

Orig. 6

**CITY OF POMPANO BEACH
Broward County, Florida**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO APPLY FOR THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION REVOLVING LOAN PROGRAM FOR DRINKING WATER; UPON APPROVAL, EXECUTE THE CORRESPONDING LOAN AGREEMENT, PLEDGING OF WATER AND SEWER UTILITY FEES AS THE REVENUES TO REPAY THE LOAN, AND PROVIDING FOR CARRYING OUT ALL LOAN RESPONSIBILITIES UNDER THE AGREEMENT; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Florida Statutes provides for loans to local government agencies to finance the construction of drinking water facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates Project No.DW06245 as eligible for available funding; and

WHEREAS, the City of Pompano Beach, Florida, intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing; now, therefore,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH FLORIDA:

SECTION 1. The foregoing findings are incorporated herein by reference and made a part hereof.

SECTION 2. The City of Pompano Beach, Florida, is authorized to apply for a loan to finance the Project.

SECTION 3. The revenues pledged for the repayment of the loan are net water and sewer system revenues.

SECTION 4. The City's Utilities Director is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

SECTION 5. The Mayor is hereby designated as the authorized representative to execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The Mayor is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The Mayor is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

SECTION 6. The legal authority for borrowing moneys to construct this Project is Section 166.111, Florida Statutes.

SECTION 7. All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION 8. If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 9. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this 13th day of November, 2018.



CHARLOTTE BURRIE, ACTING MAYOR

ATTEST:



ASCELETA HAMMOND, CITY CLERK

/jrm
11/1/18
l:reso/2019-36

Orig. 6

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING LOAN PROGRAM
FOR
DRINKING WATER FACILITIES

LOAN APPLICATION**



Florida Department of Environmental Protection
State Revolving Fund Program
Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, FL 32399-3000

TABLE OF CONTENTS

	Page Number
LOAN APPLICATION	
(1) SUBMITTAL.....	1
(2) COMPLETING THE APPLICATION.....	1
(3) ASSISTANCE.....	1
PART I - ADMINISTRATIVE INFORMATION	
(1) PROJECT SPONSOR.....	1
(2) AUTHORIZED REPRESENTATIVE.....	1
(3) PRIMARY CONTACT.....	1
(4) ADDITIONAL CONTACTS.....	1
(5) PROJECT NUMBER.....	1
(6) INTERIM FINANCING.....	1
PART II - PROJECT INFORMATION	
A. PRECONSTRUCTION PROJECT	
(1) ACTIVITIES.....	2
(2) SCHEDULE.....	2
(3) COST.....	2
B. CONSTRUCTION PROJECT	
(1) ACTIVITIES.....	2
(2) SCHEDULE.....	3
(3) COST.....	3
PART III - FINANCIAL INFORMATION	
(1) PRINCIPAL.....	3
(2) TERMS AND REPAYMENT.....	3
(3) ANNUAL FUNDING LIMIT.....	3
(4) INFORMATION ON LIENS.....	3
(5) ACTUAL AND PROJECTED REVENUES.....	4
(6) AVAILABILITY OF PLEDGED REVENUES.....	4
(7) LOAN SERVICE FEE.....	4
PART IV - AUTHORIZATION AND ASSURANCES	
(1) AUTHORIZATION.....	4
(2) ASSURANCES.....	4
PART V - SUPPLEMENTARY INFORMATION	
SCHEDULE OF PRIOR AND PARITY LIENS.....	7
SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE.....	8
SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE.....	9
LIST OF ATTACHMENTS.....	10

LOAN APPLICATION

- (1) **SUBMITTAL.** Submit the application and attachments to the Department of Environmental Protection, MS 3505, State Revolving Fund Program, Marjorie Stoneman Douglas Building, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000. The application (and supporting documentation) may be submitted electronically to the Department's Project Manager.
- (2) **COMPLETING THE APPLICATION.**
 - (a) This application consists of five parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; (IV) AUTHORIZATION AND ASSURANCES; and (V) SUPPLEMENTARY INFORMATION.
 - (b) All information provided on this application must be printed. Monetary amounts may be rounded.
 - (c) Forms and attachments to be submitted are denoted with italic print.
- (3) **ASSISTANCE.** Completing this application may require information that can be obtained from the Drinking Water State Revolving Fund Program staff. Please email SRF_Reporting@dep.state.fl.us for assistance in completing this application.

PART I - ADMINISTRATIVE INFORMATION

- (1) **PROJECT SPONSOR** City of Pompano Beach
Federal Employer Identification Number 59-6000411
DUNS Number 080181167
- (2) **AUTHORIZED REPRESENTATIVE** (person authorized to sign or attest loan documents).
Name A. Randolph Brown Title Utilities Director
Telephone (954) 545-7044 Email Randolph.Brown@copbfl.com
Mailing Address 1205 NE 5th Avenue, Pompano Beach, FL 33060
- (3) **PRIMARY CONTACT** (person to answer questions regarding this application).
Name Shana-Roy Coombs-Gordon Title Interim Compliance & Efficiency Manager
Telephone (954) 545-7004 Email Shana.Coombs@copbfl.com
Employer City of Pompano Beach
Mailing Address 1205 NE 5th Avenue, Pompano Beach, FL 33060
- (4) **ADDITIONAL CONTACTS.** If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #N/A*).
Name _____ Title _____
Telephone _____ Email _____
Employer _____
Mailing Address _____
- (5) **PROJECT NUMBER** (listed on the Department's priority list). DW06245
- (6) **INTERIM FINANCING.** A local government project sponsor that has interim financing may be subject to certain conditions regarding such financing.
Is the project currently being funded with interim financing? Yes No

PART II – PROJECT INFORMATION

If you are applying for a planning or design loan for a project that will involve construction, complete only Subpart A below. If you are applying for a loan to construct a project that is already planned and designed, complete only Subpart B below.

A. PLANNING OR DESIGN PROJECT

Information should be provided for each separate facility to be planned and designed as appropriate. For design/build projects (not eligible for design loans) or those where multiple facilities, segments, or phases are involved, please attach information for activities, schedule, and cost for each. (Attachment #N/A)

(1) **ACTIVITIES.** Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any engineering services to be performed. (Attachment #N/A) Are these activities the same as those scheduled on the *Request for Inclusion Form*? Yes No. If “No”, please explain. (Attachment #N/A)

(2) **SCHEDULE.**

(a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)

Planning documentation	N/A
Engineering design	N/A
Certification of site availability	N/A
Permitting	N/A

(b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If “Yes”, please explain. (Attachment #____) Yes No

(c) Is this a design/build project? Yes No

(3) **COST.** Is the cost information submitted for the planning or design loan priority list current? If “No”, please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (Attachment #____) Note that the disburseable amount will be limited to the priority list amount. Yes No

PLANNING OR DESIGN APPLICANTS PROCEED TO PART III.

B. CONSTRUCTION PROJECT

(1) **ACTIVITIES.**

(a) Attach a brief description of construction activities to be financed by this loan. Include a list of the contracts (by title) corresponding to the plans and specifications accepted by the Department (Attachment #1).

Are these contracts the same as those scheduled on the *Request for Inclusion Form*? Yes No
If “No”, please explain. (Attachment #____)

(b) Have any of the contracts been bid? Yes No
If “Yes”, indicate which contracts have been bid. (Attachment #____)

(c) Was planning or design for this project financed in another SRF loan? Yes No
If “Yes”, give the SRF loan number. _____

(d) Does this project involve an interlocal agreement with other local governments or other entities? Yes No
If “Yes”, attach a copy of the Department letter accepting the interlocal agreement. (Attachment #____)
Is the interlocal agreement, as accepted by the Department, fully executed and enforceable? Yes No
If “No”, please explain (Attachment #____).

- (2) SCHEDULE. (month and year)
- (a) Anticipated notice to proceed for first construction contract. March 2019
- (b) Anticipated completion of all construction contracts. February 2020
- (3) COST. Is the cost information submitted for the priority list current? Yes No

If "No", please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (Attachment # _____) Note that the disbursable amount will be limited to the priority list amount.

PART III - FINANCIAL INFORMATION

Estimates of the capitalized interest, interest rate, pledged revenue coverage, limitations on annual loan amounts for large projects, applicability and amount of repayment reserves, amount of the loan service fee and any other information may be obtained by contacting staff in the State Revolving Fund Management Section.

- (1) PRINCIPAL. The requested amount of the loan which does not include capitalized interest is \$342,300.00

Note that the disbursable amount will be limited to the priority list amount and must be consistent with the project information provided under **PART II** of this application. Also note that the capitalized interest is an inexact estimate, and it is subject to adjustment by the Department to reflect actual disbursement timing. The principal amount of the loan does not include the loan service fee.

- (2) TERMS AND REPAYMENT.

- (a) Loans for planning and design shall be amortized over 10 years. Construction loans to local government project sponsors are amortized over the lesser of useful life of the project or 20 years unless the project is to serve a small community qualifying as financially disadvantaged. Construction loans to financially disadvantaged small communities may be amortized over the lesser of useful life of the project or 30 years. Construction loans to non-governmental project sponsors are amortized over the lesser of the useful life of the project or 20 years. Interest charges and principal are paid semiannually.

What is the useful life of the project? 40 (years)

Over how many years would you like to amortize the loan? 20 (years)

- (b) List all revenues that are to be pledged for repayment of this loan. Utility Water Rates

- (c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 117.02% (coverage percentage)

- (d) Is any other financial assistance being applied to this project? Yes No

If "Yes", please list. (Attachment #2)

- (3) ANNUAL FUNDING LIMIT. Large project funding (generally, loans in excess of \$10 million) may be provided in increments pursuant to the initial loan agreement and subsequent amendments.

- (4) INFORMATION ON LIENS.

- (a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (Attachment #3) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.
- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.

- (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #4*).
 - (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #N/A*).
- (5) ACTUAL AND PROJECTED REVENUES.
- (a) Complete the Part V, *Schedule of Actual Revenues and Debt Coverage* for the past two fiscal years.
 - (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment.
- (6) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #5*) The opinion must address the following:
- (a) Availability of the revenues to repay the loan.
 - (b) Right to increase rates at which revenues shall be collected to repay the loan.
 - (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- (7) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

PART IV – AUTHORIZATION AND ASSURANCES

- (1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #6*) for the following:
 - (a) Pledging revenues to repay the loan.
 - (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.
- (2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Drinking Water State Revolving Fund Program staff as to the applicability of the requirements if the necessity for the assurances is of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:
 - (a) Assurances for capitalization grant projects.
 1. Complete all facilities for which funding has been provided.
 2. The Archaeological and Historic Preservation Act of 1974, PL 93-291, and the National Historic Preservation Act of 1966, PL 89-665, as amended, regarding identification and protection of historic properties.
 3. The Clean Air Act, 42 U.S.C. 7506(c), which requires conformance with State Air Quality Implementation Plans.
 4. The Coastal Zone Management Act of 1972, PL 92-583, as amended, which requires assurance of project consistency with the approved State management program developed under this Act.
 5. The Endangered Species Act, 16 U.S.C. 1531, et seq., which requires that projects avoid disrupting threatened or endangered species and their habitats.
 6. Executive Order 11593, Protection and Enhancement of the Cultural Environment, regarding preservation, restoration and maintenance of the historic and cultural environment.
 7. Executive Order 11988, Floodplain Management, related to avoiding, to the extent possible, adverse impacts associated with floodplain occupancy, modification and development whenever there is a practicable alternative.
 8. Executive Order 11990, Protection of Wetlands, related to avoiding, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and avoiding support of construction in wetlands.
 9. The Fish and Wildlife Coordination Act, PL 85-624, as amended, which requires that actions to control natural streams or other water bodies be undertaken to protect fish and wildlife resources and their habitats.

10. The Safe Drinking Water Act, Section 1424(e), PL 93-523, as amended, regarding protection of underground sources of drinking water.
 11. The Wild and Scenic Rivers Act, PL 90-542, as amended, related to protecting components or potential components of the national wild and scenic rivers system.
 12. The federal statutes relating to nondiscrimination, including: The Civil rights Act of 1964, PL 88-352, which prohibits discrimination on the basis of race, color or national origin; the Age Discrimination Act, PL 94-135, which prohibits discrimination on the basis of age; Section 13 of the Federal Water Pollution Control Act, PL 92-500, which prohibits sex discrimination; the Rehabilitation Act of 1973, PL 93-112, as amended, which prohibits discrimination on the basis of handicaps.
 13. Executive Order 11246, Equal Employment Opportunity, which provides for equal opportunity for all qualified persons.
 14. Executive Orders 11625 and 12138, Women's and Minority Business Enterprise, which require that small, minority, and women's business and labor surplus areas are used when possible as sources of supplies, equipment, construction and services.
 15. The Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., regarding protection and conservation of the coastal barrier resources.
 16. The Farmland Protection Policy Act, 7 U.S.C. 4201 et seq., regarding protection of agricultural lands from irreversible loss.
 17. The Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs.
 18. The Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, which requires that projects be carried out in accordance with area wide planning activities.
 19. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act and Executive Order 11738, which prohibit manufacturers, firms, or other enterprises on the EPA's list of Violating Facilities from participating in the Project.
 20. Executive Order 12549, Debarment and Suspension, which prohibits any award to a party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs.
 21. Minority and Women's Business Enterprise participation in project work using numerical goals, established by the U.S. Environmental Protection Agency, and to be set forth in the specifications for construction and materials contracts.
- (b) Assurances for other projects.
1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.
 2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.
 3. Chapter 186, F.S., State and Regional Planning, which requires conformance of projects with Regional Plans and the State Comprehensive Plan.
 4. Chapter 253, F.S., "Emergency Archaeological Property Acquisition Act of 1988" which requires protection of archaeological properties of major statewide significance discovered during construction activities.
 5. Chapter 258, Part III, F.S., which requires protection of components or potential components of the national wild and scenic rivers system.
 6. Chapter 267, F.S., the "Florida Historical Resources Act" which requires identification, protection, and preservation of historic properties, archaeological and anthropological sites.
 7. Chapter 287, Part I, F.S., which prohibits parties convicted of public entity crimes or discrimination from participating in State-assisted projects and which requires consideration of the utilization of Minority Business Enterprises in State-assisted projects.
 8. Chapter 372, F.S., the Florida Endangered and Threatened Species Act which prohibits the killing or wounding of an endangered, threatened, or special concern species or intentionally destroying their eggs or nest.

9. Chapter 373, Part IV, F.S., Florida Water Resources Act of 1972, which requires that activities on surface waters or wetlands avoid adversely affecting: public health, safety, welfare, or property; conservation of fish and wildlife, including endangered or threatened species or their habitats; navigation or the flow of water; the fishing or recreational values or marine productivity; and significant historical and archaeological resources.
10. Chapter 380, Part I, F.S., Florida Environmental Land and Water Management Act of 1972 as it pertains to regulation of developments and implementation of land and water management policies.
11. Chapter 381, F.S., Public Health, as it pertains to regulation of onsite wastewater systems.
12. Chapter 403, Part I, F.S., Florida Air and Water Pollution Control which requires protection of all waters of the state.
13. Chapter 582, F.S., Soil and Water Conservation Act which requires conformance with Water Management District's regulations governing the use of land and water resources.
14. Governor's Executive Order 95-359, which requires State Clearinghouse review of project planning documentation and intergovernmental coordination.

I, the undersigned Authorized Representative of the Applicant, hereby certify that all information contained herein and in the attached is true, correct, and complete to the best of my knowledge and belief. I further certify that I have been duly authorized to file the application and to provide these assurances.

Signed this 15 Day of November, 2018

Authorized Representative  Charlotte Burrie, Acting Mayor
(signature) (name typed or printed)

Attachments

"CITY":

Witnesses:

CITY OF POMPANO BEACH

Betty J. Manes

By: Charlotte J. Burrie
CHARLOTTE BURRIE, ACTING MAYOR

Shelby R. Bartholomeu

By: Gregory P. Harrison
GREGORY P. HARRISON, CITY MANAGER

Attest:

Asceleta Hammond
ASCELETA HAMMOND, CITY CLERK

(SEAL)

Approved As To Form:

Mark E. Berman
MARK E. BERMAN, CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 15 day of November, 2018 by **CHARLOTTE BURRIE** as Acting Mayor, **GREGORY P. HARRISON** as City Manager and **ASCELETA HAMMOND** as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY'S SEAL:

Jennette Forrester Williams
NOTARY PUBLIC, STATE OF FLORIDA
Jennette Forrester Williams
(Name of Acknowledger Typed, Printed or Stamped)



Commission Number

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan agreement.)

	<u>Year 2016</u>	<u>Year 2017</u>
(a) Operating Revenues (Source)		
<u>Water Rates</u>	<u>\$21,539,962</u>	<u>\$21,741,590</u>
<u>Fees and Services</u>	<u>\$302,199</u>	<u>\$417,218</u>
(b) Interest Income	<u>\$362,158</u>	<u>\$402,949</u>
(c) Other Income or Revenue (Identify)		
<u>Proceeds for Sale of Assets</u>	<u>\$41,651</u>	<u>\$49,396</u>
(d) Total Revenues	<u>\$22,245,970</u>	<u>\$22,611,153</u>
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	<u>\$17,620,195</u>	<u>\$18,317,652</u>
(f) Net Revenues [(f) = (d) – (e)]	<u>\$4,625,595</u>	<u>\$4,293,501</u>
(g) Debt Service (including any required coverage)	<u>\$2,001,511</u>	<u>\$2,000,275</u>
(h) Attach audited annual financial report(s), or pages thereof, or other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF Loan. (<i>Attachment #7</i>)		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (<i>Attachment #8</i>)		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (<i>Attachment #N/A</i>)		

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE

Begin with the fiscal year preceding first anticipated semiannual loan payment and continue for at least three additional years. Attach a separate page for previous State Revolving Fund loans.

	<u>Year 2018</u>	<u>Year 2019</u>	<u>Year 2020</u>	<u>Year 2021</u>	<u>Year 20</u>
(a) Operating Revenue	23,101,5 57	24,082,331	25,105,830	26,172,828	
(b) Interest Income	420,074	437,927	456,539	475,942	
(c) Other Income or Revenue (identify)					
<u>Sale of Fixed Assets</u>	51,495	53,684	55,965	58,344	
(d) Total Revenues	23,572,1 27	24,573,942	25,618,335	26,707,114	
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	19,118,1 33	20,280,516	21,253,981	22,274,172	
(f) Net Revenues (f = d - e)	4,453,99 4	4,293,426	4,364,354	4,432,942	
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	2,005,14 1	2,002,796	2,006,553	N/A	
(h) Revenue (including coverage) pledged to outstanding SRF loans	0	0	0	0	
(i) Revenue Available for this SRF Loan [(i) = (f) – (g) – (h)]	2,005,14 1	2,002,796	2,006,553	N/A	

(j) Identify the source of the above information and explain methods used to develop the projections (*Attachment #12*). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.

(k) For construction loans, are the above projections consistent with the accepted financial feasibility information in the planning documents? Yes No

If "No", please explain. (*Attachment #*____)

**ATTACHMENT #1 – DESCRIPTION OF CONSTRUCTION ACTIVITIES FOR THE
CITY OF POMPANO BEACH WATER SYSTEM INTERCONNECT UPGRADES
PROJECT**

This project will include the construction of new meters and backflow prevention at four existing unmetered interconnections with adjacent water distribution systems (one interconnect with the Broward County Water and Wastewater Services water distribution system and three interconnects with the City of Fort Lauderdale water distribution system). The upgrades include two-way metered flow capabilities, check valves for backflow prevention, and flushing valves. All new interconnects will be located in the same rights-of-way but will be installed in more easily accessible locations for meter reading and maintenance. This project is scheduled to be bid in January 2019 for selection of Contractor.

Technical services during construction will be performed by McCafferty Brinson, LLC and will include the following:

1. Conduct the pre-construction meeting with the Contractor, and other interested parties, and issue meeting minutes.
2. Review and comment on submittals submitted by the Contractor.
3. Provide the Contractor with clarifications concerning questions about the Contract Documents and respond to requests for information.
4. Review quantities and payment application after review and approval by the field inspector and make the recommendations necessary for the approval or rejection of the Contractor's monthly payment applications.
5. Review contractor's claims and prepare change orders as necessary.
6. Review and comment on the Record Drawings submitted by the Contractor.
7. Provide site visits to the project site to determine that the project is being constructed in substantial conformance with the permitted drawings.
8. Submit the required information for the closing out of the permits.
9. Work with Contractor to ensure all applicable materials on the project comply with the provisions of the "American Iron and Steel" requirement as part of the SRF loan.
10. Review and approve monthly payroll information submitted by the Contractor and subcontractor(s) to ensure requirements for Davis Bacon wage requirements are met.
11. Conduct labor interviews with the Contractor's personnel throughout the construction duration as required by SRF guidelines.
12. Prepare and submit monthly disbursement requests with required supporting documentation to the FDEP SRF department in Tallahassee.

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
Standard Grant Agreement**

This Agreement is entered into between the Parties named below, pursuant to Section 215.971, Florida Statutes:

1. Project Title (Project) Agreement Number
Pompano Beach Drinking Water Interconnects Rehabilitation **LP06243**

2. Parties **State of Florida Department of Environmental Protection,
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000** (Department)

Grantee Name: **City of Pompano Beach** Entity Type: **Municipality**
 Grantee Address: **1205 NE 5th Avenue, Pompano Beach, FL 33060** FEID: **59-6000411** (Grantee)

3. Agreement Begin Date: **July 1, 2017** Date of Expiration: **June 30, 2020**

4. Project Number: Project Location(s): **Pompano Beach, FL**
(If different from Agreement Number)

Project Description: **The Grantee will upgrade the existing infrastructure of four drinking water interconnects in the City of Pompano Beach.**

5. Total Amount of Funding:	Funding Source?	Award #s or Line Item Appropriations:	Amount per Source(s):
\$287,500.00	<input checked="" type="checkbox"/> State <input type="checkbox"/> Federal	FY17-18 GAA Line Item 1606A	\$287,500.00
	<input type="checkbox"/> State <input type="checkbox"/> Federal		
	<input type="checkbox"/> State <input type="checkbox"/> Federal		
	<input type="checkbox"/> State <input type="checkbox"/> Federal		

6. Department's Grant Manager Name: Zachary Easton Address: 3900 Commonwealth Boulevard Tallahassee, FL 32399-3000 Phone: (850) 245-2949 Email: Zachary.Easton@dep.state.fl.us	Grantee's Grant Manager Name: Shana Coombs-Gordon Address: 1205 NE 5th Avenue Pompano Beach, FL 33060 Phone: (954) 545-7004 Email: Shana.Coombs@copbfl.com
--	--

7. The Parties agree to comply with the terms and conditions of the following attachments and exhibits which are hereby incorporated by reference:

<input checked="" type="checkbox"/> Attachment 1: Standard Terms and Conditions Applicable to All Grants Agreements
<input checked="" type="checkbox"/> Attachment 2: Special Terms and Conditions
<input checked="" type="checkbox"/> Attachment 3: Grant Work Plan
<input checked="" type="checkbox"/> Attachment 4: Public Records Requirements
<input checked="" type="checkbox"/> Attachment 5: Special Audit Requirements
<input type="checkbox"/> Attachment 6: Program-Specific Requirements
<input type="checkbox"/> Attachment 7: Grant Award Terms (Federal)
<input type="checkbox"/> Attachment 8: Federal Regulations and Terms (Federal)
<input type="checkbox"/> Additional Attachments (if necessary):
<input checked="" type="checkbox"/> Exhibit A: Progress Report Form
<input type="checkbox"/> Exhibit B: Disclosure of Lobbying Activities (Federal)
<input type="checkbox"/> Exhibit C: DEP Property Reporting Form
<input checked="" type="checkbox"/> Exhibit D: Payment Request Summary Form
<input type="checkbox"/> Exhibit E: Quality Assurance Requirements
<input type="checkbox"/> Exhibit F: Advance Payment Terms and Interest Earned Memo
<input type="checkbox"/> Additional Exhibits (if necessary):

8. The following information applies to Federal Grants only and is identified in accordance with 2 CFR 200.331(a)(1):

Federal Award Identification Number(s) (FAIN):	
Federal Award Date to Department:	
Total Federal Funds Obligated by this Agreement:	
Federal Awarding Agency:	
Award R&D?	<input type="checkbox"/> Yes <input type="checkbox"/> N/A

IN WITNESS WHEREOF, this Agreement is being executed by the Parties and is effective on the date in the Agreement Begin Date above or the last date signed below, whichever is later.

9. **City of Pompano Beach**

GRANTEE

Grantee Name

By


(Authorized Signature)

2/20/18
Date Signed

Lamar Fisher, Mayor

Print Name and Title of Person Signing

10.

State of Florida Department of Environmental Protection

DEPARTMENT

By


Secretary or Designee

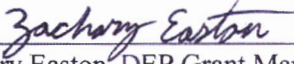
3/14/18
Date Signed

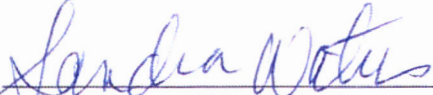
Trina Vielhauer, Director of Water Restoration Assistance

Print Name and Title of Person Signing

Additional signatures attached on separate page.

DWRA Additional Signatures


Zachary Easton, DEP Grant Manager


Sandra Waters, DEP QC Reviewer

"CITY":

Witnesses:

CITY OF POMPANO BEACH

Sandra M. Morley

By: [Signature]
LAMAR FISHER, MAYOR

Shelly R. Barthelm

By: [Signature]
GREGORY P. HARRISON, CITY MANAGER

Attest:

[Signature]
ASCELETA HAMMOND, CITY CLERK

(SEAL)

Approved As To Form:

[Signature]
MARK E. BERMAN, CITY ATTORNEY



STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 20th day of February, 2018 by LAMAR FISHER as Mayor, GREGORY P. HARRISON as City Manager and ASCELETA HAMMOND as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

Jennette Forrester Williams
(Name of Acknowledger Typed, Printed or Stamped)

FF 993881
Commission Number



**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
STANDARD TERMS AND CONDITIONS
APPLICABLE TO GRANT AGREEMENTS**

ATTACHMENT 1

1. Entire Agreement.

This Grant Agreement, including any Attachments and Exhibits referred to herein and attached hereto (Agreement), constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter. Any preprinted terms and conditions included on Grantee's forms or invoices shall be null and void.

