$ 1,258.05		\$	1,073,183.47
5-04014	WHOLESALE WATER BASE	0	\$ -		\$	1,073,183.47
	TOTAL CHARGE		\$ 504,852.97			
	<u>CONSUMPTION CHARGES</u>			<u>CONSUMPTION BY GALLONS</u>		
5-04009	IRRIGATION		\$ 1,095.60	4,565,000	\$	1,074,279.07
5-04007	SEWER		\$ 162,041.38	38,382,030	\$	1,236,320.45
5-04007	SEWER-BOD EXCESS		\$ -	0.00	\$	1,236,320.45
5-04007	SEWER-TSS EXCESS		\$ -	0.00	\$	1,236,320.45
5-04006	WATER		\$ 150,688.93	39,319,130	\$	1,387,009.38
	<u>AVERAGE DAYS</u>			<u>30.91</u>		
5-04046	TANKER TRUCK WATER		\$ 43.47	11,380	\$	1,387,052.85
5-04014	WHOLESALE WATER		\$ -	0	\$	1,387,052.85
5-04021	WHOLESALE WASTEWATER		\$ -	0	\$	1,387,052.85
	TOTAL CHARGE		\$ 313,869.38			
	<u>DEPOSIT CHARGE</u>		\$ -		\$	1,387,052.85
	<u>TOTAL CHARGES</u>					
	IRRIGATION CHARGE		\$ 167,786.40			
	SEWER CHARGE		\$ 348,944.80			
	WATER CHARGE		\$ 301,991.15			
	TOTAL CHARGE		\$ 818,722.35			
<u>ADJUSTMENTS</u>	<u>DESCRIPTION</u>			<u>REVENUE</u>	<u>WRITE OFF</u>	
	TOTAL REVENUE CHANGES			\$ (4,905.41)		\$ 1,382,147.44
	TOTAL WRITE OFFS				\$ (159.00)	\$ 1,381,988.44
<u>PENALTY CHARGES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04010	TOTAL PENALTY		\$ 4,388.86		\$	1,386,377.30
<u>MISCELLANEOUS CHARGES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04012	TOTAL MISCELLANEOUS		\$ 375.00		\$	1,386,752.30
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		\$ -			
5-04012	INITIAL CONNECTION METER FEE		\$ -			
	TOTAL METER FEES		\$ -		\$	1,386,752.30
<u>IMPACT FEES</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>			
5-04033	WATER IMPACT (AFPI)		\$ -		\$	1,386,752.30
5-04035	SEWER IMPACT (AFPI)		\$ -		\$	1,386,752.30
	TOTAL IMPACT (AFPI)		\$ -			

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS RECEIVABLE SUMMARY**

REPORT # 2 ACTIVE COMPANY

MONTH END SUMMARY

9/1/2024 - 9/30/2024

GENERAL LEDGER

BALANCE TOTALS
CONTINUED BALANCE REF. REPORT # 1

<u>PAYMENTS</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>		
5-01025	DISPENSED WATER/TANKER TRUCK	\$ 385.07	\$	1,386,752.30
5-01025	IRRIGATION	\$ 167,485.05	\$	1,386,367.23
5-01025	PENALTY	\$ 4,062.24	\$	1,218,882.18
5-01025	SEWER BASE	\$ 187,933.70	\$	1,214,819.94
5-01025	SEWER CONSUMPTION	\$ 160,610.33	\$	1,026,886.24
5-01025	WATER BASE	\$ 151,683.85	\$	866,275.91
5-01025	WATER CONSUMPTION	\$ 161,619.28	\$	714,592.06
5-01025	MISCELLANEOUS	\$ 439.65	\$	552,972.78
5-04047	BACK FLOW CHARGES	-	\$	552,533.13
5-04047	BACK FLOW OPT OUT CHARGES	-	\$	552,533.13
5-01025	BOD EXCESS CONSUMPTION	-	\$	552,533.13
5-01025	TSS EXCESS CONSUMPTION	-	\$	552,533.13
	CREDIT BALANCE CHANGE	\$ 20,955.30	\$	531,577.83
		-	\$	
		-	\$	
	SUBTOTAL	\$ 855,174.47	\$	531,577.83
5-04014	WHOLESALE WATER	-	\$	531,577.83
5-04021	WHOLESALE WASTEWATER	-	\$	531,577.83
5-04033	WATER IMPACT (AFPI)	-	\$	531,577.83
5-04035	SEWER IMPACT (AFPI)	-	\$	531,577.83
5-04018	METER FEE	-	\$	531,577.83
5-04012	INITIAL CONNECTION METER FEE	-	\$	531,577.83
	TOTAL PAYMENTS	\$ 855,174.47	\$	531,577.83
<u>REVERSE PAYMENTS</u>	<u>DESCRIPTION</u>			
5-01025	POSTING ERRORS	\$ -		
	REVERSE PAYMENT/BAL TRANSFER	\$ 101.25		
	RETURN PAYMENTS	\$ 827.87		
	TOTAL	\$ 929.12	\$	532,506.95
<u>REVERSE PENALTIES</u>	<u>DESCRIPTION</u>			
5-01025	REVERSE PENALTIES	\$ (79.38)	\$	532,427.57
<u>BILL ADJUSTMENT</u>	<u>DESCRIPTION</u>			
5-01025	BILL - VOID/ADJUSTMENT/REVERSAL	\$ -	\$	532,427.57
<u>DEPOSIT REFUNDS</u>	<u>DESCRIPTION</u>			
	DEPOSIT REFUNDS	\$ (5,750.00)	\$	526,677.57
<u>REVERSE DEPOSIT</u>	<u>DESCRIPTION</u>			
	REVERSE DEPOSIT	\$ -	\$	526,677.57