2. Grant Administration.

- a. Order of Precedence. If there are conflicting provisions between the documents that make up the Agreement, the order of precedence for the documents is as follows:
 - i. Attachments other than Attachment 1, in numerical order as designated in the Standard Grant Agreement
 - ii. Standard Grant Agreement
 - iii. Attachment 1, Standard Terms and Conditions
 - iv. The Exhibits in the order designated in the Standard Grant Agreement
- b. All approvals, written or verbal, and other written communication between the parties, including all notices, shall be obtained by or sent to the parties' Grant Managers. All written communication shall be by electronic mail, U.S. Mail, a courier delivery service, or delivered in person. Notices shall be considered delivered when reflected by an electronic mail read receipt, a courier service delivery receipt, other mail service delivery receipt, or when receipt is acknowledged by recipient.
- c. If a different Grant Manager is designated by either party after execution of this Agreement, notice of the name and contact information of the new Grant Manager will be submitted in writing to the other party and maintained in the respective parties' records. A change of Grant Manager does not require a formal amendment or change order to the Agreement.
- d. This Agreement may be amended, through a formal amendment or a change order, only by a written agreement between both parties. A formal amendment to this Agreement is required for changes which cause any of the following: an increase or decrease in the Agreement funding amount; a change in the Grantee's match requirements; a change in the expiration date of the Agreement; and/or changes to the cumulative amount of funding transfers between approved budget categories, as defined in Attachment 3, Grant Work Plan, that exceeds or is expected to exceed ten percent (10%) of the total budget as last approved by the Department. A change order to this Agreement may be used when task timelines within the current authorized Agreement period change, and/or when the cumulative transfer of funds between approved budget categories, as defined in Attachment 3, Grant Work Plan, are less than ten percent (10%) of the total budget as last approved by the Department, or without limitation to changes to approved fund transfers between budget categories for the purchases of meeting match requirements. This Agreement may be amended to provide for additional services if additional funding is made available by the Legislature.
- e. All days in this Agreement are calendar days unless otherwise specified.

3. Agreement Duration.

The term of the Agreement shall begin and end on the dates indicated in the Standard Grant Agreement, unless extended or terminated earlier in accordance with the applicable terms and conditions. The Grantee shall be eligible for reimbursement for work performed on or after the date of execution through the expiration date of this Agreement, unless otherwise specified in Attachment 2, Special Terms and Conditions. However, work performed prior to the execution of this Agreement may be reimbursable or used for match purposes if permitted by the Special Terms and Conditions.

4. Deliverables.

The Grantee agrees to render the services or other units of deliverables as set forth in Attachment 3, Grant Work Plan. The services or other units of deliverables shall be delivered in accordance with the schedule and at the pricing outlined in the Grant Work Plan. Deliverables may be comprised of activities that must be completed prior to the Department making payment on that deliverable. The Grantee agrees to perform in accordance with the terms and conditions set forth in this Agreement and all attachments and exhibits incorporated by the Standard Grant Agreement.

5. Performance Measures.

The Grantee warrants that: (1) the services will be performed by qualified personnel; (2) the services will be of the kind and quality described in the Grant Work Plan; (3) the services will be performed in a professional and workmanlike manner in accordance with industry standards and practices; (4) the services shall not and do not infringe upon the intellectual property rights, or any other proprietary rights, of any third party; and (5) its employees, subcontractors, and/or subgrantees shall comply with any security and safety requirements and processes, if provided by the Department, for work done at the Project Location(s). The Department reserves the right to investigate or inspect at any time whether the services or qualifications offered by the Grantee meet the Agreement requirements. Notwithstanding any provisions to the contrary, written acceptance of a particular deliverable/minimum requirement does not foreclose the Department's remedies in the event those performance standards that cannot be readily measured at the time of delivery are not met.

6. Acceptance of Deliverables.

- a. Acceptance Process. All deliverables must be received and accepted in writing by the Department's Grant Manager before payment. The Grantee shall work diligently to correct all deficiencies in the deliverable that remain outstanding, within a reasonable time at the Grantee's expense. If the Department's Grant Manager does not accept the deliverables within 30 days of receipt, they will be deemed rejected.
- b. Rejection of Deliverables. The Department reserves the right to reject deliverables, as outlined in the Grant Work Plan, as incomplete, inadequate, or unacceptable due, in whole or in part, to the Grantee's lack of satisfactory performance under the terms of this Agreement. The Grantee's efforts to correct the rejected deliverables will be at the Grantee's sole expense. The Grantee shall only invoice the Department for deliverables that are completed in accordance with the Grant Work Plan. Failure to fulfill the applicable technical requirements or complete all tasks or activities in accordance with the Grant Work Plan will result in rejection of the deliverable and the associated invoice. Payment for the rejected deliverable will not be issued unless the rejected deliverable is made acceptable to the Department in accordance with the Agreement requirements. The Department, at its option, may allow additional time within which the Grantee may remedy the objections noted by the Department. The Grantee's failure to make adequate or acceptable said deliverables after a reasonable opportunity to do so may constitute an event of default.

7. Financial Consequences for Nonperformance.

- a. Withholding Payment. In addition to the specific consequences explained in the Grant Work Plan and/or Special Terms and Conditions, the State of Florida (State) reserves the right to withhold payment when the Grantee has failed to perform/comply with provisions of this Agreement. These consequences for nonperformance shall not be considered penalties.
- b. Corrective Action Plan. If the Grantee fails to correct all the deficiencies in a rejected deliverable within the specified timeframe, the Department may, in its sole discretion, request that a proposed Corrective Action Plan (CAP) be submitted by the Grantee to the Department. The Department shall provide the Grantee with a written request for a CAP that specifies the outstanding deficiencies. All CAPs must be able to be implemented and performed in no more than sixty (60) calendar days.
 - i. The Grantee shall submit a CAP within ten (10) calendar days of the date of the written request from the Department. The CAP shall be sent to the Grant Manager for review and approval. Within ten (10) calendar days of receipt of a CAP, the Department shall notify the Grantee in writing whether the CAP proposed has been accepted. If the CAP is not accepted, the Grantee shall have ten (10) calendar days from receipt of the Department letter rejecting the proposal to submit a revised proposed CAP. Failure to obtain the Department approval of a CAP as specified above shall result in the Department's termination of this Agreement for cause as authorized in this Agreement.
 - ii. Upon the Department's notice of acceptance of a proposed CAP, the Grantee shall have ten (10) calendar days to commence implementation of the accepted plan. Acceptance of the proposed CAP by the Department does not relieve the Grantee of any of its obligations under the Agreement. In the event the CAP fails to correct or eliminate performance deficiencies by Grantee, the Department shall retain the right to require additional or further remedial steps, or to terminate this Agreement for failure to perform. No actions approved by the Department or steps taken by the Grantee shall preclude the Department from subsequently asserting any deficiencies in performance. The Grantee shall continue to implement the CAP until all deficiencies are corrected. Reports on the progress of the CAP will be made to the Department as requested by the Department Grant Manager.
 - iii. Failure to respond to a Department request for a CAP or failure to correct a deficiency in the performance of the Agreement as specified by the Department may result in termination of the Agreement.

8. Payment.

- a. **Payment Process.** Subject to the terms and conditions established by the Agreement, the pricing per deliverable established by the Grant Work Plan, and the billing procedures established by the Department, the Department agrees to pay the Grantee for services rendered in accordance with Section 215.422, Florida Statutes (F.S.). To obtain the applicable interest rate, please refer to:
<http://www.myfloridacfo.com/Division/AA/Vendors/default.htm>.
- b. **Taxes.** The Department is exempted from payment of State sales and use taxes and Federal excise taxes. The Grantee, however, shall not be exempted from paying any taxes that it is subject to, including State sales and use taxes, or for payment by the Grantee to suppliers for taxes on materials used to fulfill its contractual obligations with the Department. The Grantee shall not use the Department's exemption number in securing such materials. The Grantee shall be responsible and liable for the payment of all its FICA/Social Security and other taxes resulting from this Agreement.
- c. **Maximum Amount of Agreement.** The maximum amount of compensation under this Agreement, without an amendment, is described in the Standard Grant Agreement. Any additional funds necessary for the completion of this Project are the responsibility of the Grantee.
- d. **Reimbursement for Costs.** The Grantee shall be paid on a cost reimbursement basis for all eligible Project costs upon the completion, submittal, and approval of each deliverable identified in the Grant Work Plan. Reimbursement shall be requested on **Exhibit D, Payment Request Summary Form**. To be eligible for reimbursement, costs must be in compliance with laws, rules, and regulations applicable to expenditures of State funds, including, but *not limited to*, the *Reference Guide for State Expenditures*, which can be accessed at the following web address: http://www.myfloridacfo.com/aadir/reference_guide/.
- e. **Invoice Detail.** All charges for services rendered or for reimbursement of expenses authorized by the Department pursuant to the Grant Work Plan shall be submitted to the Department in sufficient detail for a proper pre-audit and post-audit to be performed.
- f. **Interim Payments.** Interim payments may be made by the Department, at its discretion, if the completion of deliverables to date have first been accepted in writing by the Department's Grant Manager.
- g. **Final Payment Request.** A final payment request should be submitted to the Department no later than sixty (60) calendar days following the completion date of the Agreement to ensure the availability of funds for payment. However, all work performed pursuant to the Grant Work Plan must be performed on or before the completion date of the Agreement.
- h. **Annual Appropriation Contingency.** The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. This Agreement is not a commitment of future appropriations. Authorization for continuation and completion of work and any associated payments may be rescinded, with proper notice, at the discretion of the Department if the Legislature reduces or eliminates appropriations.
- i. **Interest Rates.** All interest rates charged under the Agreement shall be calculated on the prevailing rate used by the State Board of Administration.

9. Documentation Required for Cost Reimbursement Grant Agreements and Match.

If Cost Reimbursement or Match is authorized in Attachment 2, Special Terms and Conditions, the following conditions apply. Supporting documentation must be provided to substantiate cost reimbursement or match requirements for the following budget categories:

- a. **Salary/Wages.** Grantee shall list personnel involved, position classification, direct salary rates, and hours spent on the Project in accordance with Attachment 3, Grant Work Plan in their documentation for reimbursement or match requirements.
- b. **Overhead/Indirect/General and Administrative Costs.** If the Grantee is being reimbursed for or claiming match for multipliers, all multipliers used (i.e., fringe benefits, overhead, indirect, and/or general and administrative rates) shall be supported by audit. If the Department determines that multipliers charged by the Grantee exceeded the rates supported by audit, the Grantee shall be required to reimburse such funds to the Department within thirty (30) calendar days of written notification. Interest shall be charged on the excessive rate.
- c. **Contractual Costs (Subcontractors).** Match or reimbursement requests for payments to subcontractors must be substantiated by copies of invoices with backup documentation identical to that required from the Grantee. Subcontracts which involve payments for direct salaries shall clearly identify the personnel involved, salary rate per hour, and hours spent on the Project. All eligible multipliers used (i.e., fringe benefits, overhead, indirect, and/or general and administrative rates) shall be supported by audit. If the Department determines that multipliers charged by any subcontractor exceeded the rates supported by audit, the Grantee shall be required to reimburse such funds to the Department within thirty (30) calendar days of written notification. Interest shall be charged on

the excessive rate. Nonconsumable and/or nonexpendable personal property or equipment costing \$1,000 or more purchased for the Project under a subcontract is subject to the requirements set forth in Chapters 273 and/or 274, F.S., and Chapter 69I-72, Florida Administrative Code (F.A.C.) and/or Chapter 69I-73, F.A.C., as applicable. The Grantee shall be responsible for maintaining appropriate property records for any subcontracts that include the purchase of equipment as part of the delivery of services. The Grantee shall comply with this requirement and ensure its subcontracts issued under this Agreement, if any, impose this requirement, in writing, on its subcontractors.

- i. For fixed-price (vendor) subcontracts, the following provisions shall apply: The Grantee may award, on a competitive basis, fixed-price subcontracts to consultants/contractors in performing the work described in Attachment 3, Grant Work Plan. Invoices submitted to the Department for fixed-price subcontracted activities shall be supported with a copy of the subcontractor's invoice and a copy of the tabulation form for the competitive procurement process (e.g., Invitation to Bid, Request for Proposals, or other similar competitive procurement document) resulting in the fixed-price subcontract. The Grantee may request approval from the Department to award a fixed-price subcontract resulting from procurement methods other than those identified above. In this instance, the Grantee shall request the advance written approval from the Department's Grant Manager of the fixed price negotiated by the Grantee. The letter of request shall be supported by a detailed budget and Scope of Services to be performed by the subcontractor. Upon receipt of the Department Grant Manager's approval of the fixed-price amount, the Grantee may proceed in finalizing the fixed-price subcontract.
 - ii. If the procurement is subject to the Consultant's Competitive Negotiation Act under section 287.055, F.S. or the Brooks Act, the Grantee must provide documentation clearly evidencing it has complied with the statutory or federal requirements.
- d. Travel. All requests for match or reimbursement of travel expenses shall be in accordance with Section 112.061, F.S.
 - e. Direct Purchase Equipment. For the purposes of this Agreement, Equipment is defined as capital outlay costing \$1,000 or more. Match or reimbursement for the Grantee's direct purchase of equipment is subject to specific approval of the Department, and does not include any equipment purchased under the delivery of services to be completed by a subcontractor. Include copies of invoices or receipts to document purchases, and a properly completed Property Reporting Form.
 - f. Rental/Lease of Equipment – Match or reimbursement requests for rental/lease of equipment must include copies of invoices or receipts to document charges.
 - g. Miscellaneous/Other Expenses. If miscellaneous or other expenses, such as materials, supplies, non-excluded phone expenses, reproduction, or mailing, are reimbursable or available for match or reimbursement under the terms of this Agreement, the documentation supporting these expenses must be itemized and include copies of receipts or invoices. Additionally, independent of the Grantee's contract obligations to its subcontractor, the Department shall not reimburse any of the following types of charges: cell phone usage, attorney's fees or court costs, civil or administrative penalties, or handling fees, such as set percent overages associated with purchasing supplies or equipment.
 - h. Land Acquisition. Reimbursement for the costs associated with acquiring interest and/or rights to real property (including access rights through ingress/egress easements, leases, license agreements, or other site access agreements; and/or obtaining record title ownership of real property through purchase) must be supported by the following, as applicable: Copies of Property Appraisals, Environmental Site Assessments, Surveys and Legal Descriptions, Boundary Maps, Acreage Certification, Title Search Reports, Title Insurance, Closing Statements/Documents, Deeds, Leases, Easements, License Agreements, or other legal instrument documenting acquired property interest and/or rights. If land acquisition costs are used to meet match requirements, the Grantee agrees that those funds shall not be used as match for any other Agreement supported by State or Federal funds.

10. Status Reports.

The Grantee shall submit status reports quarterly, unless otherwise specified in the Attachments, on **Exhibit A, Progress Report Form**, to the Department's Grant Manager describing the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, and proposed work for the next reporting period. Quarterly status reports are due no later than twenty (20) calendar days following the completion of the quarterly reporting period. For the purposes of this reporting requirement, the quarterly reporting periods end on March 31, June 30, September 30 and December 31. The Department will review the required reports submitted by the Grantee within thirty (30) days.

11. Retainage.

The following provisions apply if the Department withholds retainage under this Agreement:

- a. The Department reserves the right to establish the amount and application of retainage on the work performed under this Agreement to a maximum percentage described in the Special Terms and Conditions. Retainage may be withheld from each payment to Grantee pending satisfactory completion of work and approval of all deliverables.
- b. The Department reserves the right to withhold payment of retainage for Grantee’s failure to respond to or correct identified deficiencies within the timeframe stipulated in the Grant Work Plan. The Department shall provide written notification to Grantee of identified deficiencies and the Department’s intent to withhold retainage. Grantee’s failure to rectify the identified deficiency within the timeframe stated in the Department’s notice will result in forfeiture of retainage by Grantee.
- c. If Grantee fails to perform the requested work, or fails to perform the work in a satisfactory manner, Grantee shall forfeit its right to payment for the work and the retainage called for under the entire Grant Work Plan. Failure to perform includes, but is not limited to, failure to submit the required deliverables or failure to provide adequate documentation that the work was actually performed.
- d. No retainage shall be released or paid for incomplete work while this Agreement is suspended.
- e. Except as otherwise provided above, Grantee shall be paid the retainage associated with the work, provided Grantee has completed the work and submits an invoice for retainage held in accordance with the invoicing procedures under this Agreement.

12. Insurance.

a. Required Coverage. At all times during the Agreement the Grantee, at its sole expense, shall maintain insurance coverage of such types and with such terms and limits described below. The limits of coverage under each policy maintained by the Grantee shall not be interpreted as limiting the Grantee’s liability and obligations under the Agreement. All insurance policies shall be through insurers licensed and authorized to issue policies in Florida, or alternatively, Grantee may provide coverage through a self-insurance program established and operating under the laws of Florida. Additional insurance requirements for this Agreement may be required elsewhere in this Agreement, however the minimum insurance requirements applicable to this Agreement are:

i. Commercial General Liability Insurance.

The Grantee shall provide adequate commercial general liability insurance coverage and hold such liability insurance at all times during the Agreement. The Department of Environmental Protection, its employees, and officers shall be named as an additional insured on any general liability policies. The minimum limits shall be \$200,000 each individual’s claim and \$300,000 each occurrence.

ii. Workers’ Compensation and Employer’s Liability Coverage.

The Grantee shall provide workers’ compensation, in accordance with Chapter 440, F.S., and employer’s liability insurance with minimum limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policies shall cover all employees engaged in any work under the Agreement.

iii. Commercial Automobile Insurance.

If the Grantee’s duties include the use of a commercial vehicle, the Grantee shall maintain automobile liability, bodily injury, and property damage coverage. Insuring clauses for both bodily injury and property damage shall provide coverage on an occurrence basis. The Department of Environmental Protection, its employees, and officers shall be named as an additional insured on any automobile insurance policy. The minimum limits shall be as follows:

\$300,000	Automobile Liability Combined Single Limit for Company-Owned Vehicles, if applicable
\$300,000	Hired and Non-owned Automobile Liability Coverage

iv. Other Insurance.

Additional insurance may be required by federal law, where applicable, if any work proceeds over or adjacent to water, including but not limited to Jones Act, Longshoreman’s and Harbor Worker’s, or the inclusion of any applicable rider to worker’s compensation insurance, and any necessary watercraft insurance, with limits of not less than \$300,000 each. Questions concerning required coverage should be directed to the U.S. Department of Labor (<http://www.dol.gov/owcp/dlhwc/lscntac.htm>) or to the parties’ insurance carrier.

b. Insurance Requirements for Sub-Grantees and/or Subcontractors. The Grantee shall require its sub-grantees and/or subcontractors, if any, to maintain insurance coverage of such types and with such terms and limits as

described in this Agreement. The Grantee shall require all its sub-grantees and/or subcontractors, if any, to make compliance with the insurance requirements of this Agreement a condition of all contracts that are related to this Agreement. Sub-grantees and/or subcontractors must provide proof of insurance upon request.

- c. Exceptions to Additional Insured Requirements. If the Grantee's insurance is provided through an insurance trust, the Grantee shall instead add the Department of Environmental Protection, its employees, and officers as an additional covered party everywhere the Agreement requires them to be added as an additional insured. Further, notwithstanding the requirements above, if Grantee is self-insured, then the Department of Environmental Protection, its employees, and officers do not need to be listed as additional insureds.
- d. Deductibles. The Department shall be exempt from, and in no way liable for, any sums of money representing a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Grantee providing such insurance.
- e. Proof of Insurance. Upon execution of this Agreement, the Grantee shall provide the Department documentation demonstrating the existence and amount for each type of applicable insurance coverage *prior to* performance of any work under this Agreement. Upon receipt of written request from the Department, the Grantee shall furnish the Department with proof of applicable insurance coverage by standard form certificates of insurance, a self-insured authorization, or other certification of self-insurance.
- f. Failure to Maintain Coverage. In the event that any applicable coverage is cancelled by the insurer for any reason, the Grantee shall immediately notify the Department of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within ten (10) calendar days after the cancellation of coverage.

13. Termination.

- a. Termination for Convenience. The Department may terminate the Agreement in whole or in part by giving 30 days' written notice to the Grantee, when the Department determines, in its sole discretion, that it is in the State's interest to do so. The Department shall notify the Grantee of the termination for convenience with instructions as to the effective date of termination or the specific stage of work at which the Agreement is to be terminated. The Grantee shall not furnish any service or deliverable after it receives the notice of termination, unless otherwise instructed in the notice. The Grantee shall not be entitled to recover any cancellation charges or lost profits. If the Agreement is terminated before performance is completed, the Grantee shall be paid only for that work satisfactorily performed for which costs can be substantiated.
- b. Termination for Cause. The Department may terminate this Agreement if any of the events of default described below occur or in the event that the Grantee fails to fulfill any of its other obligations under this Agreement. The Grantee shall continue work on any portion of the Agreement not terminated. If, after termination, it is determined that the Grantee was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Department. The rights and remedies of the Department in this clause are in addition to any other rights and remedies provided by law or under this Agreement.
- c. Grantee Obligations upon Notice of Termination. After receipt of a notice of termination or partial termination, and except as otherwise directed by the Department, the Grantee shall stop performing services on the date, and to the extent specified, in the notice.

14. Notice of Default.

If the Grantee defaults in the performance of any covenant or obligation contained in the Agreement, including, without limitation, any of the events of default listed below, the Department shall provide notice to the Grantee and an opportunity to cure that is reasonable under the circumstances. This notice shall state the nature of the failure to perform and provide a time certain for correcting the failure. The notice will also provide that, should the Grantee fail to perform within the time provided, the Grantee will be found in default, and the Department may terminate the Agreement effective as of the date of receipt of the default notice.

15. Events of Default.

Provided such failure is not the fault of the Department or outside the reasonable control of the Grantee, the following non-exclusive list of events, acts, or omissions, shall constitute events of default:

- a. The commitment of any material breach of this Agreement by the Grantee, including failure to timely deliver a material deliverable, failure to perform the minimal level of services required for a deliverable, discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, or abandonment of the Agreement;
- b. The commitment of any material misrepresentation or omission in any materials, or discovery by the Department of such, made by the Grantee in this Agreement or in its application for funding.

- c. Failure to submit any of the reports required by this Agreement or having submitted any report with incorrect, incomplete, or insufficient information.
- d. Failure to honor any term of the Agreement;
- e. Failure to abide by any statutory, regulatory, or licensing requirement, including an entry of an order revoking the certificate of authority granted to the Grantee by a state or other licensing authority;
- f. Failure to pay any and all entities, individuals, and the like furnishing labor or materials, or failure to make payment to any other entities as required herein in connection with the Agreement;
- g. Employment of an unauthorized alien in the performance of the work, in violation of Section 274 (A) of the Immigration and Nationality Act;
- h. Failure to maintain the insurance required by this Agreement; and
- i. One or more of the following circumstances, uncorrected for more than 30 calendar days unless, within the specified 30-day period, the Grantee (including its receiver or trustee in bankruptcy) provides to the Department adequate assurances, reasonably acceptable to the Department, of its continuing ability and willingness to fulfill its obligations under the Agreement:
 - i. Entry of an order for relief under Title 11 of the United States Code;
 - ii. The making by the Grantee of a general assignment for the benefit of creditors;
 - iii. The appointment of a general receiver or trustee in bankruptcy of the Grantee's business or property; and/or
 - iv. An action by the Grantee under any state insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation.

16. Suspension of Work.

The Department may, in its sole discretion, suspend any or all activities under the Agreement, at any time, when it is in the best interest of the State to do so. The Department shall provide the Grantee written notice outlining the particulars of suspension. Examples of reasons for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, the Grantee shall comply with the notice. Within 90 days, or any longer period agreed to by the parties, the Department shall either: (1) issue a notice authorizing resumption of work, at which time activity shall resume; or (2) terminate the Agreement. If the Agreement is terminated after 30 days of suspension, the notice of suspension shall be deemed to satisfy the thirty (30) days' notice required for a notice of termination for convenience. Suspension of work shall not entitle the Grantee to any additional compensation.

17. Force Majeure.

The Grantee shall not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Grantee or its employees or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Grantee's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Grantee. In case of any delay the Grantee believes is excusable, the Grantee shall notify the Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten days after the cause that creates or will create the delay first arose, if the Grantee could reasonably foresee that a delay could occur as a result; or (2) if delay is not reasonably foreseeable, within five days after the date the Grantee first had reason to believe that a delay could result. **THE FOREGOING SHALL CONSTITUTE THE GRANTEE'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages, other than for an extension of time, shall be asserted against the Department. The Grantee shall not be entitled to an increase in the Agreement price or payment of any kind from the Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Grantee shall perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to the Department, in which case the Department may (1) accept allocated performance or deliveries from the Grantee, provided that the Grantee grants preferential treatment to Department with respect to products subjected to allocation; (2) contract with other sources (without recourse to and by the Grantee for the related costs and expenses) to replace all or part of the products or services that are the subject of the delay, which purchases may be deducted from the Agreement quantity; or (3) terminate the Agreement in whole or in part.

18. Indemnification.

- a. The Grantee shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the Department and its officers, agents, and employees, from suits, actions, damages, and costs of every name and description arising from or relating to:
 - i. personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Grantee, its agents, employees, partners, or subcontractors; provided, however, that the Grantee shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the Department;
 - ii. the Grantee's breach of this Agreement or the negligent acts or omissions of the Grantee.
- b. The Grantee's obligations under the preceding paragraph with respect to any legal action are contingent upon the Department giving the Grantee (1) written notice of any action or threatened action; (2) the opportunity to take over and settle or defend any such action at Grantee's sole expense; and (3) assistance in defending the action at Grantee's sole expense. The Grantee shall not be liable for any cost, expense, or compromise incurred or made by the Department in any legal action without the Grantee's prior written consent, which shall not be unreasonably withheld.
- c. Notwithstanding sections a. – b. above, the following is the sole indemnification provision that applies to Grantees that are governmental entities: Each party hereto agrees that it shall be solely responsible for the negligent or wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity or the provisions of Section 768.28, F.S. Further, nothing herein shall be construed as consent by a state agency or subdivision of the State of Florida to be sued by third parties in any matter arising out of any contract or this Agreement.
- d. No provision in this Agreement shall require the Department to hold harmless or indemnify the Grantee, insure or assume liability for the Grantee's negligence, waive the Department's sovereign immunity under the laws of Florida, or otherwise impose liability on the Department for which it would not otherwise be responsible. Any provision, implication or suggestion to the contrary is null and void.

19. Limitation of Liability.

The Department's liability for any claim arising from this Agreement is limited to compensatory damages in an amount no greater than the sum of the unpaid balance of compensation due for goods or services rendered pursuant to and in compliance with the terms of the Agreement. Such liability is further limited to a cap of \$100,000.

20. Remedies.

Nothing in this Agreement shall be construed to make the Grantee liable for force majeure events. Nothing in this Agreement, including financial consequences for nonperformance, shall limit the Department's right to pursue its remedies for other types of damages under the Agreement, at law or in equity. The Department may, in addition to other remedies available to it at law or in equity and upon notice to the Grantee, retain such monies from amounts due Grantee as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.

21. Waiver.

The delay or failure by the Department to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Department's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

22. Statutory Notices Relating to Unauthorized Employment and Subcontracts.

- a. The Department shall consider the employment by any Grantee of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the Grantee/subcontractor knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement. The Grantee shall be responsible for including this provision in all subcontracts with private organizations issued as a result of this Agreement.
- b. Pursuant to Sections 287.133 and 287.134, F.S., the following restrictions apply to persons placed on the convicted vendor list or the discriminatory vendor list:
 - i. Public Entity Crime. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a Grantee, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

- ii. **Discriminatory Vendors.** An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.
- iii. **Notification.** The Grantee shall notify the Department if it or any of its suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Agreement. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and posts the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity, at (850) 487-0915.