**ST. LUCIE WEST SERVICES DISTRICT
ACCOUNTS RECEIVABLE SUMMARY**

REPORT # 2 ACTIVE COMPANY

MONTH END SUMMARY

9/1/2024 - 9/30/2024

<u>REFUNDS</u>	<u>DESCRIPTION</u>	<u>COUNT</u>	<u>AMOUNT</u>		
	TOTAL REFUND CHECKS	15	\$ 2,627.30		\$ 529,304.87
<u>TRANSFER BALANCE</u>	<u>DESCRIPTION</u>		<u>NET AMOUNT</u>		
	RECEIVABLES ADJUSTED		\$ (702.95)		\$ 528,601.92
	RECEIVABLES RE-APPLIED		\$ 702.95		\$ 529,304.87
<u>DEPOSIT ACTIVITY</u>	<u>DESCRIPTION</u>		<u>AMOUNT</u>		
	BEGINNING DEPOSIT BALANCE		\$ 185,850.00		
	BILLED DEPOSITS		\$ -		
5-02030	NEW DEPOSITS		\$ 4,950.00		
	REFUNDS		\$ (5,750.00)		
	REVERSE REFUNDS		\$ -		
	REVERSE DEPOSITS		\$ -		
	TOTAL DEPOSIT ENDING BALANCE		\$ 185,050.00		
<u>MISC. PAYMENTS</u>	<u>DESCRIPTION</u>				
	MISCELLANEOUS PAYMENTS RECEIVED		\$ 4,984.39		

**ENDING BALANCE AS OF
9/30/2024**

\$ 529,304.87

unpaid Reserve invoice

\$ -

Total Ending Balance

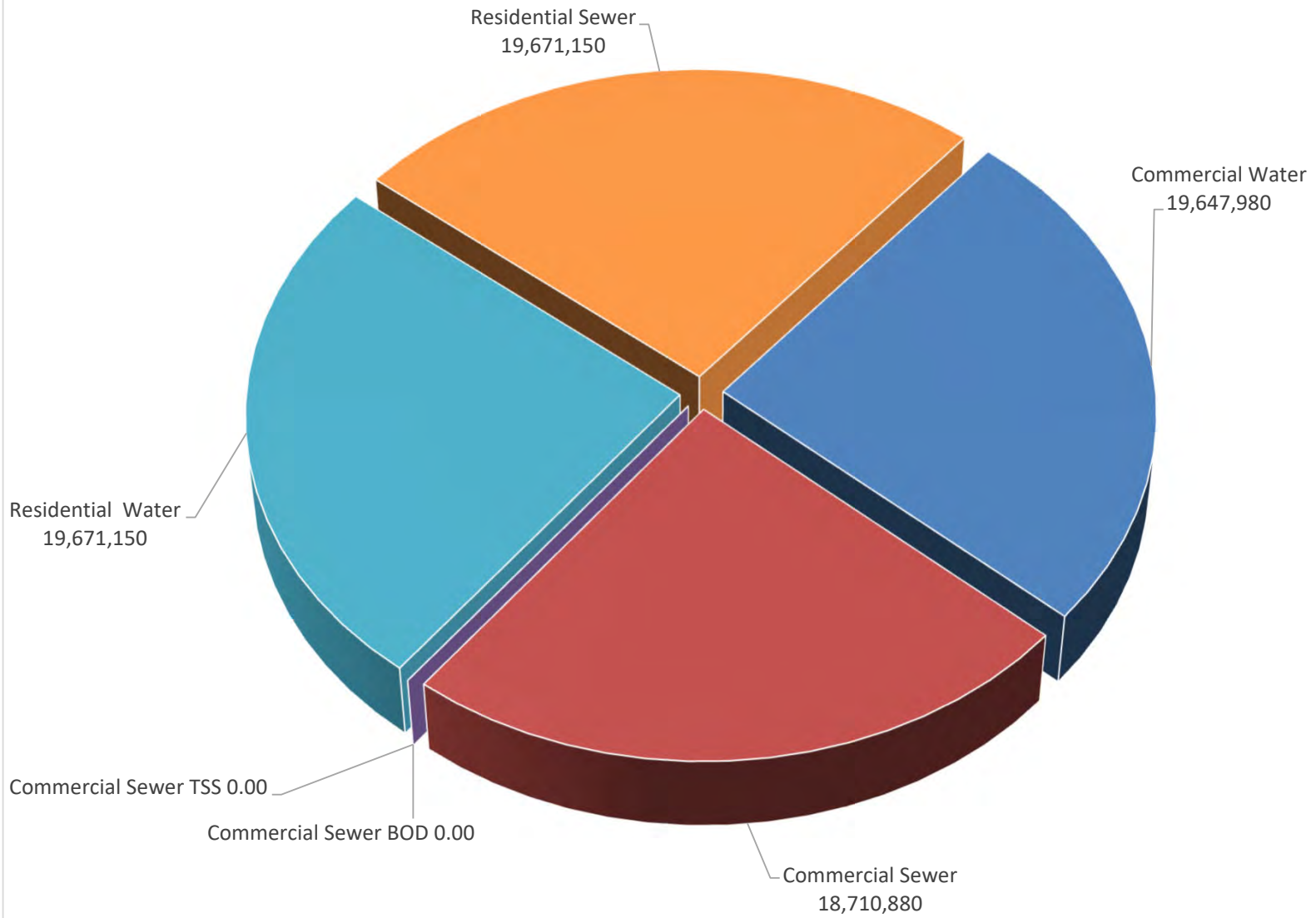
\$ 529,304.87

\$

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
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
January 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
June 2024	\$ 584,425.36	\$ 3,451.01	\$ 1,376.29	\$ 452.34	\$ 4,833.27	\$ 594,538.27
July 2024	\$ 585,513.06	\$ 4,613.24	\$ 2,179.21	\$ 823.49	\$ 5,188.18	\$ 598,317.18
August 2024	\$ 547,475.24	\$ 13,266.22	\$ 1,058.46	\$ 627.67	\$ 5,902.91	\$ 568,330.50
September 2024	\$ 515,792.07	\$ 5,200.34	\$ 1,277.70	\$ 568.63	\$ 6,466.13	\$ 529,304.87

Actual Consumption September 2024



CONSUMPTION BY GALLONS	
Commercial:	
Water	19,647,980
Sewer	18,710,880
Sewer- BOD	0.00
Sewer- TSS	0.00
Single:	
Water	17,072,830
Sewer	17,072,830
Multi:	
Water	2,598,320
Sewer	2,598,320
AMOUNT BILLED/TOTAL CHARGES:	
Commercial:	
Water	\$118,946.96
Sewer	\$132,024.84
IQ	\$48,303.76
TOTAL:	\$299,275.56
Single:	
Water	\$153,026.29
Sewer	\$182,376.28
IQ	\$105,038.93
TOTAL:	\$440,441.50
Multi:	
Water	\$28,716.38
Sewer	\$34,543.68
IQ	\$14,443.71
TOTAL:	\$77,703.77
TOTAL BILL COUNT	
Commercial:	
Water	525
Sewer	472
IQ	248
Single:	
Water	5,178
Sewer	5,178
IQ	5,177
Multi:	
Water	1,108
Sewer	1,108
IQ	1,016

CONSUMPTION	
Water	39,319,130
Sewer	38,382,030
Sewer- BOD	0.00
Sewer- TSS	0.00
AMOUNT BILLED	
Water	\$300,689.63
Sewer	\$348,944.80
IQ	\$167,786.40
BILLS	
Water	6,811
Sewer	6,758
IQ	6,441

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

CA 5 Financial Statements for September 30, 2024

Summary

Attached for your review are the Financial Reports for the period ending September 30, 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
September 2024

	Oct 23-Sep 24	Budget YTD	\$ +/- Budget YTD	% of Budget YTD	Total Budget
Ordinary Income/Expense					
Income					
1-04000 · GF SLWSD GENERAL FUND REVENUE	3,576,029.91	3,659,208.00	-83,178.09	97.73%	3,659,208.00
Total Income	3,576,029.91	3,659,208.00	-83,178.09	97.73%	3,659,208.00
Gross Income	3,576,029.91	3,659,208.00	-83,178.09	97.73%	3,659,208.00
Expense					
1-05000 · GF BOARD OF DIRECTORS	15,145.04	15,645.00	-499.96	96.8%	15,645.00
1-06000 · GF DISTRICT MANAGER	8,947.18	38,360.88	-29,413.70	23.32%	38,360.88
1-07000 · GF FINANCE	189,221.00	239,092.04	-49,871.04	79.14%	239,092.04
1-12000 · GF GRANT MANAGEMENT	0.00	1,437.00	-1,437.00	0.0%	1,437.00
1-13000 · GF CLERK TO THE BOARD	12,156.82	15,058.92	-2,902.10	80.73%	15,058.92
1-14000 · GF AQUATICS DIVISION-PERSNL	299,653.24	453,124.08	-153,470.84	66.13%	453,124.08
1-15000 · GF ADMINISTRATION DIV-PERSNL	1,103,896.44	1,149,771.96	-45,875.52	96.01%	1,149,771.96
1-16000 · GF STORM WATER MGMT-PERSNL	408,732.63	455,954.88	-47,222.25	89.64%	455,954.88
1-17000 · GF EXOTIC PLNT RMVL DIV-PERSNL	315,302.73	332,467.08	-17,164.35	94.84%	332,467.08
1-18000 · GF SHOP OPERATIONS-PERSNL	68,185.24	91,906.92	-23,721.68	74.19%	91,906.92
1-19000 · GF GENERAL COUNSEL	43,320.67	31,262.04	12,058.63	138.57%	31,262.04
1-23000 · GF SPECIAL COUNSEL	0.00	3,821.04	-3,821.04	0.0%	3,821.04
1-26000 · GF ENGINEERING	30,921.84	48,588.00	-17,666.16	63.64%	48,588.00
1-29000 · GF POLLUTION CONTROL	0.00	2,667.96	-2,667.96	0.0%	2,667.96
1-31000 · GF AQUATICS DIVISION-OPERATING	153,771.10	202,505.04	-48,733.94	75.93%	202,505.04
1-33000 · GF ADMINISTRATION DIV-OPERATING	181,374.19	241,573.08	-60,198.89	75.08%	241,573.08
1-34000 · GF STORM WATER MGMT-OPERATING	191,144.09	206,995.04	-15,850.95	92.34%	206,995.04
1-35000 · GF EXOTIC PLANT RMVL-OPERATING	127,177.15	150,904.12	-23,726.97	84.28%	150,904.12
1-36000 · GF SHOP OPERATIONS-OPERATING	30,771.59	35,479.00	-4,707.41	86.73%	35,479.00
1-46000 · GF RENEWAL & REPLACEMENT	315,793.58	257,379.00	58,414.58	122.7%	257,379.00
Total Expense	3,495,514.53	3,973,993.08	-478,478.55	87.96%	3,973,993.08
Net Ordinary Income	80,515.38	-314,785.08	395,300.46	-25.58%	-314,785.08
Net Income	80,515.38	-314,785.08	395,300.46	-25.58%	-314,785.08