23. Compliance with Federal, State and Local Laws.

- a. The Grantee and all its agents shall comply with all federal, state and local regulations, including, but not limited to, nondiscrimination, wages, social security, workers' compensation, licenses, and registration requirements. The Grantee shall include this provision in all subcontracts issued as a result of this Agreement.
- b. No person, on the grounds of race, creed, color, religion, national origin, age, gender, or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Agreement.
- c. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- d. Any dispute concerning performance of the Agreement shall be processed as described herein. Jurisdiction for any damages arising under the terms of the Agreement will be in the courts of the State, and venue will be in the Second Judicial Circuit, in and for Leon County. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this Agreement.

24. Scrutinized Companies.

Grantee certifies that it and any of its affiliates are not scrutinized companies as identified in Section 287.135, F.S. In addition, Grantee agrees to observe the requirements of Section 287.135, F.S., for applicable sub-agreements entered into for the performance of work under this Agreement. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement for cause if the Grantee, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Grantee, its affiliates, or its subcontractors are placed on any applicable scrutinized companies list or engaged in prohibited contracting activity during the term of the Agreement. As provided in Subsection 287.135(8), F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

25. Lobbying and Integrity.

The Grantee agrees that no funds received by it under this Agreement will be expended for the purpose of lobbying the Legislature or a State agency pursuant to Section 216.347, F.S., except that pursuant to the requirements of Section 287.058(6), F.S., during the term of any executed agreement between the Grantee and the State, the Grantee may lobby the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding that agreement. The Grantee shall comply with Sections 11.062 and 216.347, F.S.

26. Record Keeping.

The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with United States generally accepted accounting principles (US GAAP) consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five (5) years following the completion date or termination of the Agreement. In the event that any work is subcontracted, the Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes. Upon request of the Department's Inspector General, or other authorized State official, the Grantee shall provide any type of information the Inspector General deems relevant to the Grantee's integrity or responsibility. Such information may include, but shall not be limited to, the Grantee's business or financial records, documents, or files of any type or form that refer to or relate to the Agreement. The Grantee shall retain such records for the longer of: (1) three years after the expiration of the Agreement; or (2) the period required by the General Records Schedules maintained by the Florida Department of State (available at: <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>).

27. Audits.

- a. **Inspector General.** The Grantee understands its duty, pursuant to Section 20.055(5), F.S., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing. The Grantee will comply with this duty and ensure that its Subcontracts issued under this Agreement, if any, impose this requirement, in writing, on its sub-grantees.
- b. **Physical Access and Inspection.** Department personnel shall be given access to and may observe and inspect work being performed under this Agreement, with reasonable notice and during normal business hours, including by any of the following methods:
 - i. Grantee shall provide access to any location or facility on which Grantee is performing work, or storing or staging equipment, materials or documents;
 - ii. Grantee shall permit inspection of any facility, equipment, practices, or operations required in performance of any work pursuant to this Agreement; and,
 - iii. Grantee shall allow and facilitate sampling and monitoring of any substances, soils, materials or parameters at any location reasonable or necessary to assure compliance with any work or legal requirements pursuant to this Agreement.
- c. **Special Audit Requirements.** The Grantee shall comply with the applicable provisions contained in **Attachment 5, Special Audit Requirements**. Each amendment that authorizes a funding increase or decrease shall include an updated copy of Exhibit 1, to Attachment 5. If the Department fails to provide an updated copy of Exhibit 1 to include in each amendment that authorizes a funding increase or decrease, the Grantee shall request one from the Department's Grants Manager. The Grantee shall consider the type of financial assistance (federal and/or state) identified in Attachment 5, Exhibit 1 and determine whether the terms of Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, the Grantee shall utilize the guidance provided under 2 CFR §200.330 for determining whether the relationship represents that of a subrecipient or vendor. For State financial assistance, the Grantee shall utilize the form entitled "Checklist for Nonstate Organizations Recipient/Subrecipient vs Vendor Determination" (form number DFS-A2-NS) that can be found under the "Links/Forms" section appearing at the following website: <https://apps.fldfs.com/fsaa>.
- d. **Proof of Transactions.** In addition to documentation provided to support cost reimbursement as described herein, the Department may periodically request additional proof of a transaction to evaluate the appropriateness of costs to the Agreement pursuant to State and Federal guidelines (including cost allocation guidelines). The Department may also request a cost allocation plan in support of its multipliers (overhead, indirect, general administrative costs, and fringe benefits). The Grantee must provide the additional proof within thirty (30) calendar days of such request.
- e. **No Commingling of Funds.** The accounting systems for all Grantees must ensure that these funds are not commingled with funds from other agencies. Funds from each agency must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another project. Where a Grantee's, or subrecipient's, accounting system cannot comply with this requirement, the Grantee, or subrecipient, shall establish a system to provide adequate fund accountability for each project it has been awarded.
 - i. If the Department finds that these funds have been commingled, the Department shall have the right to demand a refund, either in whole or in part, of the funds provided to the Grantee under this Agreement for non-compliance with the material terms of this Agreement. The Grantee, upon such written notification from the Department shall refund, and shall forthwith pay to the Department, the amount of money demanded by the Department. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the original payment(s) are received from the Department by the Grantee to the date repayment is made by the Grantee to the Department.
 - ii. In the event that the Grantee recovers costs, incurred under this Agreement and reimbursed by the Department, from another source(s), the Grantee shall reimburse the Department for all recovered funds originally provided under this Agreement and interest shall be charged for those recovered costs as calculated on from the date(s) the payment(s) are recovered by the Grantee to the date repayment is made to the Department.

28. Conflict of Interest.

The Grantee covenants that it presently has no interest and shall not acquire any interest which would conflict in any manner or degree with the performance of services required.

29. Independent Contractor.

The Grantee is an independent contractor and is not an employee or agent of the Department.

30. Subcontracting.

- a. Unless otherwise specified in the Special Terms and Conditions, all services contracted for are to be performed solely by the Grantee and may not be subcontracted or assigned without the prior written consent of the Department.
- b. The Department may, for cause, require the replacement of any Grantee employee, subcontractor, or agent. For cause, includes, but is not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with an applicable Department policy or other requirement.
- c. The Department may, for cause, deny access to the Department's secure information or any facility by any Grantee employee, subcontractor, or agent.
- d. The Department's actions under paragraphs b. or c. shall not relieve the Grantee of its obligation to perform all work in compliance with the Agreement. The Grantee shall be responsible for the payment of all monies due under any subcontract. The Department shall not be liable to any subcontractor for any expenses or liabilities incurred under any subcontract and the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under any subcontract.
- e. The Department will not deny the Grantee's employees, subcontractors, or agents access to meetings within the Department's facilities, unless the basis of the Department's denial is safety or security considerations.
- f. The Department supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement embrace diversity enthusiastically. The award of subcontracts should reflect the full diversity of the citizens of the State of Florida. A list of minority-owned firms that could be offered subcontracting opportunities may be obtained by contacting the Office of Supplier Diversity at (850) 487-0915.
- g. The Grantee shall not be liable for any excess costs for a failure to perform, if the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is completely beyond the control of both the Grantee and the subcontractor(s), and without the fault or negligence of either, unless the subcontracted products or services were obtainable from other sources in sufficient time for the Grantee to meet the required delivery schedule.

31. Guarantee of Parent Company.

If the Grantee is a subsidiary of another corporation or other business entity, the Grantee asserts that its parent company will guarantee all of the obligations of the Grantee for purposes of fulfilling the obligations of the Agreement. In the event the Grantee is sold during the period the Agreement is in effect, the Grantee agrees that it will be a requirement of sale that the new parent company guarantee all of the obligations of the Grantee.

32. Survival.

The respective obligations of the parties, which by their nature would continue beyond the termination or expiration of this Agreement, including without limitation, the obligations regarding confidentiality, proprietary interests, and public records, shall survive termination, cancellation, or expiration of this Agreement.

33. Third Parties.

The Department shall not be deemed to assume any liability for the acts, failures to act or negligence of the Grantee, its agents, servants, and employees, nor shall the Grantee disclaim its own negligence to the Department or any third party. This Agreement does not and is not intended to confer any rights or remedies upon any person other than the parties. If the Department consents to a subcontract, the Grantee will specifically disclose that this Agreement does not create any third-party rights. Further, no third parties shall rely upon any of the rights and obligations created under this Agreement.

34. Severability.

If a court of competent jurisdiction deems any term or condition herein void or unenforceable, the other provisions are severable to that void provision, and shall remain in full force and effect.

35. Grantee's Employees, Subcontractors and Agents.

All Grantee employees, subcontractors, or agents performing work under the Agreement shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, Grantee shall furnish a copy of technical certification or other proof of qualification. All employees, subcontractors, or agents performing work under the Agreement must comply with all security and administrative requirements of the Department and shall comply with all controlling laws and regulations relevant to the services they are providing under the Agreement.

36. Assignment.

The Grantee shall not sell, assign, or transfer any of its rights, duties, or obligations under the Agreement, or under any purchase order issued pursuant to the Agreement, without the prior written consent of the Department. In the event of any assignment, the Grantee remains secondarily liable for performance of the Agreement, unless the Department

expressly waives such secondary liability. The Department may assign the Agreement with prior written notice to the Grantee of its intent to do so.

37. Prohibited Local Government Construction Preferences.

Pursuant to Section 255.0991, F.S., for a competitive solicitation for construction services in which 50 percent (50%) or more of the cost will be paid from state-appropriated funds that have been appropriated at the time of the competitive solicitation, a state college, county, municipality, school district, or other political subdivision of the state may not use a local ordinance or regulation that provides a preference based upon:

- i. The contractor's maintaining an office or place of business within a particular local jurisdiction;
- ii. The contractor's hiring employees or subcontractors from within a particular local jurisdiction; or
- iii. The contractor's prior payment of local taxes, assessments, or duties within a particular local jurisdiction.

For any competitive solicitation that meets the criteria of this section, a state college, county, municipality, school district, or other political subdivision of the state shall disclose in the solicitation document that any applicable local ordinance or regulation does not include any preference that is prohibited by this section.

38. Prohibited Governmental Actions for Public Works Projects.

Pursuant to Section 255.0992, F.S., state and political subdivisions that contract for public works projects are prohibited from imposing restrictive conditions on certain contractors, subcontractors, or material suppliers and prohibited from restricting qualified bidders from submitting bids.

- a. "Political subdivision" means separate agency or unit of local government created or established by law or ordinance and the officers thereof. The term includes, but is not limited to, a county; a city, town, or other municipality; or a department, commission, authority, school district, taxing district, water management district, board, public corporation, institution of higher education, or other public agency or body thereof authorized to expend public funds for construction, maintenance, repair or improvement of public works.
- b. "Public works project" means an activity of which fifty percent (50%) or more of the cost will be paid from state-appropriated funds that were appropriated at the time of the competitive solicitation and which consists of construction, maintenance, repair, renovation, remodeling or improvement of a building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution system, gas or electrical substation, or other facility, project, or portion thereof that is owned in whole or in part by any political subdivision.
- c. Except as required by federal or state law, the state or political subdivision that contracts for a public works project may not require that a contractor, subcontractor or material supplier or carrier engaged in such project:
 - i. Pay employees a predetermined amount of wages or prescribe any wage rate;
 - ii. Provide employees a specified type, amount, or rate of employee benefits;
 - iii. Control, limit, or expand staffing; or
 - iv. Recruit, train, or hire employees from designated, restricted, or single source.
- d. For any competitive solicitation that meets the criteria of this section, the state or political subdivision that contracts for a public works project may not prohibit any contractor, subcontractor, or material supplier or carrier able to perform such work who is qualified, licensed, or certified as required by state law to perform such work from submitting a bid on the public works project, except for those vendors listed under Section 287.133 and Section 287.134, F.S.
- e. Contracts executed under Chapter 337, F.S. are exempt from these prohibitions.

39. Execution in Counterparts and Authority to Sign.

This Agreement, any amendments, and/or change orders related to the Agreement, may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument. In accordance with the Electronic Signature Act of 1996, electronic signatures, including facsimile transmissions, may be used and shall have the same force and effect as a written signature. Each person signing this Agreement warrants that he or she is duly authorized to do so and to bind the respective party to the Agreement.

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
GRANT AGREEMENT
SPECIAL TERMS AND CONDITIONS
AGREEMENT No. LP06243**

ATTACHMENT 2

These Special Terms and Conditions shall be read together with general terms outlined in the Standard Terms and Conditions, Attachment 1. Where in conflict, these more specific terms shall apply.

1. Scope of Work.

The Project funded under this Agreement is Pompano Beach Drinking Water Interconnects Rehabilitation. The Project is defined in more detail in the Attachment 3, Grant Work Plan.

2. Duration.

a. Reimbursement Period.

The reimbursement period for this Agreement begins on July 1, 2017 and ends at the expiration of the Agreement.

b. Extensions. There are extensions available for this Project.

c. Service Periods. Additional service periods are not authorized under this Agreement.

3. Payment Provisions.

a. Compensation. This is a cost reimbursement agreement. The Grantee shall be compensated under this Agreement as described in Attachment 3.

b. Invoicing. Invoicing will occur as indicated in Attachment 3.

c. Advance Pay. Advance Pay is not authorized under this Agreement.

4. Costs Eligible for Reimbursement or Matching Requirements.

Reimbursement for costs or availability for costs to meet matching requirements shall be limited to the following budget categories, as defined in the Reference Guide for State Expenditures, as indicated:

<u>Reimbursement</u>	<u>Match</u>	<u>Category</u>
<input type="checkbox"/>	<input type="checkbox"/>	Salaries/Wages
		Overhead/Indirect/General and Administrative Costs:
<input type="checkbox"/>	<input type="checkbox"/>	a. Fringe Benefits, N/A.
<input type="checkbox"/>	<input type="checkbox"/>	b. Indirect Costs, N/A.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contractual (Subcontractors)
<input type="checkbox"/>	<input type="checkbox"/>	Travel
<input type="checkbox"/>	<input type="checkbox"/>	Equipment
<input type="checkbox"/>	<input type="checkbox"/>	Rental/Lease of Equipment
<input type="checkbox"/>	<input type="checkbox"/>	Miscellaneous/Other Expenses
<input type="checkbox"/>	<input type="checkbox"/>	Land Acquisition

No Equipment purchases shall be funded under this Agreement.

There will be no Land Acquisitions funded under this Agreement.

5. Match Requirements.

There is no match required on the part of the Grantee under this Agreement.

6. Quality Assurance Requirements.

There are no special Quality Assurance requirements under this Agreement.

7. Additional Lobbying Requirements for Federally-Funded Agreements

This Agreement is not federally funded.

8. Miscellaneous Contract Terms.

a. Retainage.

No retainage is required under this Agreement.

b. Subcontracting.

The Grantee may subcontract work under this Agreement without the prior written consent of the Grant Manager except for certain fixed-price subcontracts pursuant to this Agreement, which require prior approval. The Grantee shall submit a copy of the executed subcontract to the Department prior to submitting any invoices for subcontracted work. Regardless of any subcontract, the Grantee is ultimately responsible for all work to be performed under this Agreement.

c. State-owned land.

The work will not be performed on State-owned land.

d. Office of Policy and Budget Reporting.

Additional Requirements for Projects with Specific Line Item Appropriations. The Grantee will identify the expected return on investment for this project and provide this information to the Governor's Office of Policy and Budget (OPB) within three months of execution of this Agreement. For each full calendar quarter thereafter, the Grantee will provide quarterly update reports directly to OPB, no later than 20 days after the end of each quarter, documenting the positive return on investment to the state that results from the Grantee's project and its use of funds provided under this Agreement. Quarterly reports will continue until the Grantee is instructed by OPB that no further reports are needed, or until the end of this Agreement, whichever occurs first. All reports shall be submitted electronically to OPB at env.roi@laspbs.state.fl.us, and a copy shall also be submitted to the Department at legislativeaffairs@dep.state.fl.us.

9. Additional Terms.

ATTACHMENT 3 GRANT WORK PLAN

PROJECT TITLE: Pompano Beach Drinking Water Interconnects Rehabilitation

PROJECT LOCATION: The Project will have four project locations. Three of the locations will be in the City of Pompano Beach in Broward County, Florida; and one of the locations will be in the City of Fort Lauderdale in Broward County, Florida. The project locations and coordinates will be 5450 N. Ocean Blvd, Fort Lauderdale, FL (26.203342, -80.094931) and at the intersections of: NE 22nd Ave and NE 25th St (26.262694, -80.093166), McNab Rd and NE 20th Terrace (26.210634, -80.118816), and McNab Rd and SW 46th Ave (26.20962, -80.18809).

PROJECT BACKGROUND: The City of Pompano Beach (Grantee) provides water supply services for Pompano Beach, Lighthouse Point, and Lauderdale by the Sea, and maintains interconnects with several neighboring area utilities. The four proposed interconnect improvements will connect the Grantee's drinking water system to the water systems of the City of Coconut Creek, the City of Fort Lauderdale, and the Broward County Water and Wastewater Services. The interconnects are outdated and lack accessibility for operation and maintenance, and will require relocation and infrastructure improvements to resolve these issues. The interconnects allow for the use of alternative water supplies in the event of water demand or quality emergencies.

PROJECT DESCRIPTION: The Grantee will upgrade the existing infrastructure of four interconnects in the City of Pompano Beach. The proposed interconnects improvements will consist of one or more of the following: 1) relocating the interconnect valve(s) to a more accessible location, 2) moving interconnects valve(s) and other components above ground or in precast concrete vaults, 3) adding additional design features such as flow meter(s), automatic pressure sustaining valve(s), check valves, backflow preventer, etc., and 4) adding two-way metered flow capability. The project will improve the capabilities for operation and maintenance of the interconnects, and will provide an increased ability for using neighboring water supplies in the event of water demand or quality emergencies.

TASKS and DELIVERABLES:

Task 1: Design and Permitting

Task Description: The Grantee will procure professional engineering services in accordance with state law. The Grantee will complete the design of the Pompano Beach Drinking Water Interconnects Rehabilitation and obtain all necessary permits for construction of the project. The Grantee will submit documentation of preconstruction activities, as described below.

Deliverables: Design completed to date as described in this task, as evidenced by these deliverables: 1) Signed acceptance of the completed work by the Grantee, 2) Summary of design activities to date, indicating percentage of design completion representing time period covered in the payment request. 3) The final payment request for this task must be accompanied by an electronic copy of the final design and a list of all required permits identifying issue dates and issuing authorities. Upon request, the Grantee will provide paper copies of obtained permits or permit related correspondence or documentation and the final design document.

Performance Standard: The Department's Grant Manager will review all deliverables to verify that they meet the specifications in the Grant Work Plan and this task description.

Payment Request Schedule: The deliverables must be submitted and accepted prior to each payment request and may be submitted no more frequently than monthly.

Task 2: Construction

Task Description: The Grantee will construct infrastructure improvements on four interconnects in accordance with the construction contract documents.

Deliverables: Construction completed to date as described in this task, as evidenced by these deliverables: 1) Dated color photographs of on-going work representing the time period covered in the payment request; 2) signed acceptance and brief description of the completed work to date by the Grantee; 3) written verification that the Grantee has received record drawings and any required final inspection report(s) for the project (as applicable); and 4) signed statement from a Florida Licensed Professional Engineer indicating construction has been completed in accordance with the construction contract documents (as applicable).

Performance Standard: The Department’s Grant Manager will review the deliverables to verify that they meet the specifications in the Grant Work Plan and this task description.

Payment Request Schedule: The deliverables must be submitted and accepted prior to each payment request and may be submitted no more frequently than monthly.

PROJECT TIMELINE & BUDGET DETAIL: The tasks must be completed by, and all deliverables received by, the corresponding task end date.

Task No.	Task Title	Budget Category	Budget Amount	Task Start Date	Task End Date
1	Design and Permitting	Contractual Services	\$74,400	07/01/17	12/31/19
2	Construction	Contractual Services	\$213,100	07/01/17	12/31/19
Total:			\$287,500		

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Public Records Requirements

Attachment 4

1. Public Records

- a. If the Agreement exceeds \$35,000.00, and if the Grantee is acting on behalf of the Department in its performance of services under the Agreement, the Grantee must allow public access to all documents, papers, letters, or other material, regardless of the physical form, characteristics, or means of transmission, made or received by the Grantee in conjunction with the Agreement (Public Records), unless the Public Records are exempt from section 24(a) of Article I of the Florida Constitution or section 119.07(1), F.S.
- b. The Department may unilaterally terminate the Agreement if the Grantee refuses to allow public access to Public Records as required by law.

2. Additional Public Records Duties of Section 119.0701, F.S., If Applicable.

For the purposes of this paragraph, the term “contract” means the “Agreement.” If the Grantee is a “contractor” as defined in section 119.0701(1)(a), F.S., the following provisions apply:

- a. Keep and maintain Public Records required by the Department to perform the service.
- b. Upon request, provide the Department with a copy of requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- c. A contractor who fails to provide the Public Records to the Department within a reasonable time may be subject to penalties under section 119.10, F.S.
- d. Ensure that Public Records that are exempt or confidential and exempt from Public Records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the Public Records to the Department.
- e. Upon completion of the contract, transfer, at no cost, to the Department all Public Records in possession of the contractor or keep and maintain Public Records required by the Department to perform the service. If the contractor transfers all Public Records to the Department upon completion of the contract, the contractor shall destroy any duplicate Public Records that are exempt or confidential and exempt from Public Records disclosure requirements. If the contractor keeps and maintains Public Records upon completion of the contract, the contractor shall meet all applicable requirements for retaining Public Records. All Public Records stored electronically must be provided to the Department, upon request from the Department’s custodian of Public Records, in a format specified by the Department as compatible with the information technology systems of the Department. These formatting requirements are satisfied by using the data formats as authorized in the contract or Microsoft Word, Outlook, Adobe, or Excel, and any software formats the contractor is authorized to access.
- f. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE**

**CONTRACT, CONTACT THE DEPARTMENT'S CUSTODIAN OF
PUBLIC RECORDS AT:**

Telephone: (850) 245-2118

Email: public.services@dep.state.fl.us

Mailing Address: Department of Environmental Protection
ATTN: Office of Ombudsman and Public
Services
Public Records Request
3900 Commonwealth Boulevard, MS 49
Tallahassee, Florida 32399

ATTACHMENT 5

SPECIAL AUDIT REQUIREMENTS

The administration of resources awarded by the Department of Environmental Protection (*which may be referred to as the "Department", "DEP", "FDEP" or "Grantor", or other name in the contract/agreement*) to the recipient (*which may be referred to as the "Contractor", Grantee" or other name in the contract/agreement*) may be subject to audits and/or monitoring by the Department of Environmental Protection, as described in this attachment.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised, 2 CFR Part 200, Subpart F, and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, and/or other procedures. By entering into this Agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Environmental Protection. In the event the Department of Environmental Protection determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised (for fiscal year start dates prior to December 26, 2014), or as defined in 2 CFR §200.330 (for fiscal year start dates after December 26, 2014).

1. In the event that the recipient expends \$500,000 (\$750,000 for fiscal year start dates after December 26, 2014) or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F. EXHIBIT 1 to this Attachment indicates Federal funds awarded through the Department of Environmental Protection by this Agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F. An audit of the recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, will meet the requirements of this part.
2. In connection with the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F.
3. If the recipient expends less than \$500,000 (or \$750,000, as applicable) in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, is not required. In the event that the recipient expends less than \$500,000 (or \$750,000, as applicable) in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from recipient resources obtained from other than Federal entities).
4. The recipient may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at www.cfda.gov

PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2)(n), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this Attachment indicates state financial assistance awarded through the Department of Environmental Protection by this Agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of Environmental Protection, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1; the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$750,000 in state financial assistance in its fiscal year, and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).
4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a recipient should access the Florida Single Audit Act website located at <https://apps.fldfs.com/fsaa> for assistance. In addition to the above websites, the following websites may be accessed for information: Legislature's Website at <http://www.leg.state.fl.us/Welcome/index.cfm>, State of Florida's website at <http://www.myflorida.com/>, Department of Financial Services' Website at <http://www.fldfs.com/> and the Auditor General's Website at <http://www.state.fl.us/audgen>.

PART III: OTHER AUDIT REQUIREMENTS

(NOTE: This part would be used to specify any additional audit requirements imposed by the State awarding entity that are solely a matter of that State awarding entity's policy (i.e., the audit is not required by Federal or State laws and is not in conflict with other Federal or State audit requirements). Pursuant to Section 215.97(8), Florida Statutes, State agencies may conduct or arrange for audits of State financial assistance that are in addition to audits conducted in accordance with Section 215.97, Florida Statutes. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)

PART IV: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F and required by PART I of this Attachment shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, by or on behalf of the recipient directly to each of the following:

- A. The Department of Environmental Protection at one of the following addresses:

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:

FDEPSingleAudit@dep.state.fl.us

- B. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised, and 2 CFR §200.501(a) (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, and 2 CFR §200.501(a) should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, must be submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/facweb/>

- C. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised, and 2 CFR §200.512.
2. Pursuant to Section .320(f), OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, the recipient shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, and any management letters issued by the auditor, to the Department of Environmental Protection at one the following addresses:

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:

FDEPSingleAudit@dep.state.fl.us

3. Copies of financial reporting packages required by PART II of this Attachment shall be submitted by or on behalf of the recipient directly to each of the following:

- A. The Department of Environmental Protection at one of the following addresses:

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

B. The Auditor General's Office at the following address:

State of Florida Auditor General
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Copies of reports or management letters required by PART III of this Attachment shall be submitted by or on behalf of the recipient directly to the Department of Environmental Protection at one of the following addresses:

By Mail:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Electronically:
FDEPSingleAudit@dep.state.fl.us

5. Any reports, management letters, or other information required to be submitted to the Department of Environmental Protection pursuant to this Agreement shall be submitted timely in accordance with OMB Circular A-133, as revised, and 2 CFR Part 200, Subpart F, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
6. Recipients, when submitting financial reporting packages to the Department of Environmental Protection for audits done in accordance with OMB Circular A-133, as revised and 2 CFR Part 200, Subpart F, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION

The recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of **5** years from the date the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General upon request for a period of **3** years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

EXHIBIT – 1

FUNDS AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

Federal Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
				\$	

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Matching Resources for Federal Programs:					
Federal Program Number	Federal Agency	CFDA	CFDA Title	Funding Amount	State Appropriation Category

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:						
State Program Number	Funding Source	State Fiscal Year	CSFA Number	CSFA Title or Funding Source Description	Funding Amount	State Appropriation Category
Original Agreement	General Appropriations Line Item 1606A	2017-2018	37.039	Statewide Surface Water Restoration and Wastewater Projects	\$287,500	140047

Total Award					\$287,500	
--------------------	--	--	--	--	------------------	--

For each program identified above, the recipient shall comply with the program requirements described in the Catalog of Federal Domestic Assistance (CFDA) [www.cfda.gov] and/or the Florida Catalog of State Financial Assistance (CSFA) [<https://apps.fldfs.com/fsaa/searchCatalog.aspx>]. The services/purposes for which the funds are to be used are included in the Contract scope of services/work. Any match required by the recipient is clearly indicated in the Contract.

EXHIBIT A

PROGRESS REPORT FORM

DEP Agreement No.:	LP06243		
Grantee Name:	City of Pompano Beach		
Grantee Address:	1205 NE 5th Avenue, Pompano Beach, FL 33060		
Grantee's Grant Manager:	Shana Coombs-Gordon	Telephone No.:	(954) 545-7004
Reporting Period:			
Project Number and Title:	LP06243 - Pompano Beach Drinking Water Interconnects Rehabilitation		
<p>Provide the following information for all tasks and deliverables identified in the Grant Work Plan: a summary of project accomplishments for the reporting period; a comparison of actual accomplishments to goals for the period; if goals were not met, provide reasons why; provide an update on the estimated time for completion of the task and an explanation for any anticipated delays and identify by task.</p> <p>NOTE: Use as many pages as necessary to cover all tasks in the Grant Work Plan.</p> <p><u>The following format should be followed:</u></p> <p>Task 1:</p> <p>Progress for this reporting period:</p> <p>Identify any delays or problems encountered:</p>			

This report is submitted in accordance with the reporting requirements of DEP Agreement No. LP06243 and accurately reflects the activities associated with the project.

Signature of Grantee's Grant Manager

Date

**EXHIBIT D
PAYMENT REQUEST SUMMARY FORM**

DEP Agreement No. _____ Agreement Effective Dates: _____

Grantee: _____
(Name & Mailing Address)

Grantee's Grant Manager _____

Performance Period (Start date – End date): _____ Date of Request: _____

Task/Deliverable No(s). _____ Task/Deliverable Amount Requested: \$ _____

GRANT EXPENDITURES SUMMARY SECTION

CATEGORY OF EXPENDITURE <i>(As authorized)</i>	AMOUNT OF THIS REQUEST	PREVIOUS PAYMENT REQUESTS	TOTAL CUMULATIVE PAYMENT REQUESTS	MATCHING FUNDS FOR THIS REQUEST	TOTAL CUMULATIVE MATCHING FUNDS
Task 1:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 2:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 3:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 4:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 5:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 6:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 7:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 8:	\$ -	\$ -	\$ -	\$ -	\$ -
Task 9:	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL AMOUNT	\$	\$	\$	\$	\$
TOTAL BUDGET (ALL TASKS)	\$			\$	
LESS TOTAL CUMULATIVE PAYMENT REQUESTS OF:	\$			\$	
TOTAL REMAINING (ALL TASKS)	\$			\$	

GRANTEE CERTIFICATION

Complete Grantee's Certification of Payment Request on Page 2 to certify that the amount being requested for reimbursement above was for items that were charged to and utilized only for the above cited grant activities.

Grantee's Certification of Payment Request

I, _____, on behalf of
(Print name of Grantee's Grant Manager designated in the Agreement)

_____, do hereby certify for
(Print name of Grantee)

DEP Agreement No. _____ and Payment Request No. _____ that:

- The disbursement amount requested is for allowable costs for the project described in Attachment A of the Agreement.
- All costs included in the amount requested have been satisfactorily purchased, performed, received, and applied toward completing the project; such costs are documented by invoices or other appropriate documentation as required in the Agreement.
- The Grantee has paid such costs under the terms and provisions of contracts relating directly to the project; and the Grantee is not in *Check all that apply:*
 - All permits and approvals required for the construction, which is underway, have been obtained.
 - Construction up to the point of this disbursement is in compliance with the construction plans and permits.
 - The Grantee's Grant Manager relied on certifications from the following professionals that provided services for this project during the time period covered by this Certification of Payment Request, and such certifications are included:

Professional Service Provider (Name / License No.)	Period of Service (mm/dd/yy – mm/dd/yy)

Grantee's Grant Manager's Signature

Print Name

Telephone Number

Grantee's Fiscal Agent Signature

Print Name

Telephone Number

**INSTRUCTIONS FOR COMPLETING
PAYMENT REQUEST SUMMARY FORM**

DEP AGREEMENT NO.: This is the number on your grant agreement.

AGREEMENT EFFECTIVE DATES: Enter agreement execution date through end date.

GRANTEE: Enter the name of the grantee's agency.

MAILING ADDRESS: Enter the address that you want the state warrant sent.

GRANTEE'S GRANT MANAGER: This should be the person identified as grant manager in the grant Agreement.

PERFORMANCE PERIOD: This is the beginning and ending date of the performance period for the task/deliverable that the request is for (this must be within the timeline shown for the task/deliverable in the Agreement).

TASK/DELIVERABLE NO.: This is the number of the task/deliverable that you are requesting payment for and/or claiming match for (must agree with the current Grant Work Plan).

TASK/DELIVERABLE AMOUNT REQUESTED: This should match the amount on the "TOTAL TASK/DELIVERABLE BUDGET AMOUNT" line for the "AMOUNT OF THIS REQUEST" column.

GRANT EXPENDITURES SUMMARY SECTION:

"AMOUNT OF THIS REQUEST" COLUMN: Enter by authorized category of expenditure the amount for which you are requesting reimbursement for this task. This must agree with the currently approved budget in the current Grant Work Plan of your grant Agreement. Do not claim expenses in a budget category that does not have an approved budget. Do not claim items that are not specifically identified in the current Grant Work Plan. Enter the column total on the "TOTAL AMOUNT" line. Enter the amount of all Tasks on the "TOTAL BUDGET (ALL TASKS)" line. Enter the total cumulative amount of this request and all previous payments on the "LESS TOTAL CUMULATIVE PAYMENT REQUESTS OF" line. Deduct the "LESS TOTAL CUMULATIVE PAYMENT REQUESTS OF" from the "TOTAL BUDGET (ALL TASKS)" for the amount to enter on the "TOTAL REMAINING (ALL TASKS)" line.

"PREVIOUS PAYMENT REQUESTS" COLUMN: Enter the total cumulative amount that has been paid in previous requests. Do not include the current requested amount in this total. Do not enter anything in the shaded areas.

"TOTAL CUMULATIVE PAYMENT REQUESTS" COLUMN: Enter the cumulative amounts that have been requested to date for reimbursement by budget category. The final request should show the total of all requests; first through the final request (this amount cannot exceed the approved budget amount for that budget category for the Task(s) you are reporting on). Enter the column total on the "TOTAL PAYMENT REQUEST" line. Do not enter anything in the shaded areas.

"MATCHING FUNDS" COLUMN: Enter the amount to be claimed as match for the performance period for the Task(s) you are reporting on. This needs to be shown under specific budget categories according to the currently approved Grant Work Plan. Enter the total on the "TOTAL AMOUNT" line for this column. Enter the match budget amount on the "TOTAL BUDGET (ALL TASKS)" line for this column. Enter the total cumulative amount of this and any previous match claimed on the "LESS TOTAL CUMULATIVE PAYMENTS OF" line for this column. Deduct the "LESS TOTAL CUMULATIVE PAYMENTS OF" from the "TOTAL BUDGET (ALL TASKS)" for the amount to enter on the "TOTAL REMAINING (ALL TASKS)" line.

"TOTAL CUMULATIVE MATCHING FUNDS" COLUMN: Enter the cumulative amounts you have claimed to date for match by budget category. Put the total of all on the line titled "TOTAL PAYMENT REQUEST." The final request should show the total of all claims, first claim through the final claim, etc. Do not enter anything in the shaded areas.

GRANTEE'S CERTIFICATION: Check all boxes that apply. Identify any licensed professional service providers that certified work or services completed during the period included in the request for payment. Must be signed by both the Grantee's Grant Manager as identified in the grant agreement and the Grantee's Fiscal Agent.

Documentation for match claims must meet the same requirements as those expenditures for reimbursement.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

REQUEST FOR PAYMENT – PART II

REIMBURSEMENT DETAIL

Grantee Name:					Payment Request No.:		
DEP Agreement No.:							
Vendor Name	Invoice Number	Invoice Date	Invoice Amount (1)	Local Share or Other Funding or Amount Not Requested (2)	Requested Amount (3)	Check Number	Task/Deliverable Number (4)
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
Totals:				\$ -	\$ -		

Instructions for Completing Request for Payment - Part II

Include the Grantee Name, Payment Request No., and DEP Agreement Number. List vendor invoices that are associated with the Project by Task/Deliverable.

- 1 **Invoice Amount:** Amount of Invoice being submitted for reimbursement.
- 2 **Local Share or Other Funding or Amount Not Requested:** Portion of invoice paid for by Grantee.
Requested Amount: Subtract Grantee's Local Share or Other Funding or Amount Not Requested **(2)** from Invoice Amount **(1)**.
- 3 **Deliverable Number:** Must identify completed deliverable(s) for each invoice. If invoice covers multiple deliverables, that invoice would be listed multiple times, a line item for each deliverable with any portion not applicable to that Task/Deliverable identified under **(2)**.

Submittal Instructions

Instructions for E-mailing:

The program now accepts reimbursement requests electronically, please E-mail to **WSRP**. When scanning please be sure that the minimum scan resolution must be 300 DPI (dots per inch). When reimbursement requests are sent electronically, please **do not** also send a hard copy by postal mail.

Please redact all sensitive financial information from the invoices and other supporting documentation to be submitted with this Payment Request Form.

Remit Payment Request by E-mail to: WSRP@dep.state.fl.us

Be sure the E-mail payment request includes the following:

Cc: Department's Grant/Project Manager

Subject: Project Number_Disbursement Number: example – LP14025_Disb_1

Attachments:

- 1) Exhibit D Payment Request Summary
- 2) Request for Payment Part II Reimbursement Detail
- 3) Copies of invoices
- 4) Other supporting documentation, as needed

For questions or concerns regarding these forms or if you would like the payment request forms listed above in electronic format please contact:

Zachary Easton (850) 245-2949

Zachary.Easton@dep.state.fl.us

On September 23, 2014, the City Commission authorized the issuance of Water and Sewer Revenue Refunding Bonds – Series 2014 (Series 2014 bonds), per City Ordinance No. 2014-50. The Series 2014 bonds were subsequently issued on September 26, 2014. The Series 2014 bonds were issued for the purpose of providing funds sufficient to accomplish the current refunding of the City's outstanding Water and Sewer Revenue Bonds, Series 2006B, which had an outstanding balance in the amount of \$17,945,000. As a result of the refunding the Series 2006B bonds are considered fully refunded and the outstanding balance has been removed from the financial statements. The City has pledged future water and sewer customer gross revenues, net of specified operating expenses (net revenues), to repay the Series 2014 bonds. The bonds are payable solely from water and sewer customer net revenues and are payable through 2020. The interest on the Series 2014 bonds is 1.68% through July 1, 2020, the scheduled maturity of the bonds.

CITY OF POMPANO BEACH,
BROWARD COUNTY, FLORIDA
I HEREBY CERTIFY that the foregoing is a true and
correct copy of Ordinance No. 2014-50
as filed in the office of City Clerk
WITNESS my hand and official Seal in the CITY OF
POMPANO BEACH, FLORIDA, this 25th day of
September, A.D. 2014
Ascleita Hommar
Ascleita Hommar, Deputy City Clerk

CITY OF POMPANO BEACH, FLORIDA

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2014

ORDINANCE NO. 2014-50

TABLE OF CONTENTS

SECTION 1. AUTHORITY FOR THIS ORDINANCE; DEFINITIONS 2

SECTION 2. FINDINGS 3

SECTION 3. APPROVAL AND AUTHORIZATION OF REFUNDING OF REFUNDED BONDS; APPROVAL AND AUTHORIZATION OF THE 2014 BOND; AUTHORIZATION OF REDEMPTION OF REFUNDED BONDS AND CONDITIONAL NOTICE OF SUCH REDEMPTION; AUTHORIZATION OF APPLICATION OF AMOUNTS ON DEPOSIT WITH RESPECT TO THE REFUNDED BONDS; ;LATE CHARGES AND DEFAULT RATE 6

SECTION 4. REDEMPTION PROVISIONS 9

SECTION 5. EXECUTION OF THE 2014 BOND; APPROVAL OF ESCROW DEPOSIT AGREEMENT 10

SECTION 6. SALE OF THE 2014 BOND; ROLE OF LENDER..... 11

SECTION 7. APPLICATION OF THE PROCEEDS OF THE 2014 BOND..... 12

SECTION 8. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR 13

SECTION 9. PARTICULAR COVENANTS 13

SECTION 10. TAX COVENANT 15

SECTION 11. GENERAL AUTHORITY..... 16

SECTION 12. SEVERABILITY AND INVALID PROVISIONS 16

SECTION 13. BOND ORDINANCE TO CONTINUE IN FORCE..... 17

SECTION 14. EFFECTIVE DATE..... 17

EXHIBITS

EXHIBIT A FORM OF 2014 BOND A-1

EXHIBIT B FORM OF CONDITIONAL NOTICE OF REDEMPTIONB-1

EXHIBIT C FORM OF ESCROW DEPOSIT AGREEMENTC-1

EXHIBIT D FORM OF INVESTOR LETTER D-1

EXHIBIT E FORM OF DISCLOSURE/TRUTH IN BONDING STATEMENTE-1

ORDINANCE NO. 2014-50

AN ORDINANCE OF THE CITY OF POMPANO BEACH, FLORIDA PROVIDING FOR THE ISSUANCE OF ITS NOT EXCEEDING \$19,000,000 CITY OF POMPANO BEACH, FLORIDA WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2014 AS ADDITIONAL PARITY OBLIGATIONS UNDER ORDINANCE NO. 87-35 ENACTED BY THE CITY ON APRIL 21, 1987, AS AMENDED FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING FUNDS, TOGETHER WITH OTHER LEGALLY AVAILABLE FUNDS OF THE CITY, TO REFUND, ON A CURRENT BASIS, THE CITY'S OUTSTANDING WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2006B AND PAY COSTS OF ISSUANCE OF THE 2014 BONDS; AUTHORIZING THE REDEMPTION OF THE OUTSTANDING SERIES 2006B BONDS; AUTHORIZING APPLICATION OF AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS ESTABLISHED FOR THE SERIES 2006B BONDS IN CONNECTION WITH THE REFUNDING THEREOF; FIXING CERTAIN TERMS AND DETAILS OF THE 2014 BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE 2014 BONDS; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING AN ESCROW AGENT THEREUNDER; AUTHORIZING THE NEGOTIATED SALE OF THE 2014 BONDS TO REGIONS CAPITAL ADVANTAGE, INC. (THE "LENDER"); DIRECTING THE APPLICATION OF THE PROCEEDS OF THE 2014 BONDS; PROVIDING CERTAIN TERMS FOR THE BENEFIT OF THE LENDER; APPOINTING THE INITIAL PAYING AGENT AND BOND REGISTRAR FOR THE 2014 BONDS; AUTHORIZING OTHER REQUIRED ACTIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS ORDINANCE; DEFINITIONS. The City of Pompano Beach, Florida (the "City") is authorized to adopt this ordinance (the "2014 Ordinance") under the authority granted by the City Charter of the City, the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and other applicable provisions of law. In consideration of the acceptance of the 2014 Bond (hereinafter defined) by those who shall own the same from time to time, the Bond Ordinance

(hereinafter defined) and this 2014 Ordinance shall be deemed to be and shall constitute a contract between the City and such Owners of the 2014 Bond. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance or herein, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Ordinance is hereby incorporated herein by this reference.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. The City owns and operates the System. Ordinance No.87-35 duly enacted by the City Commission of the City (the “City Commission”) on April 21, 1987 (the “Original Bond Ordinance”), as amended by Ordinance Nos. 92-74 and 2000-65 duly enacted by the City Commission on September 29, 1992 and June 27, 2000, respectively (the “Amending Ordinances”), provides for the issuance of Bonds and Additional Parity Obligations for the purpose of financing the construction and/or acquisition of additions, extensions and improvements to the System and for refunding purposes.

B. The Original Bond Ordinance, as amended by the Amending Ordinances, is referred to herein as the “Original Ordinance.” The Original Ordinance, as amended by the hereinafter defined 2014 Amending Ordinance, is referred to herein as the “Bond Ordinance.”

C. The initial series of Bonds issued under the Original Bond Ordinance has matured. The City has previously issued its Water and Sewer Refunding Revenue Bonds, Series 2006B as Additional Parity Obligations issued for refunding purposes under the Original Ordinance (the “Series 2006B Bonds”). The Series 2006B Bonds are currently outstanding in the

aggregate principal amount of \$17,945,000 (the “Refunded Bonds”). The Refunded Bonds are the only Additional Parity Obligations currently outstanding under the Original Ordinance.

D. The City’s Financial Advisor has previously advised the City that, based on current market conditions, there is an opportunity to realize present value debt service savings by accomplishing the current refunding of the Refunded Bonds through the issuance of the 2014 Bond. In furtherance thereof, the City invited qualified financial institutions to submit proposals to make a loan to the City by purchasing the 2014 Bond.

E. The City Manager of the City and the City’s Finance Director, in consultation with the City’s Financial Advisor, determined that the proposal submitted by Regions Capital Advantage, Inc. (together with its permitted successors and assigns, the “Lender”) provided the most favorable terms and conditions to the City with respect to the loan to be evidenced by the 2014 Bond. The Lender’s proposal is in the form of a term sheet submitted to the City. Due to the present volatility of the market for tax exempt bonds such as the 2014 Bond, and the complexity of the transactions relating to the 2014 Bond, it is in the best interest of the City to sell the 2014 Bond to the Lender by a delegated, negotiated sale, rather than at a specified advertised date, in order to obtain the best possible interest rate for the 2014 Bond.

F. The City deems it to be in its best interest to issue its Water and Sewer Refunding Revenue Bonds, Series 2014 in the aggregate principal amount of not exceeding \$19,000,000 (the “2014 Bond”) pursuant to the Bond Ordinance and to apply the proceeds thereof, together with other legally available funds of the City, to accomplish the current refunding of the Refunded Bonds and to pay costs of issuance of the 2014 Bond.

G. The 2014 Bond shall be payable from and secured by a first lien on and pledge of the Net Revenues, on a parity with any Additional Parity Obligations that are hereafter issued under the Bond Ordinance in accordance with the terms and requirements thereof and Outstanding thereunder.

H. All of the provisions, covenants, pledges and conditions in the Bond Ordinance, as supplemented hereby, shall be applicable to the 2014 Bond herein authorized and such 2014 Bond shall constitute "Additional Parity Obligations" issued for refunding purposes within the meaning of the Bond Ordinance.

I. The Lender has not required, as condition to making the loan to be evidenced by the 2014 Bond, that the City make a deposit in connection with the 2014 Bond to the Reserve Account established under the Bond Ordinance. In view of the foregoing, and to provide the City with flexibility to determine whether any Additional Parity Obligations other than the 2014 Bond will be secured by a subaccount in the Reserve Account, and, if so secured, the amount to be deposited in such subaccount, the City will enact an ordinance (the "2014 Amending Ordinance") amending certain provisions of the Original Ordinance. The 2014 Amending Ordinance permits the 2014 Bond to be issued without being secured by the Reserve Account and provides flexibility for the City to determine whether to fund a subaccount in the Reserve Account in connection with the issuance of any Additional Parity Obligations other than the 2014 Bond and, if so funded, the amount to be deposited to such subaccount. The 2014 Amending Ordinance will become effective upon the issuance of the 2014 Bond.

J. It is now appropriate to authorize the issuance of the 2014 Bond and to determine the terms and details thereof.

K. The principal of, premium, if any, and interest on the 2014 Bond herein authorized and all sinking fund, reserve and other payments provided for in the Bond Ordinance shall be payable solely from the Net Revenues and, to the extent provided in the Bond Ordinance and herein, from the monies on deposit from time to time in the funds and accounts created under the Bond Ordinance (excluding any amounts on deposit in the Reserve Account, which shall not secure the 2014 Bond, and any amounts on deposit in the Rebate Fund) and it will not be necessary nor has there been authorized the levy of taxes on any property in the City to pay for same, and the 2014 Bond shall not constitute a lien upon any of the properties of the City, except the Net Revenues and the funds and accounts created under the Bond Ordinance (excluding any amounts on deposit in the Reserve Account, which shall not secure the 2014 Bond, and any amounts on deposit in the Rebate Fund), nor shall the 2014 Bond be secured by the credit or taxing power of the City or the general funds of the City not expressly pledged under the Bond Ordinance and hereunder.

SECTION 3. APPROVAL AND AUTHORIZATION OF REFUNDING OF REFUNDED BONDS; APPROVAL AND AUTHORIZATION OF THE 2014 BOND; AUTHORIZATION OF REDEMPTION OF REFUNDED BONDS AND CONDITIONAL NOTICE OF SUCH REDEMPTION; AUTHORIZATION OF APPLICATION OF AMOUNTS ON DEPOSIT WITH RESPECT TO THE REFUNDED BONDS; LATE CHARGES AND DEFAULT RATE.

(a) The City hereby approves and authorizes the current refunding of the Refunded Bonds.

(b) Subject to the provisions of this Section 3 and the provisions of Section 6 hereof, the City hereby authorizes and approves the issuance of a series of Additional Parity Obligations in the initial aggregate principal amount of not exceeding \$19,000,000 to be known as the “City of Pompano Beach, Florida Water and Sewer Refunding Revenue Bonds, Series 2014” for the purpose of providing funds, together with other legally available funds of the City, to refund the Refunded Bonds on a current basis and pay costs of issuance of the 2014 Bond. The 2014 Bond shall be secured by a first lien on and pledge of the Net Revenues, on a parity with any Additional Parity Obligations hereafter issued and outstanding under the Bond Ordinance. All provisions, covenants, pledges and conditions of the Bond Ordinance shall be applicable to the 2014 Bond. Prior to the issuance and delivery of the 2014 Bond, all of the requirements of the Bond Ordinance, including Section 17.R thereof, relating to the issuance of Additional Parity Obligations shall be satisfied.

(c) The Lender is not requiring the City to secure the 2014 Bond by the Reserve Account or a subaccount therein and, accordingly, notwithstanding anything to the contrary in the Bond Ordinance, the 2014 Bond shall not be secured by the Reserve Account and there shall be no reserve account deposit in connection with the 2014 Bond.

(d) The 2014 Bond shall be in substantially the form set forth as Exhibit A hereto. The 2014 Bond shall be issued as one fully registered Term Bond without a coupon in an authorized denomination equal to the outstanding principal amount of the 2014 Bond from time to time. The 2014 Bond shall mature on July 1, 2020 (the “Maturity Date”). Amortization Installments on the 2014 Bond shall be payable annually in accordance with the amortization schedule to be attached to the 2014 Bond, commencing on July 1, 2015 and each July 1 thereafter through the Maturity Date, subject to the earlier redemption in whole of the 2014

Bond. Interest on the outstanding principal amount of the 2014 Bond shall be payable on each January 1 and July 1 (each, an "Interest Payment Date") commencing on January 1, 2015 through the Maturity Date or earlier date on which the 2014 Bond is redeemed in whole. Interest on the 2014 Bond shall accrue at the fixed rate of 1.68% per annum (the "Tax-Exempt Rate"), subject to adjustment to the Tax-Exempt Rate upon an "Event of Taxability" (as defined in the 2014 Bond), all as shall be more fully set forth in the 2014 Bond.

(e) Notwithstanding anything to the contrary in the Bond Ordinance, the 2014 Bond shall not be held in book-entry only form.

(f) The Refunded Bonds shall be redeemed by the City at the earliest practicable date following the issuance of the 2014 Bond at a redemption price of par, plus accrued interest, and without premium. The City hereby authorizes such redemption and authorizes, ratifies and confirms the delivery on behalf of the City of the letter, in the form attached hereto as Exhibit B, directing the escrow agent named in Section 5 hereof to give holders of the Refunded Bonds conditional notice of redemption prior to the date of issuance of the 2014 Bond.

(g) Amounts necessary to pay the redemption price of the Refunded Bonds shall be deposited to the escrow fund established for the Refunded Bonds (the "Escrow Fund") pursuant to the Escrow Deposit Agreement referred to in Section 5 hereof, including from moneys on deposit in the funds and accounts established under the Bond Ordinance for the Refunded Bonds. The final par amount of the 2014 Bond and the specific amounts to be applied as aforesaid shall be as set forth in a certificate (the "City Certificate") of the Mayor of the City or his designee (the "Mayor") and/or the City Manager of the City or his designee (the "City Manager") delivered on the date of issuance of the 2014 Bond.

(h) With respect to all amounts payable to the Lender pursuant to the 2014 Bond, the Bond Ordinance or this 2014 Ordinance which are not paid on the due date, in the case of amounts payable on a specified date, or which are not paid within ten (10) days of written notice to the City, in the case of amounts payable on demand, the City agrees to pay to the Lender on demand (i) a late charge of five percent (5%) of any such amount or amounts which shall not have been paid within fifteen (15) days of the due date as specified above and (ii) interest on such amount or amounts at an interest rate equal to the Default Rate (as hereinafter defined) for each day from the specified date of payment, or the date of written demand for payment, as the case may be, to the date such payment is made. For purposes of the foregoing, the term "Default Rate" shall mean, as of any date of determination, a per annum rate of interest equal to the Lender's Prime Rate (as hereinafter defined), plus three percent (3.00%), provided, however, the Default Rate shall never exceed the maximum rate of interest permitted by law and the term "Prime Rate" shall mean the per annum rate which the initial Registered Owner's affiliate Regions Bank announces from time to time to be its prime rate as in effect from time to time, which each change in the Prime Rate being effective from and including the date such change is announced as being effective.

SECTION 4. REDEMPTION PROVISIONS. The City may prepay the principal amount of the Outstanding 2014 Bond, in whole or in part, on any date, at a redemption price equal to the par amount of the 2014 Bond to be prepaid, without premium, together with accrued interest thereon to the date of prepayment.

In the event of any partial redemption of the 2014 Bond, each partial redemption shall be applied first to accrued interest, and then to reduce Amortization Installments coming due in inverse order of maturities. Notice of such redemption, specifying the desired redemption date, shall be sent to the Registered Owner of the 2014 Bond at least thirty (30) business days prior to the date of redemption (the "Redemption Notice"). Notwithstanding any provision of the Bond Ordinance to the contrary, no other notice of redemption of the 2014 Bond is required, nor is any optional redemption of 2014 Bond required to be made on an Interest Payment Date or in any specified minimum amount. The City may revoke any Redemption Notice, once given, up to five (5) business days prior to the redemption date specified in the Redemption Notice; thereafter such Redemption Notice shall be irrevocable. In the event of any optional redemption of 2014 Bond in accordance with their terms, the City shall, in accordance with the Bond Ordinance, prior to the redemption date, withdraw from the Bond Amortization Fund and/or Sinking Fund and set aside in separate accounts (which may include subaccounts in the Bond Amortization Fund and/or Sinking Fund established for the 2014 Bond) the respective amounts required for paying the interest on, and the principal of, the 2014 Bond so called for redemption.