St Lucie West Service District (WMB DS)
Income Statement Budget vs. Actual
September 2024

	Oct 23 - Sep 24	Budget YTD	\$ +/- Budget YTD	% of Budget YTD	Total Budget
Ordinary Income/Expense					
Income					
2-04000 · WB WTR MGMT BEN SRS 1999A REV	2,524,212.99	2,613,077.96	-88,864.97	96.6%	2,613,077.96
2-07000 · DS WMB OTHER INCOME	0.00	0.00	0.00	0.0%	0.00
Total Income	<u>2,524,212.99</u>	<u>2,613,077.96</u>	<u>-88,864.97</u>	<u>96.6%</u>	<u>2,613,077.96</u>
Gross Income	2,524,212.99	2,613,077.96	-88,864.97	96.6%	2,613,077.96
Expense					
2-05000 · WB WTR MGMT BEN SRS 1999A DS	2,466,340.57	2,444,627.96	21,712.61	100.89%	2,444,627.96
Total Expense	<u>2,466,340.57</u>	<u>2,444,627.96</u>	<u>21,712.61</u>	<u>100.89%</u>	<u>2,444,627.96</u>
Net Ordinary Income	<u>57,872.42</u>	<u>168,450.00</u>	<u>-110,577.58</u>	<u>34.36%</u>	<u>168,450.00</u>
Net Income	<u><u>57,872.42</u></u>	<u><u>168,450.00</u></u>	<u><u>-110,577.58</u></u>	<u><u>34.36%</u></u>	<u><u>168,450.00</u></u>

St Lucie West Service District (WMB CAP)
Income Statement Budget vs. Actual
September 2024

	Oct 23 - Sep 24	Budget YTD	\$ +/- Budget YTD	% of Budget YTD	Total Budget
Ordinary Income/Expense					
Income					
4-04000 · CP WMB CAP PROJECTS REVENUE	16,232.03				0.00
4-07000 · CP WMB OTHER INCOME	0.00	0.00	0.00	0.0%	0.00
Total Income	<u>16,232.03</u>	<u>0.00</u>	<u>16,232.03</u>	<u>100.0%</u>	<u>0.00</u>
Gross Income	16,232.03	0.00	16,232.03	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>16,232.03</u>	<u>-73,348.00</u>	<u>89,580.03</u>	<u>-22.13%</u>	<u>-73,348.00</u>
Net Income	<u><u>16,232.03</u></u>	<u><u>-73,348.00</u></u>	<u><u>89,580.03</u></u>	<u><u>-22.13%</u></u>	<u><u>-73,348.00</u></u>

St Lucie West Service District (Water & Sewer Fund)
Income Statement Budget vs. Actual
September 2024

	<u>Oct 23-Sep 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	10,595,806.73	10,355,593.08	240,213.65	102.32%	10,355,593.08
Total Income	10,595,806.73	10,355,593.08	240,213.65	102.32%	10,355,593.08
Gross Income	10,595,806.73	10,355,593.08	240,213.65	102.32%	10,355,593.08
Expense					
5-05000 · WS BOARD OF DIRECTORS	15,720.77	14,411.04	1,309.73	109.09%	14,411.04
5-06000 · WS DISTRICT MANAGER	964.54	27,680.04	-26,715.50	3.49%	27,680.04
5-07000 · WS FINANCE	421,751.94	455,503.00	-33,751.06	92.59%	455,503.00
5-09000 · WS PROPERTY CONTROL	46,335.90	36,800.04	9,535.86	125.91%	36,800.04
5-11000 · WS UTILITY RATE CONSULTANT	36,411.02	20,748.00	15,663.02	175.49%	20,748.00
5-13000 · WS CLERK TO THE BOARD	16,890.39	19,964.04	-3,073.65	84.6%	19,964.04
5-14000 · WS ADMIN DVSN-PERSNL	1,284,000.01	1,367,213.04	-83,213.03	93.91%	1,367,213.04
5-15000 · WS WATER TRTMNT PLANT-PERSNL	448,009.61	505,503.00	-57,493.39	88.63%	505,503.00
5-16000 · WS WASTEWATER TRTMT PL-PERSNL	462,478.38	501,108.96	-38,630.58	92.29%	501,108.96
5-17000 · WS UNDERGROUND UTIL-PERSNL	873,009.85	915,594.96	-42,585.11	95.35%	915,594.96
5-18000 · WS IRRIGATION DIV-PERSNL	61,243.88	72,812.04	-11,568.16	84.11%	72,812.04
5-40000 · WS SHOP DIV - PERSNL	164,243.32	181,983.96	-17,740.64	90.25%	181,983.96
5-19000 · WS GENERAL COUNSEL	30,530.68	41,111.04	-10,580.36	74.26%	41,111.04
5-23000 · WS SPECIAL COUNSEL	10,797.50	8,766.96	2,030.54	123.16%	8,766.96
5-26000 · WS ENGINEERING	46,814.96	98,739.00	-51,924.04	47.41%	98,739.00
5-27000 · WATER & SEWER DEBT SERVICE	366,417.46	2,574,555.00	-2,208,137.54	14.23%	2,574,555.00
5-28000 · WS WATER & SEWER SERVICES	681,267.00	681,267.00	0.00	100.0%	681,267.00
5-29000 · WS ADMIN DIV-OPERATING	416,467.67	608,426.16	-191,958.49	68.45%	608,426.16
5-30000 · WS WATER TRTMNT PLANT-OPER	873,266.18	1,017,699.08	-144,432.90	85.81%	1,017,699.08
5-31000 · WS WASTEWATER TRTMT PL-OPER	678,013.87	643,882.08	34,131.79	105.3%	643,882.08
5-32000 · WS UNDERGROUND UTIL-OPERATING	1,341,344.79	654,836.12	686,508.67	204.84%	654,836.12
5-33000 · WS IRRIGATION DIV-OPERATING	197,011.84	298,329.12	-101,317.28	66.04%	298,329.12
5-41000 · WS SHOP DIV - OPER	32,599.24	38,698.96	-6,099.72	84.24%	38,698.96
Total Expense	8,505,590.80	10,785,632.64	-2,280,041.84	78.86%	10,785,632.64
Net Ordinary Income	2,090,215.93	-430,039.56	2,520,255.49	-486.05%	-430,039.56
Net Income	<u>2,090,215.93</u>	<u>-430,039.56</u>	<u>2,520,255.49</u>	<u>-486.05%</u>	<u>-430,039.56</u>