SECTION 5. EXECUTION OF THE 2014 BOND; APPROVAL OF ESCROW DEPOSIT AGREEMENT. The Mayor and City Manager are each hereby authorized and directed to execute, and the City Clerk of the City or his or her designee (the "City Clerk") is hereby authorized to attest, the 2014 Bond and such officers are further authorized to cause the corporate seal of the City to be imprinted or reproduced thereon and to deliver the 2014 Bond to the Bond Registrar for authentication and delivery. Execution of the 2014 Bond by the Mayor and City Manager shall constitute conclusive approval thereof. The Escrow Deposit Agreement relating to the Refunded Bonds, substantially in the form submitted at this meeting and annexed

hereto as Exhibit C (the “Escrow Deposit Agreement”), is hereby approved, with such insertions, modifications and changes as may be approved by the Mayor, in consultation with the City Attorney and Bond Counsel. Upon such approval, the Mayor is authorized and directed to execute, and the City Clerk is authorized and directed to attest, the Escrow Deposit Agreement and such officers are authorized and directed to cause the corporate seal of the City to be imprinted or reproduced thereon. The execution of the Escrow Deposit Agreement by the Mayor shall constitute conclusive evidence of the approval thereof. U.S. Bank National Association is hereby appointed to serve as escrow agent under the Escrow Deposit Agreement.

SECTION 6. SALE OF THE 2014 BOND; ROLE OF LENDER.

(a) Based on the findings set forth in Section 2 hereof, the City Commission hereby awards the sale of the 2014 Bond to the Lender on a negotiated basis. The 2014 Bond is authorized to be sold to the Lender at a purchase price equal to the original aggregate principal amount of the 2014 Bond. As a condition to the delivery to the Lender of the 2014 Bond, the Lender shall deliver to the City a purchaser’s letter, substantially in the form attached hereto as Exhibit D hereto, and submit to the City the Disclosure Statement and Truth-in-Bonding Statement required by Section 218.385, Florida Statutes, substantially in the form attached hereto as Exhibit E.

(b) In connection with the purchase of the 2014 Bond, the Lender shall act solely as purchaser of the 2014 Bond for its own account (without a present intent to reoffer), and neither the Lender nor any of its affiliates shall act as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Neither the Lender nor any of its affiliates has provided, and will not provide, financial, legal, tax, accounting or other

advice to or on behalf of the City with respect to the proposed issuance of the 2014 Bond. By enacting this 2014 Ordinance, the City hereby represents to the Lender that the City has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed issuance of the 2014 Bond from its financial, legal and other advisors (including Public Financial Management, Inc., its financial advisor) and not the Lender or any of its affiliates.

Without limiting the generality of the foregoing, the City acknowledges that (i) neither the Lender nor any of its affiliates have or are recommending an action to the City; (ii) neither the Lender nor any of its affiliates is acting as an advisor to the City, and none of the Lender and its affiliates owes a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the City; (iii) the Lender and its applicable affiliates are acting for their own respective interests; and (iv) the City has been advised and understands that it should discuss any information and material concerning the 2014 Bond with any and all internal or external advisors and experts that the City deems appropriate.

In connection with the Lender's purchase of the 2014 Bond, the City acknowledges and agrees that the Lender did not provide advice regarding the structure, timing, terms, and similar matters with respect to letters of credit, direct loans, municipal securities, or other extensions of credit that extends beyond the 2014 Bond, which the Lender will certify as a purchase for its own account.

SECTION 7. APPLICATION OF THE PROCEEDS OF THE 2014 BOND. The proceeds derived from the sale of the 2014 Bond shall be applied simultaneously with the

delivery thereof for the purposes stated in, and in a manner consistent with the City Certificate. The proceeds of the 2014 Bond used to pay costs of issuance of the 2014 Bond shall be deposited on the date of issuance of the 2014 Bond to a separate account, which account is hereby created and designated as the "2014 Bond Cost of Issuance Account." The specific amounts to be deposited into the 2014 Bond Cost of Issuance Account shall be set forth in the City Certificate. Any amounts remaining on deposit in the 2014 Bond Cost of Issuance Account on the date which is 180 days from the date of issuance of the 2014 Bond shall be transferred to the Bond Amortization Fund and/or Sinking Fund to pay the interest and Amortization Installment on the 2014 Bond next coming due.

SECTION 8. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR.

U.S. Bank National Association is hereby appointed to serve as initial Paying Agent and Bond Registrar for the 2014 Bond. The City Manager is hereby authorized to execute, and the City Clerk is hereby authorized to attest, without further act of the City, an agreement with such Paying Agent and Bond Registrar as necessary to reflect the obligations of such Paying Agent and Bond Registrar to accept and perform the respective duties imposed upon each, and to effectuate the transactions contemplated by the Bond Ordinance, as supplemented hereby.

SECTION 9. PARTICULAR COVENANTS. While the 2014 Bond is Outstanding and the Lender is the Registered Owner thereof:

(a) notwithstanding the provisions of Section 16 of the Bond Ordinance, no modification or amendment of the Bond Ordinance, this 2014 Ordinance or of any resolution or ordinance amendatory thereof or supplemental thereto or hereto may be made except with the written consent of the Lender;

(b) the City shall deliver to the Lender its comprehensive annual financial report no later than 210 days following the end of each Fiscal Year of the City and its annual budget within 30 days following the date of adoption thereof by the City Commission of the City;

(c) the City shall provide the Lender with such additional information as may be reasonably requested by the Lender in connection with the Revenues, the System and the 2014 Bond;

(d) the City knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings involving the Lender based on or arising out of the Bond Ordinance, this 2014 Ordinance or the 2014 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 Bond Ordinance, this 2014 Ordinance or the 2014 Bond;

(e) the City hereby ratifies, acknowledges and confirms all agreements, covenants and terms of the Bond Ordinance applicable to the 2014 Bond as Additional Parity Obligations and the obligations, covenants and agreements of the City under the 2014 Ordinance and the Bond Ordinance, including but not limited to the covenants in Section 17 thereof, shall be absolutely, unconditional and irrevocable, and the City covenants and agrees to timely pay in full in strict accordance herewith and therewith all amounts which may become due and owing and to timely observe and perform all agreements and covenants to be observed and performed by the City thereunder, such payment, observance and performance to be made hereunder under all circumstances. The City acknowledges that no act or omission of any kind at any time on the part of the Lender in respect of any matter whatsoever shall in any way affect or impair

any right, power or benefit of the Lender as a Bondholder under the Bond Ordinance or under this 2014 Ordinance;

(f) the reference to "this Ordinance" in subsection M(3) of Section 17) of the Bond Ordinance shall be deemed to mean the Bond Ordinance, as supplemented by this 2014 Ordinance, for all purposes of the Bond Ordinance and this 2014 Ordinance with respect to the 2014 Bond; and

(g) the City shall provide to the Lender (i) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action of which the City has actual knowledge which constitutes an Event of Default under subsection M of Section 17 of the Bond Ordinance; and (ii) within thirty (30) days after service of process, written notice of all actions, suits and proceedings before any governmental authority, domestic or foreign, against the City relating to the System which, if such litigation were determined adversely, could have a material adverse effect on the System or the Revenues.

SECTION 10. TAX COVENANT. Notwithstanding anything to the contrary contained in the Bond Ordinance, the City covenants with the holders of the 2014 Bond that it shall comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") necessary to maintain the exclusion of interest on the 2014 Bond from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such 2014 Bond (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2014 Bond to

be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The City further covenants that neither the City nor any other person under its control or direction will make any investment or other use of the proceeds of the 2014 Bond (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2014 Bond to be a “private activity bond” as that term is defined in Section 141 of the Code (or any successor provision thereto), or an “arbitrage bond” as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the 2014 Bond.

SECTION 11. GENERAL AUTHORITY. The Mayor, City Manager, City Clerk and any other proper officials of the City are hereby authorized to do all acts and things required of them by this 2014 Ordinance, the Bond Ordinance, the Escrow Deposit Agreement, or the 2014 Bond, or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing (including the purchase of investments for the Escrow Fund) and each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 12. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the

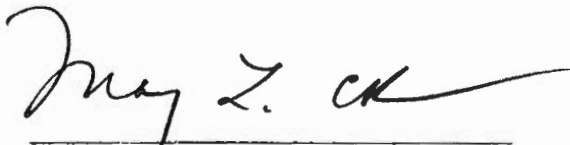
remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof or of the 2014 Bond.

SECTION 13. BOND ORDINANCE TO CONTINUE IN FORCE. Except as herein expressly provided as to the 2014 Bond, the Bond Ordinance and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 14. EFFECTIVE DATE. This 2014 Ordinance shall be effective as the date of its passage and enactment.

PASSED AND ADOPTED on first reading this 9th day of September, 2014.

PASSED AND ENACTED on second reading this 23rd day of September, 2014.



City Clerk

By: 

Presiding Officer

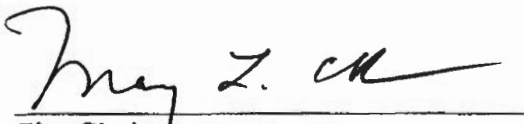
	FIRST READING	SECOND READING
MOTION	<u>Comr. R. Hardin</u>	<u>Comr. R. Hardin</u>
SECOND	<u>Comr. B. Dockswell</u>	<u>Comr. C. Burrie</u>
	<u>Comr. C. Burrie</u>	<u>Comr. B. Dockswell</u>
	<u>Comr. W. Poitier</u>	<u>Comr. W. Poitier</u>
	<u>Vice Mayor G. Brummer</u>	<u>Vice Mayor G. Brummer</u>
	<u>Mayor L. Fisher</u>	<u>Mayor L. Fisher</u>
	_____	_____

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

I, Mary L. Chambers the duly qualified and acting City Clerk of the City Commission of the City of Pompano Beach, Florida, do hereby certify according to the official records of said City in my possession that the above and foregoing constitutes a true and correct excerpt from the minutes of the public meeting of the City Commission of said City held on September 23, 2014, including an Ordinance adopted at said meeting, insofar as said minutes pertain to the matters above set out.

I further certify that the yeas and nays taken on the passage of said Ordinance have been or will immediately be entered on the minutes of said City Commission and that provision has been made for the preservation and indexing of said Ordinance which is open for inspection by the public at all reasonable times at my office in said City.

WITNESS my official signature and the official seal of the City of Pompano Beach this 25th day of September, 2014.

By: 
City Clerk

[SEAL]

EXHIBIT A

FORM OF 2014 BOND

**REGISTERED
NO. 1**

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF BROWARD
CITY OF POMPANO BEACH
WATER AND SEWER REFUNDING REVENUE BOND, SERIES 2014**

INTEREST RATE

1.68%

(subject to adjustment as provided herein)

MATURITY DATE

July 1, 2020

DATED DATE

September 26, 2014

REGISTERED OWNER: REGIONS CAPITAL ADVANTAGE, INC.

PRINCIPAL AMOUNT: _____ MILLION DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Pompano Beach, Florida (hereinafter called "City"), for value received, hereby promises to pay to the registered owner designated above, or registered assigns, solely from the Net Revenues and other special funds hereinafter mentioned, on the Maturity Date specified above (unless this 2014 Bond, as hereinafter defined, shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for), the Principal Amount shown above and to pay, solely from such special funds, interest thereon from the Dated Date shown above at the Interest Rate per annum specified above (the "Tax-Exempt Rate"), subject to adjustment as provided herein), payable on January 1, 2015 and semiannually thereafter on July 1 and January 1 in each year through the Maturity Date shown above or earlier redemption in whole of this 2014 Bond. The interest due hereunder shall be computed based on a 360 day year of twelve (12) thirty (30) day months. The City shall pay to the Registered Owner on each July 1, commencing July 1, 2015, payments of Amortization Installments sufficient to fully amortize the Principal Amount shown above through the Maturity Date or earlier redemption in whole of this 2014 Bond, based on the amortization schedule attached hereto, at which time the unpaid and outstanding Principal Amount, together with all accrued interest shall be due and payable. The principal of, premium, if any, and interest on this 2014 Bond are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, if for any reason the interest on this 2014 Bond becomes includable in the gross income of the Registered Owner for Federal income tax purposes as a result of an Event of Taxability (hereinafter defined), interest on the outstanding principal amount of this 2014 Bond shall bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to 2.35% per annum (the "Taxable Rate").

For purposes of the foregoing paragraph and this 2014 Bond, the term "Event of Taxability" shall mean, and shall occur when, (i) the Registered Owner receives written notice from the City, supported by a written opinion of bond counsel to the City, that interest on this 2014 Bond is Taxable (as hereinafter defined) or (ii) the Internal Revenue Service (the "Service") shall issue a final determination in writing that interest on this 2014 Bond is Taxable; provided, that an Event of Taxability shall not be deemed to have occurred until and unless the City is afforded reasonable opportunity (at the expense of the City and for a period not to exceed 2 years) to pursue any judicial or administrative remedy available to the City with respect to such determination and avail itself of such opportunity by appropriate proceedings diligently pursued.

Upon the occurrence of an Event of Taxability, the City shall pay to the Registered Owner:

(1) additional interest on this 2014 Bond in an amount by which (i) the interest which would have accrued on this 2014 Bond at the Taxable Rate during the period beginning on the Taxability Date (hereinafter defined) and ending on the earlier to occur of the date of conversion to the Taxable Rate or the date of payment in full and retirement of this 2014 Bond, exceeds (ii) the interest actually paid on this 2014 Bond for such period; and

(2) all costs, expenses, interest, penalties, attorneys' fees and other losses which shall have been paid or are payable by the Registered Owner as a result of such Event of Taxability.

For purposes of the foregoing, (i) the term "Taxable" shall mean that interest on this 2014 Bond is includable in gross income in the computation of federal income tax liability; provided that interest on this 2014 Bond shall not be deemed "Taxable" because interest is includable in any calculation of income for purposes of an alternative minimum tax or any other type of taxation other than the regular federal tax imposed on income; and (ii) the term "Taxability Date" shall mean the earliest date from which interest on this 2014 Bond is determined to be Taxable.

The obligation of the City to pay such additional interest and such other costs, expenses, interest, penalties, attorneys' fees and other losses shall survive, and remain in full force and effect from and after, the payment in full and retirement of this 2014 Bond and the termination of the Ordinance (as hereinafter defined).

The City shall promptly advise the Registered Owner in writing of any notice or inquiry received by it from the Service questioning the exemption from Federal income tax of the interest on this 2014 Bond and the Registered Owner shall promptly advise the City in writing of any such notice or inquiry by the Service received by it.

This 2014 Bond represents all of an authorized issue of "Additional Parity Obligations" of the City designated as its Water and Sewer Refunding Revenue Bonds, Series 2014 (the "2014 Bond"), in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, interest rate and date of maturity, issued as Additional Parity Obligations for refunding purposes under the Ordinance (as hereinafter defined), for the purpose of providing funds, together with other legally available funds of the City, to: (i) refund, on a current basis, the City's outstanding Water and Sewer Refunding Revenue Bonds, Series 2006B and (ii) pay the costs associated with the issuance of this 2014 Bond. The 2014 Bond is being issued under the authority of and in full compliance with the City Charter of the City, the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and Ordinance No. 87-35 duly enacted by the City on April 21, 1987, as amended from time to time (the "Bond Ordinance"), as supplemented by Ordinance No. 2014-50 duly enacted by the City on September 23, 2014 (the "Series Ordinance" and together with the Bond Ordinance, the "Ordinance") and other applicable provisions of law, and is subject to all the terms and conditions of the Ordinance, the terms and conditions of which are hereby incorporated herein by this reference. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance. Modifications or alterations of the Ordinance or of any ordinances or Ordinances supplemental thereto may be made only to the extent and in the circumstances permitted by the Ordinance.

This 2014 Bond is issued as a registered Additional Parity Obligation without a coupon in an Authorized Denomination equal to the Outstanding principal amount of this 2014 Bond from time to time. This 2014 Bond and the interest thereon is payable solely from and secured by a first lien upon and pledge of the Net Revenues and the amounts on deposit in the funds and accounts established under the Bond Ordinance, excluding amounts on deposit in the Reserve Account which does not secure this 2014 Bond, and in the Rebate Fund, in the manner provided in the Ordinance.

The full faith and credit of the City is not pledged for the payment of this 2014 Bond and this 2014 Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation. It is expressly agreed by the holder of this 2014 Bond that such holder shall never have the right to require or compel the levy or pledge of ad valorem taxes for the payment of the principal of and interest on this 2014 Bond or for the making of any sinking fund or other payment provided for in the Ordinance. This 2014 Bond and the indebtedness evidenced hereby shall not constitute a lien upon any other property of or in the City, but shall constitute a lien only upon the Net Revenues and the amounts on deposit in the funds and accounts established under the Bond Ordinance, excluding amounts on deposit in the Reserve Account which does not secure this 2014 Bond and the Rebate Fund, in the manner provided in the Ordinance.

Additional Parity Obligations on a parity with this 2014 Bond may be issued by the City from time to time upon the conditions and within the limitations and in the manner provided in the Bond Ordinance.

No deposit to the Reserve Account shall be made in connection with the issuance of this 2014 Bond and no subaccount in the Reserve Account shall be established under the

Ordinance for this 2014 Bond. This 2014 Bond shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Account or any subaccount Reserve Account created therein for the benefit of Additional Parity Obligations issued under the Bond Ordinance.

The City may prepay the principal amount of this Outstanding 2014 Bond in whole or in part on any date, at a redemption price equal to the par amount of the 2014 Bond to be prepaid, without premium, together with accrued interest thereon to the date of prepayment. In the event of any partial redemption of this 2014 Bond each partial redemption shall be applied first to accrued interest, and then to Amortization Installments coming due in inverse order of maturities. Notice of redemption shall be given as provided in the Series Ordinance. On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, and, monies for payment of the redemption price being held in separate accounts by an Authorized Officer or the Paying Agent in trust for the holders of this 2014 Bond or portion thereof to be redeemed, all as provided pursuant to the Ordinance, this 2014 Bond or portion thereof so called for redemption shall become and be due and payable at the redemption price provided for redemption of such 2014 Bond or portion thereof on such date, interest on this 2014 Bond or portion thereof so called for redemption shall cease to accrue, such 2014 Bond or portion thereof shall not be deemed to be Outstanding under the Ordinance and shall cease to be entitled to any lien, benefit or security under the Ordinance, and the holder of such 2014 Bond or portion thereof shall have no rights in respect thereof, except to receive payment of the redemption price thereof, including accrued interest to the date of redemption.

The original Registered Owner, and each successive Registered Owner of this 2014 Bond, shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Bond Registrar shall maintain the books of the City for the registration of this 2014 Bond as provided in the Ordinance. Further, notwithstanding anything to the contrary in the Ordinance, this 2014 Bond may only be transferred or assigned in whole, but not in part, provided that the proposed transferee or assignee delivers to the City a purchaser's certificate in form and substance identical to that delivered to the City by the initial Registered Owner hereof.

(2) The City, the Paying Agent and the Bond Registrar shall deem and treat the person in whose name this 2014 Bond shall be registered upon the books kept by the Bond Registrar as the absolute owner of such 2014 Bond, whether such 2014 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such 2014 Bond as the same becomes due, and for all other purposes. All such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2014 Bond to the extent of the sum or sums so paid, and the City, the Paying Agent and the Bond Registrar shall not be affected by any notice to the contrary.

(3) If less than all of this 2014 Bond is redeemed or defeased the City shall execute and the City, as Bond Registrar, shall authenticate and deliver, upon the surrender of this 2014 Bond, without charge to the Registered Owner, for the unpaid balance of the principal amount of this 2014 Bond so surrendered, a registered 2014 Bond in the appropriate Authorized Denomination.

Reference is made to the Ordinance for a more complete statement of the provisions thereof and of the rights and duties of the City and the Registered Owners. Copies of the Ordinance are on file and may be inspected at the office of the City Clerk. By the purchase and acceptance of this 2014 Bond, the Registered Owner hereof signifies assent to all of the provisions of the Ordinance.

This 2014 Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida. This 2014 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance of this 2014 Bond exist, have happened and have been performed in regular and due form and time as required by the statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this 2014 Bond, is authorized by and is in conformity with, and does not violate, any constitutional, statutory or charter limitation or provision.

[This Space Intentionally Left Blank]

IN WITNESS WHEREOF, the City of Pompano Beach, Florida, has issued this 2014 Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor and City Manager and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its City Clerk, all as of the Dated Date shown above.

(SEAL)

**CITY OF POMPANO BEACH,
FLORIDA**

Mayor

City Manager

ATTEST:

City Clerk

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond represents the 2014 Bond delivered pursuant and described in to the within-mentioned Ordinance.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By: _____

Name: _____

Title: _____

DATE OF AUTHENTICATION: September 26, 2014

AMORTIZATION SCHEDULE

EXHIBIT B

DOCUMENTS RELATED TO CONDITIONAL NOTICE OF REDEMPTION

[LETTERHEAD OF CITY]

DIRECTION TO MAIL NOTICE OF REDEMPTION AND TO REDEEM

U.S. Bank National Association
200 South Biscayne Blvd. Suite 1870
Miami, FL 33131

Re: City of Pompano Beach, Florida Water and Sewer Refunding Revenue Bonds, Series 2006B (the "2006B Bonds")

Ladies and Gentlemen:

The undersigned authorized representative of the City of Pompano Beach, Florida (the "City") hereby directs you, as the Bond Registrar and Paying Agent for the 2006B Bonds issued under Ordinance No. 87-37 enacted by the City on April 21, 1987, as amended, as supplemented by Ordinance No. 2005-57 enacted by the City on June 14, 2005 (collectively, the "Bond Ordinance"), to deliver to the holders of the outstanding 2006B Bonds a conditional notice of redemption in the form attached hereto (the "Redemption Notice"). The Redemption Notice shall be given at least thirty days prior to October 10, 2014 (the "Redemption Date"). You are directed to deliver such additional notices of redemption of 2006B Bonds at the times and to the parties as shall be required by the Bond Ordinance Indenture. The City further directs you to redeem the outstanding 2006B Bonds on the Redemption Date, subject to the deposit of moneys for that purpose with the escrow agent for the 2006B Bonds as described in the Redemption Notice.

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Redemption Notice.

Dated this ____ day of September, 2014.

CITY OF POMPANO BEACH, FLORIDA

By: _____
City Manager

CONDITIONAL NOTICE OF REDEMPTION

City of Pompano Beach, Florida
Water and Sewer Refunding Revenue Bonds, Series 2006B (the "2006B Bonds")
Dated Date: May 18, 2006
Original Aggregate Principal Amount: \$35,915,000

Outstanding 2006B Bonds To Be Redeemed:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2015	\$2,695,000	4.000%	732223DF6
2016	\$2,800,000	4.125%	732223DG4
2017	\$2,915,000	4.125%	732223DH2
2018	\$3,040,000	4.500%	732223DJ8
2019	\$3,175,000	4.500%	732223DK5
2020	\$3,320,000	4.500%	732223DL3

THIS CONDITIONAL NOTICE OF REDEMPTION IS HEREBY GIVEN pursuant to the provisions of Ordinance No. 87-37 enacted by the City on April 21, 1987, as amended (the "Master Ordinance"), as supplemented by Ordinance No. 2005-57 enacted by the City on June 14, 2005 (the "Series Ordinance" and, collectively with the Master Ordinance, the "Bond Ordinance") under which the 2006B Bonds were issued and secured that the outstanding 2006B Bonds shown above to be redeemed (the "Refunded Bonds") have been conditionally called for redemption on October 10, 2014 (the "Redemption Date") at a redemption price equal to 100% of such Refunded Bonds to be redeemed (the "Redemption Price"), plus interest accrued on the Refunded Bonds to the Redemption Date, and without premium, subject to the following paragraph.

As contemplated by Section 5 of the Series Ordinance, the redemption of the Refunded Bonds on the Redemption Date is expressly conditioned upon the deposit with U.S. Bank National Association, as escrow agent, on or prior to the Redemption Date, of moneys sufficient to pay, on the Redemption Date, the Redemption Price, plus interest accrued on the Refunded Bonds to the Redemption Date. This notice will be of no force and effect unless such moneys are so deposited.

Refunded Bonds held in book-entry form need not be presented. To receive payment of the Redemption Price, plus interest accrued on the Refunded Bonds to the Redemption Date, you must present your certificate(s) to us on or prior to the Redemption Date. The certificate(s) should be delivered to the following addresses:

By Mail:
US Bank National Association
Corporate Trust Services
PO Box 64111
St. Paul, MN 55164-0111

By Hand or Overnight Mail:
US Bank National Association
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Important: The provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") require Owners to submit their Taxpayer Identification Number, (either their social security or employer identification number, as appropriate) with each Refunded Bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of the principal portion to the withholding of twenty-eight percent (28%) of such principal portion. To avoid being subject to such withholding, Owners should submit an IRS Form W-9 at the time the Refunded Bonds are presented for payment. Form W-9 is available from your local bank or broker.

*CUSIP numbers are included solely for the convenience of owners of the Refunded Bonds. Neither the Issuer nor the Trustee shall have any responsibility with respect to the selection or use of any CUSIP number, nor is any representation made as to the correctness or accuracy of any CUSIP Number, either as printed on the Refunded Bonds or as contained in this Conditional Notice of Redemption.