St Lucie West Service District (W&S Capital Outlay)

Income Statement Budget vs. Actual

September 2024

	Oct 23-Sep 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	198,765.04				
5-36002 · INTEREST - WWCF - 4076011236	21,784.23	0.00	21,784.23	100.0%	0.00
5-36004 · INTEREST - WCF 4076011227	64,972.71	0.00	64,972.71	100.0%	0.00
5-36005 · WATER IMPACT FEES	445,703.41	3,831.96	441,871.45	11,631.21%	3,831.96
5-36006 · WW IMPACT FEES	371,429.86	2,876.04	368,553.82	12,914.63%	2,876.04
5-36007 · R&R TRANS FROM W&S OPERATING	681,267.00	681,267.00	0.00	100.0%	681,267.00
Total 5-36000 · WS CAP REVENUES	1,783,922.25	687,975.00	1,095,947.25	259.3%	687,975.00
Total Income	1,783,922.25	687,975.00	1,095,947.25	259.3%	687,975.00
Gross Income	1,783,922.25	687,975.00	1,095,947.25	259.3%	687,975.00
Expense					
5-37000 · WS RENEWAL & REPLACEMENT CIP					
5-37004 · CAPITAL PROJECTS SW049	25,348.00	29,700.00	-4,352.00	85.35%	29,700.00
5-37006 · CAPITAL PROJECTS SW064	573,887.49	10,000.00	563,887.49	5,738.88%	10,000.00
5-37007 · CAPITAL PROJECTS SW001	355,727.22	215,833.00	139,894.22	164.82%	215,833.00
5-37009 · CAPITAL PROJECTS SW037	286,786.73	224,400.00	62,386.73	127.8%	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	162,300.06	300,000.00	-137,699.94	54.1%	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	1,450,323.92	1,373,043.00	77,280.92	105.63%	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	152,923.50	0.00	0.00	0.0%	0.00
Total 5-38000 · WS WATER CONNECT FEE CIP	152,923.50	0.00	152,923.50	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	1,603,247.42	1,373,043.00	230,204.42	116.77%	1,373,043.00
Net Ordinary Income	180,674.83	-685,068.00	865,742.83	-26.37%	-685,068.00
Net Income	180,674.83	-685,068.00	865,742.83	-26.37%	-685,068.00

St Lucie West Service District
Check Register
As of September 30, 2024

Date	Num	Name	Memo	Credit
ASSETS				
Current Assets				
Checking/Savings				
1-00001 · TRUIST (GF operating) #1363				
09/04/2024		ASCENSUS	PR 09/04/2024 (08/17/24 -08/30/24)	2,886.53
09/05/2024	12619	CINTAS CORPORATION	PO#86189	81.87
09/05/2024	12620	COMPUTER NETWORK SERVICES	PO#86209	1,007.15
09/05/2024	12621	ELPEX	PO#86212	350.00
09/05/2024	12622	FRANKLIN TEMPLETON BANK AND TR	SEP PAYROLL 09.04.24	12,833.36
09/05/2024	12623	GEORGIA WESTERN, LLC	PO#86167	11,628.56
09/05/2024	12624	HELENA CHEMICAL CO		3,896.28
09/05/2024	12625	MIKE'S ORGANIC TOP SOIL	PO#86199	250.00
09/05/2024	12626	PITNEY BOWES	PO#86214	713.64
09/05/2024	12627	SCHAEFFER MANUFACTURING COMPANY	PO#86195	257.76
09/05/2024	12628	ST LUCIE CO BALING & RECYCLING	PO#86207	766.85
09/05/2024	12629	UNIFIRST	INV# 3020089612 & INV# 3020089616	240.69
09/05/2024	12630	VERIZON WIRELESS	PO#86213	1,377.81
09/05/2024	12631	WEX BANK	INV#99393518	12,673.95
09/05/2024	12632	TRUIST CARD SERVICES		12,688.80
09/06/2024	12633	CCI BUILDINGS	DEPOSIT	906.46
09/06/2024	12634	CCI BUILDINGS	REMAINING BALANCE	4,987.01
09/11/2024	12635	BAYSHORE MARINE REPAIR LLC	PO#86102	331.74
09/11/2024	12636	FPL	PO#86245	47,384.18
09/11/2024	12637	GEORGIA WESTERN, LLC	PO#86241	763.34
09/11/2024	12638	HELENA CHEMICAL CO	PO#86216	2,094.00
09/11/2024	12639	INTEGRATION SERVICES, INC.		8,204.15
09/11/2024	12640	LOWE'S	PO#86246	1,972.10
09/11/2024	12641	NAPA AUTO SUPPLY OF PORT ST. LUCIE	PO#86235	1,624.74
09/11/2024	12642	PALMDALE OIL COMPANY, INC	PO#86243	1,359.39
09/11/2024	12643	SAM'S CLUB MASTERCARD	PO#86218	10,715.76
09/11/2024	12644	SUN LIFE		7,279.32
09/11/2024	12645	THE BUSHEL STOP, INC.	PO#86234	149.00
09/11/2024	12646	USABUEBOOK	PO#86231	153.41
09/11/2024	12647	VERO CHEMICAL DISTRIBUTORS INC	PO#86249	36,358.94
09/18/2024		ASCENSUS	payroll 09-18-24 (08/31/24 - 9/13/24)	2,601.70
09/19/2024	12648	FRANKLIN TEMPLETON BANK AND TR	VOID: SEP PAYROLL 09.18.24	
09/19/2024	12649	INTEGRATION SERVICES, INC.	PO#86205	4,247.05
09/19/2024	12650	MIKE'S ORGANIC TOP SOIL	PO#8263	1,325.00
09/19/2024	12651	SITEONE LANDSCAPE SUPPLY, LLC	PO#86267	441.81
09/19/2024	12652	SMART STOP STORAGE	PO#86262 FY 25	409.00
09/19/2024	12653	SUMMIT FIRE & SECURITY, LLC		484.50
09/19/2024	12654	SUNSHINE STATE ONE CALL OF FLORIDA, I...	PO#86244	118.70
09/19/2024	12655	TORCIVIA, DONLON, GODDEAU & RUBIN, P.A.		6,048.00
09/24/2024	12656	FRANKLIN TEMPLETON BANK AND TR	SEP PAYROLL 09.18.24 (CASE#649-092324)	11,752.72
09/26/2024	12657	ADP, LLC	INV#671132937	2,371.25
09/26/2024	12658	AMERICAN PRESSURE SYSTEMS	PO#86271	65.02
09/26/2024	12659	ARS POWERSPORTS, OKEECHOBEE	PO#86284	291.98
09/26/2024	12660	BLUE CROSS BLUE SHIELD OF FL	HEALTH INSURANCE-GROUP NO. 41965 OCTO...	97,871.74
09/26/2024	12661	CINTAS CORPORATION	PO#86208	267.00
09/26/2024	12662	CORE & MAIN	PO#86266	200.40
09/26/2024	12663	FCC ENVIRONMENTAL SERVICES, LLC	PO#86280	418.97
09/26/2024	12664	FLORIDA ASSOCIATION OF SPECIAL DISTRI...	PO#86297 FY 2025	4,500.00
09/26/2024	12665	HOME DEPOT CREDIT SERVICES	PO#86291	2,031.88
09/26/2024	12666	MINGACE CUSTOM SOUND, INC	PO#86253	776.25
09/26/2024	12667	PITNEY BOWES-PURCHASE POWER	PO#86288	200.00
09/26/2024	12668	SAMPSON TREE SERVICE CO.	PO#86286	1,953.50
09/26/2024	12669	VERIZON WIRELESS	PO#86275	881.45
Total 1-00001 · TRUIST (GF operating) #1363				325,194.71
1-00002 · TRUIST (GF R&R Fund) # 3968				
Total 1-00002 · TRUIST (GF R&R Fund) # 3968				
5-00002 · TRUIST (WS Operating) #7918				
09/05/2024	14544	BRUCE QUICK	CUSTOMER REFUND 980 NW TUSCANY DR	135.43
09/05/2024	14545	HELEN HORVATH	CUSTOMER REFUND 711 SW ROCKY BAYOU T...	159.00
09/05/2024	14546	JENNIFER COHN	CUSTOMER REFUND 295 SW SANDY WAY	43.47
09/05/2024	14547	MICHAEL RAPPA	CUSTOMER REFUND 1326 SW BRIARWOOD DR	29.21
09/05/2024	14548	PHYLLIS VITIELLO	CUSTOMER REFUND 1286 SW MAPLEWOOD DR	144.90
09/05/2024	14549	ROBERT BLAISDELL	CUSTOMER REFUND 148 NW BENTLEY CIR	4.63

Date	Num	Name	Memo	Credit
09/05/2024	14550	SFR 2012-1 FLORIDA LLC	CUSTOMER REFUND 827 SW LAKE CHARLES C...	7.62
09/05/2024	14551	SHADI OF NAPLES INC	CUSTOMER REFUND 504 SW INDIAN KEY DR	40.83
09/05/2024	14552	BARBARA WASSERMAN	CUSTOMER REFUND 410 NW TUSCANY CT	2.79
09/06/2024	14553	CORE & MAIN	PO#85572 C	1,900.00
09/11/2024	14554	BENDERSON DEVELOPMENT CO.	VOID:NEED 2 SEPERATE CHECKS	
09/11/2024	14555	CHERIE FORD	CUSTOMER REFUND 302 NW CLEARVIEW CT	16.18
09/11/2024	14556	EVELINA LIU	CUSTOMER REFUND 572 NW MONTEVINA DR	86.25
09/11/2024	14557	MORY JOY TAIT	CUSTOMER REFUND 393 NW BREEZY POINT L...	20.77
09/11/2024	14558	RAYMOND PETRUZZELLI	CUSTOMER REFUND 462 NW LISMORE LN	144.26
09/11/2024	14559	BENDERSON DEVELOPMENT CO.	CUSTOMER REFUND 7 TEMP METER	884.12
09/11/2024	14560	BENDERSON DEVELOPMENT CO.	CUSTOMER REFUND 4 TEMP METER	907.84
09/30/2024	14561	NANETTE STEMM	REIMBURSEMENT FOR LIGHT FIXTURE DAMAG...	52.23
Total 5-00002 · TRUIST (WS Operating) #7918				4,579.53
Total Checking/Savings				329,774.24
Total Current Assets				329,774.24
TOTAL ASSETS				329,774.24
LIABILITIES & EQUITY				
TOTAL LIABILITIES & EQUITY				