Dated as of this ____ day of _____, 2014.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar and Paying Agent

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

Draft #4

ESCROW DEPOSIT AGREEMENT

DATED AS OF SEPTEMBER 26, 2014

BETWEEN

THE CITY OF POMPANO BEACH, FLORIDA

AND

U.S. BANK NATIONAL ASSOCIATION,

AS ESCROW AGENT

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. RECITALS; SCHEDULES	2
SECTION 2. CREATION OF ESCROW FUND.....	2
SECTION 3. DEPOSIT OF MONEYS AND INVESTMENT AND REINVESTMENT THEREOF	2
SECTION 4. ESCROW FUND CONSTITUTES IRREVOCABLE TRUST FUND	3
SECTION 5. TRANSFERS FROM ESCROW FUND.....	3
SECTION 6. REINVESTMENT OF CERTAIN MONEYS REMAINING IN ESCROW FUND.....	3
SECTION 7. PAYMENT TO ESCROW AGENT; LIABILITY OF ESCROW AGENT	4
SECTION 8. INDEMNIFICATION	5
SECTION 9. RESIGNATION, DISCHARGE, REMOVAL, MERGER OF ESCROW AGENT.....	6
SECTION 10. NOTICES	7
SECTION 11. TRANSFER OF FUNDS AFTER ALL PAYMENTS REQUIRED BY THIS AGREEMENT ARE PROVIDED FOR OR MADE	8
SECTION 12. TERMINATION	8
SECTION 13. AMENDMENTS	8
SECTION 14. MISCELLANEOUS	9

SCHEDULES

SCHEDULE A	Schedule of Debt Service on Refunded Bonds.....	Exhibit A-1
SCHEDULE B	Notices of Defeasance and Redemption.....	Exhibit B-1

ESCROW DEPOSIT AGREEMENT

This **ESCROW DEPOSIT AGREEMENT** (the "Agreement") is dated as of September 26, 2014 and is entered into by and between the **CITY OF POMPANO BEACH, FLORIDA**, a municipal corporation of the State of Florida (the "City") and **U.S. BANK NATIONAL ASSOCIATION**, Miami, Florida, as escrow agent (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, the City is a municipal corporation of the State of Florida; and

WHEREAS, the Escrow Agent is a national banking association with fiduciary powers, having a designated corporate trust office in Miami, Florida; and

WHEREAS, the City has previously issued and sold its Water and Sewer Refunding Revenue Bonds, Series 2006B currently outstanding in the aggregate principal amount of \$17,945,000 (the "Refunded Bonds") pursuant to Ordinance 87-35 enacted by the City on April 21, 1987, as amended (the "Master Ordinance") as supplemented by Ordinance No. 2005-57 enacted by the City on June 14, 2005 (the "Series Ordinance" and, collectively with the Master Ordinance, the "2006 Bond Ordinance"); and

WHEREAS, pursuant to the Master Ordinance, as supplemented by Ordinance No. 2014-50 enacted on September 23, 2014 (the "2014 Ordinance") with respect to the 2014 Bonds (hereinafter defined), City has authorized the current refunding and redemption of all of the Refunded Bonds; and

WHEREAS, in order to provide for the payment of the Refunded Bonds, the City has authorized the issuance of its \$17,355,000 Water and Sewer Refunding Revenue Bonds, Series 2014 (the "2014 Bonds") pursuant to the Master Ordinance, as supplemented by the 2014 Ordinance (collectively, the "2014 Bond Ordinance"); and

WHEREAS, a sufficient portion of the proceeds of the 2014 Bonds, together with other funds of the City lawfully available therefor, will be deposited in the trust fund created herein and used to satisfy the obligations of the City evidenced by the Refunded Bonds; and

WHEREAS, the moneys deposited in the trust fund created herein will be sufficient to pay the principal and interest coming due on the Refunded Bonds by optional redemption thereof on October 10, 2014, after giving requisite conditional notice of redemption as required by the Bond Ordinance (the "Redemption Date"), such payment and redemption to be irrevocably provided for herein; and

WHEREAS, the City and the Escrow Agent desire to enter into this Agreement to provide for the taking of certain actions so as to accomplish the payment of the Refunded Bonds;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

SECTION 1. RECITALS; SCHEDULES. The City represents that the foregoing recitations are true and correct and are hereby incorporated into this Agreement by reference thereto. All Schedules annexed hereto shall without further referral be deemed incorporated herein and made a part hereof.

SECTION 2. CREATION OF ESCROW FUND.

(a) Receipt of a copy certified in writing by the City to be a true and correct copy of the 2006 Bond Ordinance and the 2014 Bond Ordinance are hereby acknowledged by the Escrow Agent. Reference or citation herein to any provisions of the 2006 Bond Ordinance or the 2014 Bond Ordinance shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

(b) The City hereby exercises the right granted by the 2006 Bond Ordinance to refund and defease the Refunded Bonds and to discharge and satisfy its obligations to the Owners (as defined in the 2006 Bond Ordinance) of the Refunded Bonds.

(c) There is hereby created and designated a special and irrevocable escrow fund to be known as the "Pompano Beach, Florida Water and Sewer Refunding Revenue Bonds, Series 2006B Escrow Fund" (the "Escrow Fund"). The Escrow Fund shall be held in the custody of the Escrow Agent, in its capacity as a fiduciary and escrow agent, as a trust fund for the benefit of the holders of the Refunded Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the City or the Escrow Agent.

SECTION 3. DEPOSIT OF MONEYS AND INVESTMENT AND REINVESTMENT THEREOF.

(a) Concurrently with the execution of this Agreement, the City herewith deposits and the Escrow Agent hereby acknowledges receipt from the City of \$18,157,470.16 (which consists of \$17,290,565.47 of the proceeds of the 2014 Bonds and \$866,904.69 in the Sinking Fund established under the Master Ordinance). The foregoing amounts are hereby referred to as the "Total Cash."

(b) The Escrow Agent is hereby directed to hold the Total Cash uninvested, except as otherwise provided herein. Notwithstanding the foregoing, the Total Cash held by the Escrow Agent will be deemed invested for purposes hereof at the federal funds rate in effect from time to time during the period during which the Escrow Agent holds such Total Cash, all or in part, and the amounts deemed earned thereon shall be treated as Escrow Agent fees payable to Escrow Agent hereunder.

(c) The City represents that the Total Cash will be sufficient to pay, upon the redemption thereof, the principal and interest on the Refunded Bonds in accordance with the

schedule set forth on Schedule A attached hereto and, accordingly, the Refunded Bonds shall be deemed refunded and defeased and no longer entitled to the covenants, agreements, obligations and liens of the City under the 2006 Bond Ordinance. The Escrow Agent makes no representations regarding the adequacy of any deposit under the Escrow Agreement, and, provided the Escrow Agent has complied with its obligations hereunder it shall not be liable for any deficiencies in any deposit under the Escrow Agreement, and shall not be required to make disbursements from the Escrow Fund except from funds deposited therein by the City.

SECTION 4. ESCROW FUND CONSTITUTES IRREVOCABLE TRUST FUND.

The Escrow Agent shall apply the Total Cash in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any cash held hereunder or to sell, transfer, substitute or otherwise dispose of the Escrow Securities held hereunder, except as provided in this Agreement. The Escrow Agent, acting in its capacity as escrow agent, agrees that the Total Cash on deposit in the Escrow Fund will be held in trust for the holders of the Refunded Bonds and kept separate and distinct from all other funds of the City and Escrow Agent. The Escrow Fund created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, until used and applied in accordance herewith. The City shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Refunded Bonds remain unpaid.

SECTION 5. TRANSFERS FROM ESCROW FUND. The City hereby directs, and the Escrow Agent hereby agrees, to take all actions required to be taken by it under the 2006 Bond Ordinance in order to effectuate this Agreement and to pay the Refunded Bonds, in the amounts and at the times provided in Schedule A attached hereto. The Escrow Agent shall, no later than the interest or principal payment or redemption date for the Refunded Bonds, transfer solely from funds on deposit in the Escrow Fund to the paying agent for the Refunded Bonds amounts sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Refunded Bonds, all as specified on Schedule A hereto.

SECTION 6. REINVESTMENT OF CERTAIN MONEYS REMAINING IN ESCROW FUND.

(a) At the written direction of an authorized officer of the City, and upon compliance with clause (b) hereof, the Escrow Agent may invest in direct obligations of the United States of America (the "Escrow Securities"), from time to time, any uninvested cash in the Escrow Fund not immediately needed to make payments of principal and interest on the Refunded Bonds as specified on Schedule A hereto. Subject to compliance with clause (b) hereof, any interest income resulting from investment of monies pursuant to this clause (a) shall be transferred to the City as its absolute property, free from the trust created by the 2006 Bond Ordinance, the 2014 Bond Ordinance and this Agreement.

(b) The foregoing transaction may be effected only if: (i) in the opinion of counsel with expertise in the field of tax-exempt finance such transactions will not, under the statutes, rules and regulations then in force and applicable: (A) cause the interest on the Refunded Bonds and 2014 Bonds not to be excluded from gross income for federal income

tax purposes; or (B) violate any provisions of Florida law or of any documents, instruments or resolutions of the City relating to the Refunded Bonds; and (ii) a nationally recognized firm of independent certified public accountants shall certify to the City and Escrow Agent that the cash remaining on hand in the Escrow Fund after the transactions are completed, together with the maturing principal of the Escrow Securities and interest due thereon, will be sufficient to pay when due the Refunded Bonds, upon the redemption thereof, all of the principal of and interest on the Refunded Bonds. The City shall pay the costs of providing such opinions and certifications together with all fees and expenses (including reasonable attorneys' fees and expenses) incurred by the Escrow Agent in connection with such foregoing transactions (it being agreed that additional Escrow Agent fees will be due and payable to Escrow Agent if the amounts in the Escrow Fund are invested).

(c) The Escrow Agent covenants to take no action in the investment, reinvestment or security of the Escrow Fund other than as provided for in this Agreement; provided, however, the Escrow Agent shall be under no duty to inquire whether the Escrow Securities as deposited in the Escrow Fund are properly invested under the Code, and provided further that the Escrow Agent may rely in good faith on and shall have no liability for following any or all specific directions in this Agreement or otherwise given by the City or bond counsel in the investment or reinvestment of the Escrow Fund.

SECTION 7. PAYMENT TO ESCROW AGENT; LIABILITY OF ESCROW AGENT.

(a) The City hereby appoints the Escrow Agent as escrow agent under this Agreement and, by execution of this Agreement, the Escrow Agent accepts the duties and obligations as escrow agent hereunder. The Escrow Agent further represents that it has all the requisite power, and has taken all corporate actions necessary, to enter into and execute this Agreement.

(b) The Escrow Agent agrees to pay solely from moneys on deposit in the Escrow Fund, the principal, redemption premium, if any, and interest on the Refunded Bonds as aforesaid notwithstanding any failure by the City to pay when due any fees or expenses of the Escrow Agent or any paying agent relating to the Refunded Bonds. It is expressly understood that any such fees or expenses incurred by the Escrow Agent acting as escrow agent hereunder will be reimbursed by the City.

(c) In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer agrees to and shall pay a one-time fee of \$250 to the Escrow Agent, and any other fees and expenses as agreed to in writing by the parties hereto.

(d) The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own gross negligence or willful misconduct or failing to comply with any of its obligations hereunder. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall not incur any liability with respect to: (i) any action

taken or omitted to be taken in good faith upon advice of its counsel or counsel to the City given with respect to any questions relating to the duties and responsibilities of the Escrow Agent hereunder; or (ii) any action taken or omitted to be taken in reliance upon any document, including any written notice or instructions provided for in this Agreement, not only reliance as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained herein, which the Escrow Agent shall in good faith believe to be genuine, provided that such document has been signed or presented by the purported proper person or persons and conforms with the provisions of this Agreement.

(e) The Escrow Agent acknowledges that it has no lien, security interest or right of set-off whatsoever upon the cash and Escrow Securities in the Escrow Fund for any such payment.

(f) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(g) The Escrow Agent may act relative hereto in reliance upon advice of counsel with expertise in the field of tax-exempt finance in reference to any matter connected herewith.

(h) On or before November 15, 2014, the Escrow Agent shall submit to the City a report covering all money it shall have received and all payments it shall have made under the provisions of this Agreement. Such report shall also list any Escrow Securities on deposit with Escrow Agent on the date of the report and all cash held by it as proceeds of the collection of principal of and interest on any Escrow Securities on deposit in the Escrow Fund.

SECTION 8. INDEMNIFICATION. The City hereby agrees, to the extent permitted by law, to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity brought by third parties, or any other expenses, fees or charges of any character or nature which it may incur or with which it may be threatened by reason of such third party threats or proceedings, except in the case of Escrow Agent's own willful misconduct or gross negligence; and in connection therewith to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the costs of defending any action, suit or proceeding or resisting any claim, including appellate proceedings.

The Escrow Agent shall not be required to institute or defend any action or legal process involving any matter referred to herein which in any manner affects it or its duties or liabilities hereunder unless or until requested to do so by the City and then only upon receiving full indemnity in an amount and of such character as it shall reasonably require, against any and all claims, liabilities, judgments, attorneys' fees and any other expenses of every kind in relation thereto,

including appellate proceedings. The indemnification described in this Section shall survive the termination of this Agreement.

SECTION 9. RESIGNATION, DISCHARGE, REMOVAL, MERGER OF ESCROW AGENT.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the City, and notice in writing given by such Owners to all of the Owners of the Refunded Bonds, not less than sixty (60) days before such removal is to take effect as stated in such instrument or instruments. A copy of any instrument filed with the City under the provisions of this paragraph shall be delivered by first-class, postage prepaid mail by the City to the Escrow Agent.

The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Owners of not less than five percent (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(b) The Escrow Agent may be removed at any time with or without cause upon written notice by the City to the Escrow Agent delivered not less than sixty (60) days before such removal is to take effect.

(c) The Escrow Agent may resign and be discharged of its duties hereunder provided that the Escrow Agent has given at least sixty (60) days' written notice to the City of such resignation, specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed in accordance with clause (d) below and the requirements of clause (e) below have been met, in which event such resignation shall take effect immediately.

(d) If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, or taken under the control of a receiver, or for any other reason, the position of Escrow Agent shall become vacant, the City shall immediately appoint an Escrow Agent to fill such vacancy. No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States.

(e) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities,

powers, trusts, duties and obligations of its predecessor. Such predecessor Escrow Agent nevertheless, on the written request of the City, shall execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder. Furthermore, every predecessor Escrow Agent shall deliver all escrowed documents, cash and Escrow Securities held by it to the successor Escrow Agent; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The Escrow Agent shall not be responsible or obligated to act pursuant to this Agreement after the effective date of its removal as Escrow Agent hereunder.

(f) Any corporation into which the Escrow Agent, or any successor to it in the trust created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which Escrow Agent or any successor to it shall be a party shall, if approved in writing by the City (which approval shall not be unreasonably withheld), be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 10. NOTICES. The City hereby confirms its direction dated September __, 2014 to U.S. Bank National Association, as Bond Registrar and Paying Agent for the Refunded Bonds to send, and the Escrow Agent hereby confirms that the conditional notice of redemption (the "Redemption Notice") in the form annexed hereto as Schedule B has been sent. The City hereby directs the Escrow Agent to send, and the Escrow Agent hereby agrees to send, the notice of defeasance (the "Defeasance Notice") in the form annexed hereto as Schedule B. The Redemption Notice was sent and the Defeasance Notice will be sent at the times and to the persons required by the Bond Ordinance, and containing the information set forth therein. The Redemption Notice was sent not less than thirty days and not more than sixty days prior to the Redemption Date by mailing a copy of the notice by first class mail, postage prepaid, to the registered Owners of the Refunded Bonds at their addresses appearing on the registration books of the Bond Registrar for the Refunded Bonds. The Defeasance Notice shall be delivered by mailing a copy of the notice by first class mail, postage prepaid, to the registered Owners of the Refunded Bonds at their addresses appearing on the registration books of the Bond Registrar for the Refunded Bonds. The City shall pay all costs associated with giving the Redemption Notice and Defeasance Notice as provided herein and the 2006 Bond Ordinance. The Defeasance Notice shall be sent promptly following the date hereof, but in no event later than ten (10) Business Days after the date hereof. The Escrow Agent confirms that additional redemption notices were given by U.S. Bank National Association to Owners of the Refunded Bonds and other parties as required by the 2006 Bond Ordinance.

SECTION 11. TRANSFER OF FUNDS AFTER ALL PAYMENTS REQUIRED BY THIS AGREEMENT ARE PROVIDED FOR OR MADE. Whenever all principal of, redemption premium and interest on all the Refunded Bonds have been paid, all excess cash and Escrow Securities in the Escrow Fund shall, at the written request of the City, be transferred by the Escrow Agent to the Trustee for deposit to the Bond Amortization Fund and/or Sinking Fund, to be applied as provided in the 2014 Bond Ordinance, free from the trust created by this Agreement. The Escrow Agent shall not invest or reinvest any of the cash or Escrow Securities to be so transferred until such transfer is complete.

SECTION 12. TERMINATION. Except as otherwise expressly provided herein, this Agreement shall terminate when the principal of, redemption premium, if any, and interest on all Refunded Bonds have been paid by the Escrow Agent to the Paying Agent. The Escrow Agent shall thereupon be released and discharged with respect hereto.

SECTION 13. AMENDMENTS. This Agreement is made for the benefit of the City and the Owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without: (a) the written consent of the Owners of one hundred percent (100%) in principal amount of the unpaid Refunded Bonds at the time such proposed change is made; (b) the written consent of the Escrow Agent; and (c) the written opinion of counsel with expertise in the field of tax-exempt finance that such action will not materially adversely affect the rights of the Owners of the Refunded Bonds; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (i) to cure any ambiguity or formal defect or omission in this Agreement; or
- (ii) to grant to or confer upon the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent; or
- (iii) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of bond counsel with expertise in the field of tax-exempt finance with respect to compliance with this Section 13, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders or that any instrument executed hereunder complies with the conditions or provisions of this Section 13. The City shall pay the costs of providing such opinion.

SECTION 14. MISCELLANEOUS.

(a) All notices, demands or other communications given hereunder shall be in writing and shall only be deemed duly given upon mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the City: City of Pompano Beach, Florida
100 W. Atlantic Boulevard
Pompano Beach, Florida 33060
Attention: City Manager

If to the Escrow Agent: U.S. Bank National Association
200 S. Biscayne Boulevard, Suite 1870
Miami, Florida 33131
Attention: Corporate Trust Department

(b) This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

(c) If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way effect the validity of the remaining provisions of this Agreement.

(d) All the covenants, promises and agreements in this Agreement contained by or on behalf of the City or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns.

(e) This Agreement shall be governed by the applicable law of the State of Florida.

(f) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, assigns and transferees, as the case may be. The Escrow Agent shall not be charged with notice or knowledge of any ancillary document, fact or information not specifically set forth herein. The Escrow Agent shall undertake to perform only such duties as are expressly set forth herein and no additional or implied duties or obligations shall be read into the Escrow Agreement against the Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and, in the case of the City, its corporate seal to be hereunto affixed and attested, in each case, as of the date first above written.

CITY OF POMPANO BEACH, FLORIDA

Attest:

City Clerk

[SEAL]

By: _____
Mayor

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

By: _____

Title: Assistant Vice President

SCHEDULE A

SCHEDULE OF DEBT SERVICE ON REFUNDED BONDS

<u>Period Ending (Redemption Date)</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Total</u>
10/10/14	\$212,470.16	\$17,945,000.00	\$18,157,470.16

SCHEDULE B

FORMS OF NOTICES

NOTICE OF DEFEASANCE

City of Pompano Beach, Florida
Water and Sewer Refunding Revenue Bonds, Series 2006B (the "2006B Bonds")
Dated Date: May 18, 2006
Original Aggregate Principal Amount: \$35,915,000

Outstanding 2006B Bonds:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2015	\$2,695,000	4.000%	732223DF6
2016	\$2,800,000	4.125%	732223DG4
2017	\$2,915,000	4.125%	732223DH2
2018	\$3,040,000	4.500%	732223DJ8
2019	\$3,175,000	4.500%	732223DK5
2020	\$3,320,000	4.500%	732223DL3

NOTICE IS HEREBY GIVEN that for the payment of all unpaid principal and interest on the above-referenced outstanding 2006B Bonds (the "Refunded Bonds") there has been deposited in escrow with U.S. Bank National Association, Miami, Florida, as escrow agent, refunding bond proceeds and other funds which are held in cash.

Such cash has been calculated to be adequate to pay the unpaid principal and interest on the Refunded Bonds as same become due by optional redemption on October 10, 2014 (the "Redemption Date").

The Refunded Bonds are deemed to have been paid within the meaning of Ordinance No. 87-37 enacted by the City on April 21, 1987, as amended, as supplemented by Ordinance No. 2005-57 enacted by the City on June 14, 2005, under which the 2006B Bonds were issued and secured.

Important: The provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") require Owners to submit their Taxpayer Identification Number, (either their social security or employer identification number, as appropriate) with each Refunded Bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of the principal portion to the withholding of twenty-eight percent (28%) of such principal portion. To avoid being subject to such withholding, Owners should submit an IRS Form W-9 at the time the Refunded Bonds are presented for payment. Form W-9 is available from your local bank or broker.

**CUSIP numbers are included solely for the convenience of owners of the Refunded Bonds. Neither the Issuer nor the Trustee shall have any responsibility with respect to the selection or use of any CUSIP number, nor is any representation made as to the correctness or accuracy of any CUSIP Number, either as printed on the Refunded Bonds or as contained in this Notice of Defeasance.*

Dated as of this ____ day of September, 2014.

U.S. Bank National Association, as Escrow
Agent

CONDITIONAL NOTICE OF REDEMPTION

City of Pompano Beach, Florida
Water and Sewer Refunding Revenue Bonds, Series 2006B (the “2006B Bonds”)
Dated Date: May 18, 2006
Original Aggregate Principal Amount: \$35,915,000

Outstanding 2006B Bonds To Be Redeemed:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2015	\$2,695,000	4.000%	732223DF6
2016	\$2,800,000	4.125%	732223DG4
2017	\$2,915,000	4.125%	732223DH2
2018	\$3,040,000	4.500%	732223DJ8
2019	\$3,175,000	4.500%	732223DK5
2020	\$3,320,000	4.500%	732223DL3

THIS CONDITIONAL NOTICE OF REDEMPTION IS HEREBY GIVEN pursuant to the provisions of Ordinance No. 87-37 enacted by the City on April 21, 1987, as amended (the “Master Ordinance”), as supplemented by Ordinance No. 2005-57 enacted by the City on June 14, 2005 (the “Series Ordinance” and, collectively with the Master Ordinance, the “Bond Ordinance”) under which the 2006B Bonds were issued and secured that the outstanding 2006B Bonds shown above to be redeemed (the “Refunded Bonds”) have been conditionally called for redemption on October 10, 2014 (the “Redemption Date”) at a redemption price equal to 100% of such Refunded Bonds to be redeemed (the “Redemption Price”), plus interest accrued on the Refunded Bonds to the Redemption Date, and without premium, subject to the following paragraph.

As contemplated by Section 5 of the Series Ordinance, the redemption of the Refunded Bonds on the Redemption Date is expressly conditioned upon the deposit with U.S. Bank National Association, as escrow agent, on or prior to the Redemption Date, of moneys sufficient to pay, on the Redemption Date, the Redemption Price, plus interest accrued on the Refunded Bonds to the Redemption Date. This notice will be of no force and effect unless such moneys are so deposited.

Refunded Bonds held in book-entry form need not be presented. To receive payment of the Redemption Price, plus interest accrued on the Refunded Bonds to the Redemption Date, you must present your certificate(s) to us on or prior to the Redemption Date. The certificate(s) should be delivered to the following addresses:

By Mail:

By Hand or Overnight Mail:

US Bank National Association
Corporate Trust Services
PO Box 64111
St. Paul, MN 55164-0111

US Bank National Association
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Important: The provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") require Owners to submit their Taxpayer Identification Number, (either their social security or employer identification number, as appropriate) with each Refunded Bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of the principal portion to the withholding of twenty-eight percent (28%) of such principal portion. To avoid being subject to such withholding, Owners should submit an IRS Form W-9 at the time the Refunded Bonds are presented for payment. Form W-9 is available from your local bank or broker.

*CUSIP numbers are included solely for the convenience of owners of the Refunded Bonds. Neither the Issuer nor the Trustee shall have any responsibility with respect to the selection or use of any CUSIP number, nor is any representation made as to the correctness or accuracy of any CUSIP Number, either as printed on the Refunded Bonds or as contained in this Conditional Notice of Redemption.

Dated as of this ____ day of September, 2014.

U.S. BANK NATIONAL ASSOCIATION, as
Bond Registrar and Paying Agent

EXHIBIT D

FORM OF INVESTOR LETTER

City Commission
City of Pompano Beach, Florida

Re: \$ _____ City of Pompano Beach, Florida Water and Sewer Refunding Revenue Bonds, Series 2014 (the "2014 Bond")

Ladies and Gentlemen:

This letter is being provided in connection with the purchase of the above-referenced 2014 Bond which was delivered to us by the City of Pompano Beach, Florida (the "City") as of the date hereof.

1. We are engaged in the business of purchasing obligations similar to the 2014 Bond or the business of entering into loan transactions evidenced by obligations similar to the 2014 Bond.

2. We are purchasing the 2014 Bond from the City for our own account as evidence of a privately placed and negotiated loan and not for, with a current view to, or in connection with, any resale or distribution. We have no present plans or intentions to sell or transfer or otherwise dispose of any portion of the 2014 Bond. We understand that the 2014 Bond may be transferred or assigned in whole, but not in part, subject to the terms and conditions set forth in the 2014 Bond. We will notify any proposed transferee or assignee from us of the resale restrictions set forth in the 2014 Bond.

3. We are a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "1933 Act"), and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of taxable and tax-exempt obligations, to be capable of evaluating the merits and risks of our purchase of the 2014 Bond.

4. We are able to bear the economic risk of our purchase of the 2014 Bond.

5. We acknowledge that the 2014 Bond does not represent a general obligation of the City, the State of Florida or any political subdivision thereof and is not payable from taxes or any moneys provided by or to the City, other than those described in the 2014 Bond, and we further acknowledge that no covenant, stipulation, obligation or agreement contained in any documents related to the issuance of the 2014 Bond is or shall be deemed to be a covenant, agreement or obligation of any present or future board member, officer or employee of the City in his or her individual capacity.

6. We acknowledge and agree that the 2014 Bond has not been and will not be registered under the 1933 Act or the securities or Blue Sky laws of any state and are not listed on any stock or securities exchange.

7. We understand that no offering, statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the City and the 2014 Bond is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the City, the 2014 Bond and the security therefor.

8. We have received all financial and other information regarding the 2014 Bond that we have requested and which we consider relevant or necessary to make an informed decision to purchase the 2014 Bond. We have made our own inquiry into the creditworthiness of the 2014 Bond and the City, we have received all the information that we have requested from the City or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering of the 2014 Bond and the security therefor, and the City, and have received, to the best of our knowledge, complete and satisfactory answers to all such questions.

Dated this 26th day of September, 2014.

Yours very truly,

REGIONS CAPITAL
ADVANTAGE, INC.

By: _____

Title: _____

EXHIBIT E

FORM OF DISCLOSURE/TRUTH IN BONDING STATEMENT

City Commission
City of Pompano Beach, Florida

Re: \$ _____ City of Pompano Beach, Florida Water and Sewer Refunding Revenue Bonds, Series 2014 (the "2014 Bond")

Ladies and Gentlemen:

In connection with the proposed issuance of the above-captioned 2014 Bond, Regions Capital Advantage, Inc. (the "Lender") has agreed to purchase the 2014 Bond. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the ordinance authorizing the issuance of the 2014 Bond (the "Series Ordinance").

The purpose of this letter is to furnish pursuant to the provisions of Sections 218.385(2) and (6), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the placement and sale of the 2014 Bond as follows:

(a) An itemized list setting forth the nature and estimated amounts of expenses to be incurred by the Lender in connection with the issuance of the 2014 Bond is set forth below:

Lender's Counsel Fee (Bryant Miller Olive, P.A.): \$ ____ (paid by City)

(b) No "finder" as that term is defined in Section 218.386, Florida Statutes, as amended, has entered into an understanding with the Lender for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the 2014 Bond.

(c) The underwriting spread to be paid by the City will be:

\$0.00

(d) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the 2014 Bond to any person not regularly employed or retained by the Lender (including any "finder," as defined in Section 281.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Lender as set forth in paragraph (a) above.