St Lucie West Service District
Checks Over \$35,000
As of September 30, 2024

Date	Num	Name	Memo	Credit
ASSETS				
Current Assets				
Checking/Savings				
1-00001 · TRUIST (GF operating) #1363				
09/11/2024	12636	FPL	PO#86245	47,384.18
09/11/2024	12647	VERO CHEMICAL DISTRIBUTORS INC	PO#86249	36,358.94
09/26/2024	12660	BLUE CROSS BLUE SHIELD OF FL	HEALTH INSURANCE-GROUP NO. 41965 OCTOBER 2...	97,871.74
Total 1-00001 · TRUIST (GF operating) #1363				181,614.86
5-00002 · TRUIST (WS Operating) #7918				
Total 5-00002 · TRUIST (WS Operating) #7918				
Total Checking/Savings				181,614.86
Total Current Assets				181,614.86
TOTAL ASSETS				181,614.86
LIABILITIES & EQUITY				
TOTAL LIABILITIES & EQUITY				

St Lucie West Service District
Balance Sheet
As of September 30, 2024

	Sep 30, 24
ASSETS	
Current Assets	
Checking/Savings	
1072 · Bill.com Money Out Clearing	-32.00
D-ACCNT	-863.60
xxx	0.06
1-00001 · TRUIST (GF operating) #1363	1,802,141.67
1-00002 · TRUIST (GF R&R Fund) # 3968	552,618.50
5-00001 · TRUIST (WS Deposit) #1355	138,029.37
5-00002 · TRUIST (WS Operating) #7918	6,566,748.98
Total Checking/Savings	9,058,642.98
Other Current Assets	
1-02000 · GF SLWSD GENERAL ASSETS	497,704.69
2-01000 · WB WTR MGMT BEN 1999A ASSETS	1,088,051.55
4-03000 · CP WMB CAP PROJECTS ASSETS	187,830.23
5-01000 · WS SLWSD WATER & SEWER ASSETS	53,472,315.94
Total Other Current Assets	55,245,902.41
Total Current Assets	64,304,545.39
Other Assets	
000000 · Journal Entry Exchange	2,465.25
Total Other Assets	2,465.25
TOTAL ASSETS	64,307,010.64
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	534,228.03
Total Accounts Payable	534,228.03
Other Current Liabilities	
1-03000 · GF SLWSD GENERAL LIAB	176,272.53
2-02000 · WB WTR MGMT BEN 1999A LIAB	117,105.38
5-02000 · WS SLWSD WATER & SEWER LIAB	26,752,699.74
Total Other Current Liabilities	27,046,077.65
Total Current Liabilities	27,580,305.68
Total Liabilities	27,580,305.68
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	2,424,245.15
Total Equity	36,726,704.96
TOTAL LIABILITIES & EQUITY	64,307,010.64

**ST LUCIE WEST SERVICE DISTRICT
ACCOUNT RECONCILIATION SUMMARY
FOR MONTH END SEPTEMBER 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	1,972,508.97	(1,037,082.12)	935,426.85	935,426.85	* Yes
1-00002	Operating Checking R&R Fund	ST	1000104113968	552,618.50	-	552,618.50	552,618.50	* Yes
1-00002	Operating Checking Escrow Fund	ST	1000104118740	-	-	-	-	Yes
1-02022	Surplus Funds - SBA	SBA	271912	7,353.65	-	7,353.65	7,353.65	Yes
TOTAL OPERATING						\$ 1,495,399.00	\$ 1,495,399.00	
WATER MANAGEMENT BOND FUNDS								
2-01060	Revenue Fund-WMB 2013	US	203823000	682,202.03	-	682,202.03	682,202.03	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	14,223.33	-	14,223.33	14,223.33	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	502.56	-	502.56	502.56	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	187,830.23	-	187,830.23	187,830.23	Yes
4-03049	COI Fund-WMB 2021	US	242655006	-	-	-	-	Yes
WATER MANAGEMENT BOND FUNDS TOTAL						\$ 1,275,881.78	\$ 1,275,881.78	
WATER AND SEWER ACCOUNTS								
5-00001	Water & Sewer Cash Depository	ST	1000104111355	66,424.98	566,896.84	633,321.82	633,321.82	* Yes
5-00002	Water & Sewer Operating Checking	ST	1000104117918	6,590,800.64	(450,016.33)	6,140,784.31	6,140,784.31	* 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	859,278.93	-	859,278.93	859,278.93	Yes
5-01010	Renewal & Replacement	US	4076011209	1,411,533.75	-	1,411,533.75	1,411,533.75	Yes
5-01011	Rate Stabilization	US	4076011218	636,491.69	-	636,491.69	636,491.69	Yes
5-01012	Water Connection	US	4076011227	1,033,063.50	-	1,033,063.50	1,033,063.50	Yes
5-01013	Wastewater Connection	US	4076011236	533,265.74	-	533,265.74	533,265.74	Yes
5-01014	Revenue Fund	US	4076011165	152,865.60	-	152,865.60	152,865.60	Yes
5-01015	Surplus Fund	US	4076011272	3,179,151.88	-	3,179,151.88	3,179,151.88	Yes
5-01016	Principal Account	US	4076036781	1,845,320.94	-	1,845,320.94	1,845,320.94	Yes
5-01042	Surplus Funds - SBA	SBA	271911	569.81	-	569.81	569.81	Yes
WATER AND SEWER ACCOUNTS TOTAL						\$ 18,950,249.48	\$ 18,950,249.48	
GRAND TOTAL						\$ 21,721,530.26	\$ 21,721,530.26	

* Note: These checking accounts (1363, 3968, 1355, & 7918) are reconciled to 10/28/24, not to the end of the month, due to the software's "in transit" calculation.

COMPLETED BY

Michael McElligott - Assistant Finance Director

DATE

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

CA 6 Consider Approval to Transfer Funds for the R&R Account & WCF Account Requisitions for Fiscal Year 2024

Summary

Attached for your review and approval is a request to transfer funds from the Renewal & Replacement Account (R&R) and Water Connection Fee Account (WCF) 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 and WCF Account. All expenditures are in compliance with the District's policy where the cost exceeds the capitalization threshold for Fixed Assets.

- \$220,322.31 – Renewal & Replacement Account
- \$1,416.00 – Water Connection Fee 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 \$220,322.31 and WCF Account for FY 2024 \$1,416.00 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:
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**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:

2024-15

(B) Name of Payee:

***St. Lucie West Services District, Water & Sewer Checking Account
Trust Account # 1000144367918***

(C) Amount Payable:

\$220,322.31

(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.

2024-15

St Lucie West Service District
Transaction Detail By Account
September 2024

Type	Date	Num	Name	Memo	Debit	Credit	Balance
5-37000 · WS RENEWAL & REPLACEMENT CIP							
5-37006 · CAPITAL PROJECTS SW064							
Bill	09/05/2024	6623724	FORTILINE WATERWORKS	PO#86067 A	550.00		550.0
Total 5-37006 · CAPITAL PROJECTS SW064					550.00	0.00	550.0
5-37007 · CAPITAL PROJECTS SW001							
Bill	09/05/2024	PSL/265203	CITY ELECTRIC SUPPLY CO.	PO#86180	4,641.07		4,641.0
Bill	09/06/2024	U738400	CORE & MAIN	5-37007 PO#85572 C	1,900.00		6,541.0
Bill	09/26/2024	1506	THE FENCE EXPERTS OF THE TREASURE COAST,	PO#86295	8,200.00		14,741.0
Bill	09/30/2024	S2805810.001	PENINSULAR ELECTRICAL DISTRIBUTORS	PO#85913	5,400.00		20,141.0
Total 5-37007 · CAPITAL PROJECTS SW001					20,141.07	0.00	20,141.0
5-37009 · CAPITAL PROJECTS SW037							
Bill	09/30/2024	0088403-IN	CARL ERIC JOHNSON, INC.	PO#86138 A	5,419.10		5,419.1
Bill	09/30/2024	24-0926	SHAW WATER SERVICES, INC	PO#86098 A	34,684.00		40,103.1
Total 5-37009 · CAPITAL PROJECTS SW037					40,103.10	0.00	40,103.1
5-37039 · CAPITAL PROJECTS SW092							
Bill	09/26/2024	PSL/266127	CITY ELECTRIC SUPPLY CO.	PO#86282	400.59		400.5
Bill	09/30/2024	APP #1.0	PRP CONSTRUCTION	PO#86032A	77,846.58		78,247.1
Bill	09/30/2024	APP#2.0	PRP CONSTRUCTION	PO#86032 B	81,280.97		159,528.1
Total 5-37039 · CAPITAL PROJECTS SW092					159,528.14	0.00	159,528.1
Total 5-37000 · WS RENEWAL & REPLACEMENT CIP					220,322.31	0.00	220,322.3
OTAL					220,322.31	0.00	220,322.3

**ST. LUCIE WEST SERVICES DISTRICT
REQUISITION FOR PAYMENT
WATER CAPACITY 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:

2024-16

(B) Name of Payee:

***St. Lucie West Services District, Water & Sewer Checking Account
Truist Account # 1000144367918***

(C) Amount Payable:

\$1,416.00

(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 the attached invoices relate to projects in which were budgeted to be funded by the Water Connection fee account and therefore are appropriate for payment out of the Water Connection Fee Fund.

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

Water Connection Fund, Account Number 4076011227

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 [✓] Water Connection Fees Fund and that each disbursement set for the above was incurred in connection with the cost of acquiring and/or constructing

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 for moneys provided to the Trustee by the District.

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 Water Capacity Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Water Capacity 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.

St Lucie West Service District
Transaction Detail By Account
September 2024

Type	Date	Num	Name	Memo	Debit	Credit	Balance
5-38000 · WS WATER CONNECT FEE CIP							
5-38015 · CAPITAL PROJECTS SW098							
Bill	09/30/2024	002 (10.17.24)	INFRASTRUCTURE SOLUTION SERVICES	PO#86657 B	1,416.00		1,416.0
Total 5-38015 · CAPITAL PROJECTS SW098					1,416.00	0.00	1,416.0
Total 5-38000 · WS WATER CONNECT FEE CIP					1,416.00	0.00	1,416.0
TOTAL					1,416.00	0.00	1,416.0

St. Lucie West Services District

Board Agenda Item Tuesday, November 5, 2024

Item

CA 7 Surplus items

Summary

Provided for your review and approval. District Staff has determined that a declaration of surplus equipment is required from the Board of Supervisors for the liquidation of the following items. The declaration will allow staff to dispose of the following items:

Item	Model	Serial/ID	Department	Tag No.
Scrap Metal	Misc Items	N/A	All	No Tag
Oregon Blade Grinder	M6C34FB86A	36866	Shop	062

Recommendation

Staff recommend approval for the declaration of surplus equipment.

District Manager: Joshua Miller

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:
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Supervisors' Requests



Adjournment