(e) Truth-in-Bonding Statement – The City is proposing to issue the 2014 Bond for the purpose of providing funds, together with other legally available funds of the City, to refund the City’s outstanding Water and Sewer Refunding Revenue Bonds, Series 2006B (the “Refunded Bonds”) and pay costs of issuance of the 2014 Bond. The 2014 Bond is expected to be repaid over a period of approximately ____ years, through maturity on July 1, 2020 (the “Maturity Date”). Assuming an initial interest rate of ____% per annum through the Maturity Date, the total interest paid over the life of the 2014 Bond will be \$_____.

The source of repayment or security for the 2014 Bond is limited solely to the Net Revenues of the System. The authorization of the debt or obligation evidenced by the 2014 Bond will result in approximately \$_____ of Net Revenues of the System not being available to the City to finance other projects of the City each year for the approximately ____ year period from the date of issuance of the 2014 Bond to the Maturity Date. According to the City, the Net Revenues were previously pledged to the payment of debt service on the Refunded Bonds.

(f) The name and address of the Lender is set forth below:

Regions Capital Advantage, Inc.
1900 5th Avenue North, Suite 2400
Birmingham, Alabama 35203

We understand that the City does not require any further disclosure from the Lender, pursuant to Section 218.385(6), Florida Statutes, as amended.

Dated as of this 26th day of September, 2014.

Yours very truly,

REGIONS CAPITAL
ADVANTAGE, INC.

By: _____

Title: _____

Financial Guaranty in 1993 terminates on July 1, 2013. The Reserve Account Policy in the amount of \$3,610,945 issued by Financial Guaranty in 2000 terminates on July 1, 2020, the scheduled final maturity date of the Series 2006 Bonds. This latter Reserve Account Policy will be sufficient to satisfy the Debt Service Reserve Requirement as it will exist from and after July 1, 2013 for the Series 2006 Bonds.

Generally, Financial Guaranty requires among other things, (i) that, so long as it has not failed to comply with its payment obligations under the Reserve Account Policies, it be granted the power to exercise any remedies available at law or under the authorizing document other than (A) acceleration of the Bonds or (B) remedies which would adversely affect holders in the event that the City fails to reimburse Financial Guaranty for any draws on the Reserve Account Policies, and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent.

The Reserve Account Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law or by the Florida Insurance Guaranty Association (Florida Insurance Code, Sec. 631.50 et seq).

RATE COVENANT

The City has adopted a rate covenant and has covenanted in the Bond Ordinance to collect such fees, rentals and other charges for the use of the System as will always provide Gross Revenues in each Fiscal Year sufficient to pay one hundred twenty per centum (120%) of the Debt Service Requirement on the Series 2006 Bonds in such Fiscal Year, plus one hundred per centum (100%) of all reserve or other payments, including the Cost of Operation and Maintenance of the System and the payment of any Policy Costs.

ADDITIONAL PARITY OBLIGATIONS

No Additional Parity Obligations payable from the Net Revenues of the System on a parity with the Series 2006 Bonds shall be issued after the issuance of the Series 2006 Bonds except for the construction and/or acquisition of additions, extensions and improvements to the System, or for refunding purposes, and except upon the conditions and in the manner as follows:

A certificate of the Finance Director, shall be filed with the City, stating that the Net Revenues for the preceding Fiscal Year or twelve (12) consecutive months of the eighteen (18) months immediately preceding the date of sale of the Additional Parity Bonds are equal to at least 1.20 times the highest Debt Service Requirement in any succeeding Fiscal Year on (i) all bonds outstanding under the Bond Ordinance and all Additional Parity Obligations, if any, then outstanding; and (ii) the Additional Parity Obligations with respect to which such certificate is made and that such Net Revenues are equal to at least 100% of the Policy costs then due and owing under the Reserve Policy for the Series 2006 Bonds. The Net Revenues for such preceding Fiscal Year or twelve (12) month period may be adjusted by the Qualified Independent Consultant under certain conditions, for which reference is made to the Bond Ordinance set forth in full as Appendix B herein. The foregoing does not apply to Additional Parity Obligations issued for refunding purposes, provided that the Maximum Debt Service Requirement for all

Bonds issued under the Bond Ordinance that will be outstanding after issuance of such Additional Parity Obligations (excluding any bonds being defeased by proceeds of such Additional Parity Obligations) is not greater than the maximum Debt Service Requirement for all bonds issued under the Bond Ordinance that were outstanding prior to issuance of the Additional Parity Obligations for refunding purposes.

The City shall not be in default in performing any of the covenants and obligations assumed under the Bond Ordinance, and all payments required by the Bond Ordinance to have been made into the accounts and funds, as provided thereunder, shall have been made to the full extent required.

ADDITIONAL COVENANTS

The City additionally covenants with the holders of the Series 2006 Bonds regarding, among other things, no mortgage or sale of the System, insurance, no free service, enforcement of collections, no competing facilities, and defeasance of the Series 2006 Bonds. For a more complete description of the covenants of the City, reference is made to the Bond Ordinance, attached hereto as Appendix B. Pursuant to the Bond Ordinance and a written agreement to be entered into by the City and the Bond Insurer, various provisions apply to the Series 2006 Bonds, while they are insured by the Bond Insurer, requiring certain information, reports and notices to be provided by the City to the Bond Insurer and imposing certain agreements, covenants and obligations upon the City for the benefit of the Bond Insurer. Among other matters, these provisions require the Bond Insurer to consent to certain actions that may have otherwise been permitted by the Bond Ordinance, consent in lieu of Bondholders to amendments and supplements to the Bond Ordinance and entitle the Bond Insurer, upon an event of default described in the Bond Ordinance, to control and direct the enforcement of rights and remedies granted to Bondholders pursuant to the Bond Ordinance.

[This Space Intentionally Left Blank]

APPENDIX B

**BOND ORDINANCE NO. 87-35,
AS SUPPLEMENTED AND AMENDED**

[THIS PAGE INTENTIONALLY LEFT BLANK]

AN ORDINANCE OF THE CITY OF POMPANO BEACH, FLORIDA, COMBINING THE CITY'S WATER SYSTEM AND SEWER SYSTEM INTO ONE COMBINED SYSTEM FOR FINANCING PURPOSES; AUTHORIZING THE REFINANCING OF PRESENTLY OUTSTANDING WATER SYSTEM REVENUE BONDS, SERIES 1982, OF THE CITY AND THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE COMBINED WATER AND SEWER SYSTEM; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$35,000,000 WATER AND SEWER REVENUE BONDS, SERIES 1987, TO BE APPLIED TO SUCH PURPOSES; PROVIDING FOR THE PAYMENT OF SAID BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the Commission Meeting Room of the City of Pompano Beach, Florida; and

WHEREAS, a public hearing before the City Commission was held pursuant to the published notice described above at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were in fact heard; now, therefore

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This ordinance is enacted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. "Act" shall mean Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

B. "Additional Parity Obligations" shall mean additional obligations issued in compliance with the terms, conditions and limitations contained herein and which shall have an equal lien on the Net Revenues, as herein defined, and rank equally in all

respects with the Bonds initially issued under this Ordinance.

C. "Amortisation Installment" with respect to any Current Interest Paying Term Bonds shall mean an amount so designated which is established for the Current Interest Paying Term Bonds, provided that (i) each such installment shall be deemed to be due on such interest or principal maturity date of each applicable year as is fixed by subsequent resolution of the Issuer, and (ii) the aggregate of such installments shall equal the aggregate principal amount of Current Interest Paying Term Bonds authenticated and delivered on original issuance; and with respect to any Term Bonds issued as Capital Appreciation Bonds, shall mean the Compounded Amounts so designated by subsequent resolution of the Issuer, provided that each such installment shall be deemed to be due on such date of each applicable year as is fixed by subsequent resolution of the Issuer.

D. "Authorized Investments" shall mean any of the following if and to the extent the same are at the time legal for investment of municipal funds:

(1) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) Bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies whose obligations represent full faith and credit of the United States of America; Export Import Bank of the United States, Federal Financing Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration, Public Housing Authority, Government National Mortgage Association;

(3) the following investments fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation: (a) certificates of deposit, (b)

-1-

-2-

savings accounts, (c) deposit accounts, or (d) depository receipts of a bank, savings and loan associations and mutual savings banks;

(4) certificates of deposit issued by commercial banks, savings and loan associations and mutual savings banks, either in excess of FDIC or FDIC insurance or without FDIC or FDIC insurance, properly secured at all times, by collateral security described in (1) and (3) above;

(5) commercial paper rated in one of the two highest rating categories by at least two nationally recognized rating agencies or commercial paper backed by a letter of credit or line of credit rated in one of the two highest rating categories;

(6) written repurchase agreements with any bank, savings institution or trust company which is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or with any broker-dealer with retail customers which falls under Securities Investors Protection Corporation protection, provided that such repurchase agreements are fully secured by (i) above or obligations of any agency of instrumentality of the United States of America, and provided further that (ii) such collateral is held by the Issuer or any agent acting solely for the Issuer during the term of such repurchase agreement, (iii) such collateral is not subject to liens or claims of third parties, (iiii) such collateral has a market value (determined at least once every 14 days) at least equal to the amount invested in the repurchase agreement, (iv) the Issuer has a perfected first security interest in the collateral, (v) the agreement shall be for a term not longer than 270 days and (vi) the failure to maintain such collateral at the level required in (iii) above will require the Issuer to liquidate the collateral;

(7) pre-refunded municipal obligations consisting of any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government-

tal unit of any such state (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, 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 appropriate, (iii) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this subsection D(7) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this subsection D(7), as appropriate and (iv) which are rated in the highest rating category of either Standard & Poor's Corporation or Moody's Investors Service, or any successors thereto;

(8) money market funds rated AAA by Standard & Poor's;

(9) investment agreements approved by the Municipal Bond Insurer; and

(10) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 216, Florida Statutes, or any similar common trust fund which is established pursuant to law as a legal depository of public moneys and for which the Florida State Board of Administration acts as custodian.

H. "Bond Registrar" shall mean such bank or trust company, located within or without the State of Florida, who shall maintain the registration books of the Issuer and who shall cause the registration, registration of transfer, and reissuance of the Bonds within a commercially reasonable time according to the then

current industry standards and who also may be the paying agent for the Bonds and interest thereon.

F. "Bonds" shall mean the Water and Sewer Revenue Bonds, Series 1987, herein authorized to be issued.

G. "Capital Appreciation Bonds" shall mean Bonds the interest on which (1) shall be compounded periodically; (2) shall reach their principal amount at a date certain either on or prior to maturity and which shall be payable at maturity or upon earlier redemption of the principal amounts thereof; and (3) shall be determined by reference to the Compounded Amounts until reaching their principal amounts.

H. "Capital Appreciation/Income Bonds" shall mean Bonds which are Capital Appreciation Bonds to a date certain prior to maturity and which thereafter become Current Interest Paying Bonds to maturity.

I. "Compounded Amounts" with respect to any Capital Appreciation Bonds shall mean the amounts so designated in a subsequent resolution of the Issuer, representing principal and interest accrued on such Capital Appreciation Bonds either to maturity or to a date certain prior to maturity.

J. "Cost of Operation and Maintenance" of the System shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System as calculated in accordance with generally accepted accounting principles, but shall not include expenses not annually recurring, such as any reserve for renewals and replacements, extraordinary repairs or conditions, any allowance for depreciation, or any debt service requirement.

K. "Current Interest Paying Bonds" shall mean Bonds the interest on which shall be payable on a semiannual basis.

L. "Debt Service Requirement" for any Fiscal Year, as applied to the Bonds shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Current Interest Paying Bonds during such Fiscal Year, except to the extent that such interest shall have

to mature in such year.

M. "Debt Service Reserve Requirement" shall mean, as of any particular date of calculation, either (i) the greatest Debt Service Requirement for the then current or any future Fiscal Year, or (ii) such lesser amount equal to the maximum amount permitted as a reasonably required reserve by the Internal Revenue Code of 1986, as amended, and the regulations of the Internal Revenue Service promulgated thereunder.

N. "Engineer" shall mean the City Engineer or such qualified and recognized independent consulting engineer, having favorable reports or skill and experience with respect to the acts and duties to be provided to the Issuer, as employed or retained by the Issuer to perform the acts and carry out the duties herein provided.

O. "Escrow Deposit Agreement" shall mean that certain Escrow Deposit Agreement by and between the Issuer and a bank or trust company to be selected and named by the Issuer prior to the delivery of the Bonds, which agreement shall be in substantially such form as shall be determined by subsequent resolution of the Issuer.

P. "Federal Securities" shall mean, collectively,

- (1) cash;
- (2) direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America ("Government Obligations"); or
- (3) pre-refunded municipal obligations consisting of 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 (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (ii) which are

been provided by payments into the Sinking Fund out of Bond proceeds for a specified period of time. The interest due in any ensuing Fiscal Year on Current Interest Paying Bonds which have a variable rate of interest shall be assumed to be one hundred ten percent (110%) of the greater of (i) the daily average interest rate on such variable rate Bonds during the twelve months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been outstanding, or (ii) the rate of interest on such variable rate Bonds on the date of calculation.

(2) The aggregate amount required to pay the principal becoming due on Current Interest Paying Bonds for each Fiscal Year. For purposes of this definition: (i) the stated maturity date of any Current Interest Paying Term Bonds shall be disregarded and the Amortization Installments applicable to such Current Interest Paying Term Bonds in such year shall be deemed to mature in such year; and (ii) the principal amount of any Current Interest Paying Term Bonds having (a) a single principal maturity and no Amortization Installments therefor and (b) the final Amortization Installment for any Current Interest Paying Term Bonds if such final Amortization Installment exceeds an amount equal to 200% of the maximum principal amount of such series of Current Interest Paying Bonds due in any Fiscal Year, (hereinafter called "Designated Maturity Bonds"), shall be calculated as if the amount of such single maturity or final Amortization Installment, as the case may be, had been issued over a term of 25 years and was payable in approximately equal annual payments of principal and interest.

(3) The aggregate amount required to pay the Compounded Amounts due on any Capital Appreciation Bonds maturing in such Fiscal Year. For purposes of this definition: (a) the stated maturity date of any Capital Appreciation Term Bond shall be disregarded and the Amortization Installments applicable to such Capital Appreciation Term Bonds in such year shall be deemed

fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, 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 appropriate, (iii) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this subsection P(3) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this subsection P(3), as appropriate and (iv) which are rated in the highest rating category of either Standard & Poor's Corporation or Moody's Investors Service, or any successors thereto.

Q. "Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30 or such other annual period as may be prescribed by law from time to time for the Issuer.

R. "Gross Revenues" or "Revenues" shall mean all income or earnings, including installation and connection charges (but not Impact Fees) and including income from investments deposited in the Revenue Fund, derived by the Issuer from the operation of the System.

S. "Holder of Bonds" or "Bondholders" or any similar term shall mean any person who shall be the Registered Owner of any such Bond or Bonds, or his transferee.

T. "Impact Fees" shall mean the fees and charges, other than installation and connection charges, levied upon and collected from new users of the System.

U. "Issuer" or "City" shall mean the City of Pompano Beach, Florida.

V. "Municipal Bond Issuer" shall mean a firm or cor-

operation which issues a policy of insurance guaranteeing payment of the principal of and interest on the Bonds.

N. "Net Revenues" of the System shall mean the Revenues or Gross Revenues, as defined in Subsection Q above, after deduction of the Cost of Operation and Maintenance, as defined in Subsection J above.

X. "Qualified Independent Consultant" shall mean one or more qualified and recognized independent consultants, having favorable reports, skill and experience, with respect to the acts and duties required of a Qualified Independent Consultant to be provided to the Issuer, as shall from time to time be retained by the Issuer to perform the acts and carry out the duties herein provided for such consultants.

Y. "Record Date" shall mean the 15th day of the month immediately preceding any interest payment date for the Bonds.

Z. "Refunded Bonds" shall mean the Issuer's outstanding Water System Revenue Bonds, Series 1982, dated April 1, 1983.

AA. "Registered Owner" shall mean the owner of any Bond or Bonds as shown on the registration books of the Issuer maintained by the Bond Registrar.

BB. "Serial Bonds" shall mean Bonds which shall be stated to mature in semiannual or annual installments.

CC. "System" shall mean the water system and the sewer system now owned, operated and maintained by the Issuer, which are being combined by this Ordinance into a single combined and consolidated water and sewer system, together with any and all improvements, extensions and additions to said combined System hereafter constructed or acquired, together with all lands or interests therein, including, but not limited to, plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment, pumping stations, and all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith.

DD. "Term Bonds" shall mean Bonds which shall be stated

to mature on one date and which shall be subject to mandatory redemption by operation of the Bond Amortization Fund or otherwise designated as such by resolution of the Issuer adopted prior to the delivery thereof.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer now owns, operates and maintains a separate water system for the supply and distribution of water to its inhabitants and others, and a separate sewer system for the collection, treatment and disposal of sewage and wastewater.

B. It is deemed necessary and desirable and in the best financial interest of the City of Pompano Beach and its inhabitants that said water system and said sewer system be combined and consolidated into a single Water and Sewer System for financial and other purposes; and said water system and sewer system are hereby combined and consolidated into a single Water and Sewer System.

C. The Issuer derives and will continue to derive revenue from rates, fees, rentals and other charges made and collected for the services of the System. Such revenues are not now pledged or encumbered in any manner except to the payment of the Refunded Bonds, the pledges of which, together with all other pledges to said Refunded Bonds, will be defeased upon the issuance of the Bonds herein authorized.

D. The Issuer has previously issued the Refunded Bonds, of which the estimated sum of not exceeding \$26,925,000 principal amount is presently outstanding and unpaid.

E. The Issuer has previously advance defeased all of its outstanding water revenue bonds and sewer revenue bonds, except for the Refunded Bonds, which had a lien on and pledge of the revenues of the water system and the sewer system, respectively.

F. The Issuer deems it necessary and in its best interest to provide for the refunding of the Refunded Bonds through the

issuance of the Bonds herein authorized. The refunding program herein described will be advantageous to the Issuer, by (1) restructuring the debt service for the System to anticipate future capital requirements, and (2) changing certain covenants contained in the proceedings which authorized the Refunded Bonds.

G. It is necessary and desirable and in the interest of the health and welfare of the City of Pompano Beach and its inhabitants that there be constructed additions extensions and improvements to said combined System (hereinafter called the "Project"), together with other purposes necessary, appurtenant or incidental thereto.

The Project described above shall be constructed and undertaken in accordance with plans and specifications therefor approved by the City Council.

H. The cost of the construction of the refunding and of the Project referred to shall be deemed to include, without being limited to, the acquisition of any lands or interest therein, any fixtures or equipment or properties deemed necessary or convenient therefor, engineering, financial and legal expenses, bond discount, if any, municipal bond insurance, if any, provisions for reserves, expenses for plans, specifications and surveys, expenses of estimates of costs and of revenues, administrative expenses for establishing the escrow for the Refunded Bonds, interest accrued on the Bonds for a reasonable period from the date of issuance thereof, and such other expenses as may be necessary or incidental to the financing authorized by this resolution, and the construction and acquisition of the Project authorized by this Ordinance and the placing of same in operation.

I. The estimated funds needed for the refunding as above described shall be derived from the sale of the Bonds herein authorized and other funds of the Issuer available therefor.

An amount which, together with the income on the investment thereof, will be sufficient to effect the refunding will be

deposited in an irrevocable escrow account established for the holders of the Refunded Bonds, and invested in Federal Securities. The principal amounts of such Federal Securities together with the interest earnings thereon will be sufficient to make timely payments of all presently outstanding principal, interest and redemption premiums, if any, in respect to the Refunded Bonds and all costs associated with the acquisition and subsequent management of such Federal Securities.

J. The principal of and interest on the Bonds and all required sinking fund, reserve and other payments shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. The Issuer shall never be required to levy ad valorem taxes on any property within its corporate territory to pay the principal of and interest on the Bonds or to make any of the required sinking fund, reserve or other payments, and such Bonds shall not constitute a lien upon any property owned by or situated within the corporate territory of the Issuer.

K. The estimated Net Revenues to be derived from the operation of the System will be sufficient to pay all principal of and interest on the Bonds to be issued hereunder, as the same become due, and to make all required sinking fund, reserve or other payments required by this Ordinance.

SECTION 4. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and each Holder and, so long as any of the Bonds are insured by it or held by it as subrogee of such holders following payment on a municipal bond insurance policy, the Municipal Bond Insurer, if any. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds

over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS AND OF CONSTRUCTION AND ACQUISITION OF PROJECT. There is hereby authorized the refunding of the Refunded Bonds, in the manner herein provided. There is also hereby authorized the construction and acquisition of the Project.

SECTION 6. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions of this Ordinance, obligations of the issuer to be known as "Water and Sewer Revenue Bonds, Series 1987" are hereby authorized to be issued in the aggregate principal amount of not exceeding Thirty Five Million Dollars (\$35,000,000).

SECTION 7. DESCRIPTION OF BONDS. The Bonds may be issued in one or more installments; each installment shall be dated as of a date to be fixed by subsequent resolution of the issuer, but not later than the date of issuance. The Bonds of each installment shall bear an identifying suffix letter (if more than one installment is to be issued), shall be issued in such denominations, shall be numbered, shall bear interest at not exceeding the maximum rate authorized by applicable law, payable at such times, and shall mature on such dates and in such years and in such amounts, all as are fixed by subsequent resolution of the issuer adopted at or prior to the sale of the Bonds. A special description relating to any of the Bonds may be set forth in parenthesis immediately below the title of the Bonds, in the discretion of the issuer.

The Bonds shall be issued in fully registered form without coupons; shall be issued as Current Interest Paying Bonds (including Variable Interest Rate Bonds) or as Capital Appreciation Bonds or Capital Appreciation/Income Bonds and as Serial Bonds or Term Bonds or a combination thereof; shall be payable with respect to both principal and interest at such bank or banks to be determined by the issuer prior to the delivery of the Bonds; shall be payable in lawful money of the United States of America;

-11-

or may not have been so authorized.

If the Bonds are validated, a certification as to Circuit Court validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Mayor.

SECTION 9. NEGOTIABILITY. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 10. REGISTRATION. The Bonds shall be issued only as fully registered bonds without coupons. The City shall, prior to the proposed date of delivery of the Bonds, by resolution designate the Bond Registrar and, if applicable, paying agent. The Bond Registrar shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds, in compliance with an Agreement to be executed between the City and such bank as Bond Registrar as parties on or prior to the delivery date of the Bonds. Such Agreement shall set forth in detail the duties, rights, and responsibilities of the parties to the Agreement.

Upon surrender to the Bond Registrar for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Registered Owner is entitled to receive; provided, however, that Current Interest Paying Bonds may only be exchanged for new Current Interest Paying Bonds and Capital Appreciation Bonds or Capital Appreciation/

-15-

and shall bear interest from such date, but not earlier than the date of the Bonds, as is fixed by resolution of the issuer adopted at or prior to the sale of the Bonds, payable by mail to the Registered Owners at their addresses as they appear on the registration books. If Term Bonds are issued, Amortization Installments therefor shall be fixed in the subsequent resolution referred to above. If Capital Appreciation Bonds or Capital Appreciation/Income Bonds are issued, Compounded Accounts and other details therefor shall also be fixed in the subsequent resolution referred to above.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be executed in the name of the City by the Mayor and countersigned by the City Manager and the corporate seal of the City or a facsimile thereof shall be affixed thereto or reproduced thereon. The signatures of the Mayor and the City Manager may be either manual or facsimile signatures imprinted or reproduced on the Bonds. The Bond Registrar's Certificate of Authentication shall appear on the Bonds, and no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless such certificate shall have been duly executed on such Bond. The authorized signature for the Bond Registrar shall be either manual or in facsimile; provided, however, that at least one of the signatures, including that of the authorized signature for the Bond Registrar, appearing on the Bonds shall at all times be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall 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 Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office

-14-

Income Bonds may only be exchanged for new Capital Appreciation Bonds or Capital Appreciation/Income Bonds, as the case may be.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the City or the Bond Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the City or the Bond Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

The City and the Bond Registrar may require payment from the Registered Owner or transferee only of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any exchange or transfer of Bonds. Such charges and expenses shall be paid before any such new Bond shall be delivered.

Interest shall be paid on such dates as are set forth in a subsequent resolution to the Registered Owners whose names appear on the books of the Bond Registrar as of 5:00 p.m. (local time, at the office of the Bond Registrar) on the Record Date.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The City and the Bond Registrar may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any Bond is registered may be deemed the owner thereof by the City and the Bond Registrar, and any notice to the contrary shall not be binding upon the City or the Bond Registrar.

Notwithstanding the foregoing provisions of this Section 10, the City reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable

-16-

Laws, rules, and regulations of the United States Government and the State of Florida relating thereto.

SECTION 11. DISPOSITION OF OBLIGATIONS PAID OR REPLACED.

Whenever any Bond shall be delivered to the Bond Registrar for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall, after cancellation, either be retained by the Bond Registrar for a period of time specified in writing by the City or at the option of the City, shall be destroyed by the Bond Registrar and counter-parts of a certificate of destruction evidencing such destruction shall be furnished to the City.

SECTION 12. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.

In case any Bond shall become mutilated, or be destroyed, stolen or lost, the City, acting through the Bond Registrar, may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing proof of his ownership and the loss thereof (if lost, stolen or destroyed) and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expense as the City and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar. If any such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional, contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this

Ordinance, from the Net Revenues, to the same extent as all other Bonds issued under this Ordinance.

SECTION 13. PROVISIONS FOR REDEMPTION.

The Bonds or any portions thereof shall be subject to redemption prior to their respective stated dates of maturity, at the option of the City, at such times and in such manner as shall be determined by subsequent resolution adopted prior to the sale thereof.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date (i) be filed with the paying agent, and (ii) be mailed, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear of record on the books of the Bond Registrar as of forty-five (45) days prior to the date fixed for redemption. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the Bonds so called for redemption is suspended for a period commencing 15 days preceding the mailing of the notice of redemption and ending on the date fixed for redemption.

SECTION 14. FORM OF BONDS.

The text of the Bonds, together with the Certificate of Validation and the Bond Registrar's Certificate of Authentication, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and/or desirable and authorized or permitted by this Ordinance or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary if the Bonds or portions thereof are issued as Capital Appreciation Bonds, Capital Appreciation/Income Bonds or bear a variable rate of interest, or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

CUSIP: _____

No. _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF POMPAHO BEACH
WATER AND SEWER REVENUE BOND, SERIES 1987

RATE OF INTEREST MATURITY DATE DATE OF ORIGINAL ISSUE

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that the City of Pompano Beach, Florida (hereinafter called "City"), for value received hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above the principal sum above above, upon the presentation and surrender hereof at the corporate trust office of _____, _____, as Paying Agent and Bond Registrar, and to pay solely from such special funds interest thereon from the date of this Bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum, at the rate per annum set forth above, payable on _____, and semiannually thereafter on _____ 1 and _____ 1 in each year, by check or draft mailed to the registered owner at his address as it appears, at 5:00 P.M. on the fifteenth day of the month preceding the applicable interest payment date, on the registration books of the City kept by the Bond Registrar. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of bonds in the aggregate principal amount of not exceeding \$35,000,000 of like tenor and effect, except as to (installment), date, number, interest rate and date of maturity, issued to finance the cost of refunding the City's outstanding Water System Revenue Bonds, Series 1982, and of constructing additions, extensions and impro-

vements to the combined water and sewer system (the "System") of the City, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and an ordinance duly enacted by the City Commission of the City on the _____ day of _____, 1987, as supplemented (hereinafter collectively called "Ordinance") and is subject to all the terms and conditions of such Ordinance.

This Bond and the interest thereon are payable solely from and secured by a first lien upon and pledge of the net revenues derived by the City from the operation of the System, in the manner provided in the Ordinance. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation.

It is expressly agreed by the holder of this Bond that such holder shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this Bond or for the making of any sinking fund or other payment provided for in the Ordinance. This Bond and the indebtedness evidenced thereby shall not constitute a lien upon any other property of or in the City, but shall constitute a lien only upon the net revenues of the System, in the manner provided in said Ordinance.

(To be inserted where appropriate on face of bond:
"REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THIS SIDE.")

This Bond may be transferred only upon the books of the City kept by the Bond Registrar under the Ordinance upon surrender thereof at the principal office of the Bond Registrar with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of a tax sufficient to cover any tax, fee

or governmental charge, if any, that may be imposed in connection with such transfer, as provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new registered bond or bonds in the same aggregate principal amount and series, maturity and interest rate of the authorized denominations as the surrendered bond.

In like manner, subject to such conditions and upon the payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with such exchange, as the Registered Owner of this Bond may surrender the same (together with a written authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations of the same series, maturity and interest rate as this Bond.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond and of the issue of bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.
(Insert redemption provisions).

Notice of such redemption shall be given in the manner required by the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of authentication hereon shall

-21-

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____

PLEASE PRINT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer the Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

-21-

have been executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Pompano Beach, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its City Manager, all as of the first day of _____, 198_.

CITY OF POMPANO BEACH, FLORIDA

(SEAL)

Mayor

ATTEST:

City Manager

VALIDATION CERTIFICATE (If Bonds Validated)

This Bond is one of a series of Bonds which were validated and confirmed by judgment of the Circuit Court for Broward County, Florida, rendered on the _____ day of _____, 198_.

Mayor

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the issue described in the within-mentioned Ordinance.

As Bond Registrar

By _____
Authorized Signature

Date of Authentication

-22-

SECTION 13. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Bonds shall be applied by the Issuer, simultaneously with their delivery to the purchaser thereof, as follows:

A. The accrued interest plus, at the option of the Issuer, an amount which, together with such accrued interest, will equal the amount of interest on the Bonds for a reasonable period of time from the date of issuance of the Bonds, shall be deposited in the Sinking Fund herein created and shall be used only for the purpose of paying interest becoming due on the Bonds.

B. A sum which, together with other legally available funds of the Issuer deposited therein on the date of delivery of the Bonds, will equal the Debt Service Reserve Requirement on the Bonds shall be deposited into the Reserve Account hereinafter created and established.

C. To the extent not paid or reimbursed therefor by the original purchaser of the Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Bonds.

D. A sum specified in the Escrow Deposit Agreement which together with the other funds described in the Escrow Deposit Agreement to be deposited in escrow, and together with the investment income thereon, will be sufficient to pay the principal of, interest and redemption premiums, if any, on the Refunded Bonds as the same shall become due or may be redeemed, shall be deposited into the Escrow Account established by the Escrow Deposit Agreement in the respective amounts sufficient for such purposes. Further, an amount sufficient to pay the costs and expenses incurred in connection with the issuance and sale of the Bonds may be deposited in a separate Expense Account and disbursed under the Escrow Deposit Agreement, if not paid under C above.

Simultaneously with the delivery of the Bonds necessary to accomplish the refunding program specified in this Ordinance,

-24-

the Issuer shall enter into the Escrow Deposit Agreement in such form as shall be fixed by subsequent resolution of the Issuer adopted prior to the issuance of the bonds, with a bank or trust company approved by the Issuer, which shall provide for the deposit of moneys into the Escrow Account established therein, and for the investment of such moneys in appropriate Federal Securities so as to produce sufficient funds to make all of the payments described in the first paragraph of this subsection 15D of this Ordinance. At the time of execution of the Escrow Deposit Agreement, the Issuer shall furnish to the Escrow Holder named therein appropriate documentation to demonstrate that the moneys being deposited and the investments to be made will be sufficient for such purposes.

E. The balance of such funds shall be deposited into the "City of Pompano Beach 1987 Water and Sewer Construction Fund" (hereinafter called "Construction Fund") (which is hereby created and established, and used only for payment of the costs of the Project. Any funds on deposit in the Construction Fund which, in the opinion of the City, acting upon the recommendation of the Director of Finance of the City, are not immediately necessary for expenditure may be invested in Authorized Investments, as herein defined, maturing at such times as the moneys in the Construction Fund will be needed for their intended purposes. All such securities shall be held by the depository bank, and all income derived therefrom shall be deposited into the Construction Fund; provided, however, that the City may from time to time at its sole option deposit such income or any portion thereof to the Sinking Fund. All expenditures or disbursements from the Construction Fund shall be made only after such expenditures or disbursements shall have been approved in writing by the Director of Finance or his designee. The date of the completion of the Project shall be determined by the City Engineer who shall certify such fact in writing to the governing body of the City.

Such funds shall be kept separate and apart from all

-25-

in the "City of Pompano Beach, Water and Sewer System Revenue Fund" (hereinafter called "Revenue Fund"), hereby created and established. Such Revenue Fund shall constitute a trust fund for the purposes herein provided, and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner herein provided.

B. DISPOSITION OF REVENUES. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of on or before the 25th day of each month, commencing in the month immediately following the delivery of the Bonds only in the following manner and in the following order of priority:

(1) Revenues shall first be used for deposit into a fund to be known as the "Operation and Maintenance Fund" which is hereby established, of such moneys as are necessary to pay the Costs of Operation and Maintenance of the System for the then current month.

(2) Revenues shall next be applied and allocated to a separate fund which is hereby created and designated City of Pompano Beach Water and Sewer System Sinking Fund" (hereinafter called the "Sinking Fund"), in such moneys as will be sufficient to pay one-sixth (1/6) of all interest becoming due on the Current Interest Paying Bonds on the next semiannual interest payment date thereafter (if Bonds with a variable rate of interest are outstanding the Issuer shall deposit in lieu of the one-sixth (1/6) interest deposit described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the first day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month) one-sixth (1/6) or one-twelfth (1/12), as the case may be, of all principal maturing on the Current Interest Paying Serial Bonds authorized herein on the next maturity date, and one-sixth (1/6) or one-twelfth (1/12), as the case may be, of the Compounded Amount next becoming due on any Serial Capital Appreciation Bonds whether by reason of maturity or earlier redemption

-27-

other funds of the City and the moneys on deposit therein shall be withdrawn, used and applied by the City solely for the purposes set forth herein.

SECTION 16. SPECIAL OBLIGATIONS OF ISSUER. Neither the Bonds nor interest thereon shall be or constitute a general indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from and secured by a first lien upon and a pledge of the Net Revenues of the System as herein provided. No holder or holders of any Bonds issued hereunder shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property therein for payment thereof, or be entitled to payment of such principal and interest from any other funds of the Issuer except from the Net Revenues in the manner provided herein.

Until payment has been provided for as herein permitted, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable first lien on the Net Revenues, as defined herein, derived from the operation of the System, prior and superior to all other liens or encumbrances on such Net Revenues, and the Issuer does hereby irrevocably pledge such Net Revenues from the System to the payment of the principal of and interest on the Bonds, the reserves therefor, and for all other required payments.

SECTION 17. COVENANTS OF THE ISSUER. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid, or until payment has been provided for as herein permitted, or until there shall have been set apart in the Sinking Fund and the Reserve Account therein a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue thereon, the Issuer covenants with the holders of any and all Bonds as follows:

A. REVENUE FUND. The Gross Revenues derived from the operation of the System shall, upon receipt thereof, be deposited

-26-

thereof, to be subsequently determined by resolution of the Issuer prior to the delivery of the particular issue of Bonds, and an amount sufficient to pay the fees and charges of the Bond Registrar and paying agents. In the event the first interest payment date or first principal maturity date shall occur either more or less than six (6) months or twelve (12) months, as the case may be, after the delivery of any of the Bonds, then the payments required above shall be adjusted accordingly to provide for the payment of such principal and interest. On a parity therewith, Revenues shall simultaneously be applied and allocated to the "City of Pompano Beach Water and Sewer System Revenue Bonds, Bond Amortization Fund" (hereinafter called the "Bond Amortization Fund"), hereby created and established, to the extent required, in such moneys as will be equal to one-sixth (1/6) of the amount of the Amortization Installment required to be made on the next semiannual payment date or one-twelfth (1/12) of the Amortization Installment required to be made on the next annual payment date for Term Bonds. Such allocations shall be credited to a separate special account for each series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds then into a separate special account in the Bond Amortization Fund for each such separate maturity of Term Bonds. The Amortization Installments may be due either annually or semi-annually, but in any event, the required payments as set forth above shall be made monthly commencing in the first month which is six (6) months or twelve (12) months, as the case may be, prior to the date on which the Amortization Installment is required to be made pursuant to this subsection (2). Failure to make any such application and allocation into the Bond Amortization Fund on the due date thereof shall constitute an event of default under this Ordinance.

Credit shall be allowed against the total interest, Amortization Installments and principal due on the next interest and principal payment dates, respectively, for any other funds on

-28-

land and available for such purposes in the Sinking Fund and Bond Amortization Fund.

Upon the sale of Term Bonds, if any, the Issuer shall, by resolution, establish the amounts and maturities of such Amortization Installments and if there shall be more than one maturity of Term Bonds the Amortization Installments for the Term Bonds of each maturity.

(3) Moneys remaining in the Revenue Fund shall next be applied by the Issuer to maintain in a Reserve Account in the Sinking Fund, which Reserve Account is hereby created and established, a sum equal to the Debt Service Reserve Requirement on the Bonds. Such sum shall initially be deposited therein from the proceeds of sale of the Bonds. Thereafter in the event the moneys, or any portion thereof, on deposit in said Reserve Account shall be used to make up any deficiency in the Sinking Fund or the Bond Amortization Fund, such moneys shall be replaced and such Reserve Account made whole within eleven (11) months after such use to make up any such deficiency, from the first moneys available in the Revenue Fund after all required current payments for Cost of Operation and Maintenance and all current applications and allocations to the Sinking Fund and Bond Amortization Fund, including all deficiencies for prior payments have been made in full, either by depositing such replacement moneys into said Reserve Account in one lump sum or by the deposit monthly into said Reserve Account of an amount equal to 1/11th of the difference between the amount remaining on deposit in said Reserve Account and the Debt Service Reserve Requirement on the Bonds. No further application or allocation of funds shall be required to be made into said Reserve Account when there has been deposited therein and as long as there shall remain on deposit therein a sum equal to the Debt Service Reserve Requirement on the Bonds. The value of the Authorized Investments on deposit in the Reserve Account shall be determined annually on the last day of the Fiscal Year by an Independent Qualified Consultant, using the lower of

-29-

become due on the Bonds then outstanding by operation of the Bond Amortization Fund.

(5) Revenues shall next be applied and allocated to a "City of Pompano Beach Water and Sewer System Renewal, Replacement and Improvement Fund" (hereinafter called the "Renewal, Replacement and Improvement Fund"), hereby created and established. The amount of such monthly application and allocation in any Fiscal Year shall be one-twelfth (1/12) of a sum to be determined by resolution of the Issuer adopted prior to such Fiscal Year, which amount shall be, for each year, not less than five per centum (5%) of the Gross Revenues for the preceding Fiscal Year. However, no such monthly application and allocation shall be required whenever the unappropriated balance in such Fund shall equal at least one per centum (1%) of the gross book value of the fixed assets of the System, as determined in the audit required by Subsection 170 hereof. The moneys in the Renewal, Replacement and Improvement Fund shall be used only for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System or for unusual or extraordinary repairs thereto, or non-recurring expenses, and only with the prior approval of the City Commission of the Issuer, except that the moneys in said Fund shall first be used to supplement the Reserve Account whenever necessary to prevent a default in the payment of principal, Amortization Installments and interest on the Bonds and to restore any deficiency in such Reserve Account. However, when moneys applied to and allocated to the Renewal, Replacement and Improvement Fund exceed the required amount such excess may be withdrawn and applied and allocated to the Revenue Fund.

(6) Thereafter the balance of any revenues remaining after the above required payments (including deficiencies for prior payments) have been made may be used by the Issuer for any lawful purpose.

(7) The Revenue Fund, the Sinking Fund, the Bond

Amortization Fund, the Reserve Account and the Renewal, Replacement and Improvement Fund, and any other special funds herein established and created shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the same manner as municipal deposits are authorized to be secured by the laws of the State of Florida.

Moneys on deposit in the Revenue Fund and the Sinking Fund and the Bond Amortization Fund may be invested and reinvested only in Authorized Investments, as herein defined, maturing not later than the date on which the moneys therein will be needed. Moneys applied and allocated to the Renewal, Replacement and Improvement Fund may be invested and reinvested in Authorized Investments maturing not later than five (5) years from the date of investment. The moneys in the Reserve Account, to the extent that the yield on the investment thereof is not restricted pursuant to regulations of the Internal Revenue Service relating to "arbitrage bonds", may be invested and reinvested in Authorized Investments, provided such investments mature not later than the final maturity date of the Bonds. Any and all income received by the Issuer from such investments shall be deposited into the Revenue Fund on the next business day following the receipt thereof. The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds or accounts as herein provided. The designation and establishment of the various funds and accounts is and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds or accounts, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes to establish certain priorities for application of such revenues and assets as herein

(4) Upon the issuance of any Additional Parity Obligations under the terms, limitations and conditions as herein provided, the applications and allocations into the Sinking Fund (including the Reserve Account therein), and if Term Bonds are issued, into the Bond Amortization Fund, shall be increased in such amounts as are necessary to make the payments required above for the principal of, interest on and reserves for such Additional Parity Obligations, and, if Term Bonds are issued, the Amortization Installments with respect thereto, all on the same basis as hereinabove provided with respect to the Bonds initially issued under this Ordinance.

The Issuer shall not be required to make any further applications or allocations to the Sinking Fund, the Bond Amortization Fund or the Reserve Account when the aggregate sums applied and allocated thereto are and remain at least equal to the sum of all of the annual Debt Service Requirements then due and becoming due in all ensuing years for the Bonds then outstanding, plus the amount of redemption premiums, if any, then due and thereafter to

-30-

Amortization Fund, the Reserve Account and the Renewal, Replacement and Improvement Fund, and any other special funds herein established and created shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the same manner as municipal deposits are authorized to be secured by the laws of the State of Florida.

Moneys on deposit in the Revenue Fund and the Sinking Fund and the Bond Amortization Fund may be invested and reinvested only in Authorized Investments, as herein defined, maturing not later than the date on which the moneys therein will be needed. Moneys applied and allocated to the Renewal, Replacement and Improvement Fund may be invested and reinvested in Authorized Investments maturing not later than five (5) years from the date of investment. The moneys in the Reserve Account, to the extent that the yield on the investment thereof is not restricted pursuant to regulations of the Internal Revenue Service relating to "arbitrage bonds", may be invested and reinvested in Authorized Investments, provided such investments mature not later than the final maturity date of the Bonds. Any and all income received by the Issuer from such investments shall be deposited into the Revenue Fund on the next business day following the receipt thereof. The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds or accounts as herein provided. The designation and establishment of the various funds and accounts is and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds or accounts, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes to establish certain priorities for application of such revenues and assets as herein

-31-

provided.

C. OPERATION OF BOND AMORTIZATION FUND. Moneys held for the credit of the Bond Amortization Fund shall be applied to the retirement of Term Bonds as follows:

(1) Subject to the provisions of paragraph (4) below, the Issuer shall endeavor to purchase Term Bonds then outstanding, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds and the redemption premium which would be applicable if the moneys applied to such purchase were otherwise applied to the redemption of Term Bonds under paragraphs (3) or (4) below. The Issuer shall pay the interest accrued on such Term Bonds to the date of delivery thereof from the Sinking Fund and the purchase price from the Bond Amortization Fund, but no such purchase shall be made by the Issuer within the period of forty-five (45) days immediately preceding any interest payment date on which such Term Bonds are subject to call for redemption except from moneys in excess of the amounts set aside or deposited for the redemption of Term Bonds.

(2) Subject to the provisions of paragraph (4) below, the Issuer shall call for redemption on each interest payment date on which Term Bonds are subject to redemption from moneys in the Bond Amortization Fund such amount of Term Bonds then subject to redemption as will exhaust the moneys then held in the Bond Amortization Fund as nearly as may be practicable. Prior to calling Term Bonds for redemption the Issuer shall withdraw from the Sinking Fund and from the Bond Amortization Fund and set aside in separate accounts or deposit with the Paying Agents the respective amounts required for paying the interest and principal on the Term Bonds so called for redemption.

(3) Moneys in the Bond Amortization Fund shall be applied by the Issuer in each Fiscal Year to the retirement of Term Bonds then outstanding in the following order:

(i) The Term Bonds of each series to the extent of

-11-

with any such purchase or redemption.

D. OPERATION AND MAINTENANCE. The Issuer will maintain or cause to be maintained the System and all parts 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 Issuer shall annually prepare and adopt on or prior to the beginning of each Fiscal Year, a detailed budget of the estimated income and expenditures for operation and maintenance of the System during such Fiscal Year. The Issuer shall make available a copy of such annual budget to any Holder or Holders of Bonds upon request.

H. RATE ORDINANCE. The Issuer has adopted or will adopt a rate ordinance and thereby will fix, establish and maintain such rates and will collect such fees, rentals and other charges for the use of the product, services and facilities of the System and revise the same from time to time, whenever necessary, as will always provide Gross Revenues in each Fiscal Year sufficient to pay one hundred twenty per centum (120%) of the Debt Service Requirement on the Bonds and any additional obligations issued on a parity with the Bonds, in such Fiscal Year, plus one hundred per centum (100%) of all reserve or other payments, including the cost of operation and maintenance of the System, hereto required to be made in such Fiscal Year. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Gross Revenues adequate for such purposes.

The Issuer further covenants and agrees that the Issuer will annually within sixty (60) days after adoption of the budget described in Subsection D hereof, revise such fees, rates, rentals and other charges for the use of the product, services and facilities of the System to the extent necessary to comply with the rate covenant contained in the preceding paragraph.

-12-

the Amortization Installment, if any, for such Fiscal Year for the Term Bonds of each such series then outstanding and, if the amount available in such Fiscal Year shall not be sufficient therefor, then in proportion to the Amortization Installment, if any, for such Fiscal Year for the Term Bonds of each such series then outstanding, provided, however, that if the Term Bonds of any series shall not then be subject to redemption from moneys in the Bond Amortization Fund and if the Issuer shall at any time be unable to exhaust the moneys applicable to the Term Bonds of such series under the provisions of this clause (1) in the purchase of such Term Bonds under the provisions of paragraph (1) above, such moneys or the balance of such moneys, as the case may be, shall be retained in the Bond Amortization Fund and, as soon as it is feasible, applied to the retirement of Term Bonds of such series; and

(ii) any balance then remaining, other than moneys retained under clause (i) of this paragraph, shall be applied to the retirement of the Bonds as the Issuer in its sole discretion shall determine, but only in the case of the redemption of Bonds of any series, in such amounts and on such terms as may be provided in the resolution authorizing the issuance of the Bonds of such series.

(4) The Issuer shall deposit into the Bond Amortization Fund, Amortization Installments for the amortization of the principal of the Current Interest Paying Term Bonds, and for the payment of the Compounded Amounts for the Capital Appreciation Term Bonds, together with any deficiencies for prior required deposits into the Bond Amortization Fund, such Amortization Installments to be in such amounts (or calculable amounts) and to be due on such date or dates and in such years as shall be determined by resolution of the governing body of the Issuer at or prior to the sale of the Bonds.

After all other required payments have been made, the Issuer shall pay from the Revenue Fund all expenses in connection

-14-

The Issuer will not reduce its schedule of rates, fees, rentals and other charges unless (i) the Issuer is not in default of any covenant or provision of this Ordinance, (ii) all required current payments under this Ordinance have been made in full, and (iii) the Independent Qualified Consultant shall certify that the proposed reduced schedule will provide sufficient Revenues in each Fiscal Year to comply with all covenants and required payments under this Ordinance.

F. ACCOUNTING RECORDS. The Issuer shall maintain separately identifiable accounting records for the operation of the System by the use of an enterprise fund as such term is commonly used in governmental accounting and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating thereto.

G. ANNUAL AUDIT. The Issuer shall, immediately after the close of each Fiscal Year, cause the books, records and accounts relating to the System to be properly audited by a recognized independent firm of certified public accountants, which audit may be a part of the City's comprehensive annual financial report, and shall require the auditors to complete their reports within one hundred eighty (180) days after the close of the Fiscal Year. Such audit shall contain, but not be limited to, the statements required by generally accepted accounting principles applicable to governmental units, and a certificate by the auditors disclosing any default on the part of the Issuer of any covenant herein. A copy of such annual audit shall be made available to any Bondholder upon request.

E. NO MORTGAGE OR SALE OF THE SYSTEM. The Issuer irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the System as a whole until all of the Bonds shall have been paid in full as to both principal and interest; provided, however, that the Issuer may dispose of the System as a whole prior to the payment of all of the Bonds upon the condition that, at or prior to the closing of the sale,

-15-

the Issuer shall deposit into irrevocable escrow sufficient funds, or Federal Securities the principal and interest on which will be sufficient to pay when due all of the then outstanding Bonds, and the unpaid interest thereon, to maturity or to a redemption date then irrevocably determined by the Issuer pursuant to the terms fixed for redemption of the Bonds, and if redeemed, all redemption premiums which will be due on the redemption date.

The Issuer may sell or dispose of, for fair market value, any properties or parts of the System which the Qualified Independent Consultant will certify in writing are not necessary for the continued operation of the System and that the sale or disposal of which will not adversely affect the Revenues to be derived from the System to such an extent that the Issuer will fail to comply with the covenants of the Ordinance, and particularly the covenants contained in Subsection 277 hereof.

The proceeds derived from any sale or disposal of any properties or parts of the System as provided for in the above paragraph shall, in the discretion of the Issuer, be (1) deposited in the Renewal, Replacement and Improvement Fund and used exclusively for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System and for unusual or extraordinary repairs thereto, or for the construction or acquisition of additions, extensions and improvements to the System, or (2) for the purchase or retirement of the Bonds; provided, however, that if the Qualified Independent Consultant shall certify that proceeds are necessary for the purposes stated in (1) above, such proceeds shall remain in the Renewal, Replacement and Improvement Fund until such certified requirements are satisfied and the proceeds shall not be used for any other purpose allowed by this Ordinance.

I. INSURANCE. For so long as any of the Bonds are outstanding, the Issuer will make adequate provision to maintain adequate fire and windstorm insurance on all buildings and structures of the works and properties of the System which are subject

to loss through fire or windstorm; public liability insurance and other insurance of such types and in such amounts as are normally carried in the operation of similar public water and sewer utilities within the State of Florida, for all of which insurance the Issuer may be either a wholly or partial self insurer. Any such insurance shall be placed with nationally recognized and reputable insurers or under authorized self-insurance programs or any combination of both and shall be carried for the benefit of the holders of the Bonds. All moneys received for losses under any of such insurance, except public liability, and for diminutive items which are not integral for the operation of the System and which are not revenue producing, are hereby pledged by the Issuer as security for the Bonds, until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed with due diligence after the receipt of such proceeds.

J. NO FREE SERVICE. The Issuer will not render or cause to be rendered any free services of any nature by its System. The Issuer, including its departments, agencies and instrumentalities, shall avail itself of the services provided by the System, or any part thereof, and the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the Issuer and any such department, agency or instrumentality. Such charges shall be paid as they accrue, and the Issuer shall transfer from its relevant funds sufficient sums to pay such charges. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

K. MANDATORY CUP OFF. The Issuer shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

-37-

-38-

L. ENFORCEMENT OF COLLECTIONS. The Issuer will diligently enforce and collect the rates, fees and other charges for the services of the System herein pledged; will take all reasonable steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues herein pledged shall, as collected, be held in trust to be applied as herein provided and not otherwise.

M. EVENTS OF DEFAULT. It shall be an event of default under this Ordinance if:

- (1) The Issuer shall fail to pay the principal, amortization installments and interest on the Bonds when due, whether at maturity, by call for redemption, or otherwise.
- (2) The Issuer shall fail to deposit or pay within ten (10) days after the due date thereof any other required deposit or payment under this Ordinance;
- (3) The Issuer shall fail to comply with any other covenant made in this Ordinance, which failure shall continue for more than thirty (30) days; or
- (4) a decree or order for relief under the Federal Bankruptcy Code shall have been entered with respect to the Issuer; or any order or decree by a court having jurisdiction shall have been entered: (i) adjudging the Issuer bankrupt or insolvent under any similar applicable state or Federal law and any such order for relief, decree or order shall have continued undischarged and unstayed for a period of ninety (90) days; or (ii) providing for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Issuer shall have been entered and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days.

N. REMEDIES. Any holder of Bonds issued under the provisions hereof or any trustee acting for the holders of such Bonds may by suit, action, mandamus or other proceedings in any court of

competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the Issuer or by any officer thereof, including, but not limited to, the duty of the Issuer to remedy any event of default herein prescribed.

Nothing herein, however, shall be construed to grant to any holder of such Bonds any lien on any property of or within the corporate boundaries of the Issuer.

O. REPORT REGARDING SYSTEM. The Engineer shall provide the Issuer with competent counsel affecting the economical and efficient operation of the System and in connection with the making of capital improvements and renewals and replacements to the System. The Issuer shall annually cause to be prepared by the Engineer a report or survey of the System, with respect to the management of the properties thereof, the sufficiency of the rates and charges for services, the proper maintenance of the properties of the System, and the necessity for capital improvements and recommendations therefor. Such a report or survey shall also show any failure of the Issuer to perform or comply with the covenants herein contained.

If any such report or survey of the Engineer shall set forth that the provisions hereof or any reasonable recommendations of such Engineer have not been complied with, the Issuer shall immediately take such reasonable steps as are necessary to comply with such requirements and recommendations. Copies of each report or survey shall be placed on file with the City Clerk of the Issuer and shall be open to the inspection of any holder of Bonds or other interested parties.

P. NO COMPETING FACILITIES. To the full extent permitted by law, the Issuer will not grant, or cause, consent to, or allow the granting of, any franchise or permit to any person,

-39-

-40-

firm, corporation or body, or agency or instrumentality whatsoever, for the furnishing of water and sewer services which will materially compete with those of the System.

Q. ISSUANCE OF OTHER OBLIGATIONS. Except under the conditions and in the manner provided herein, the Issuer will not issue any other obligations payable from the Net Revenues of the System, nor 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 of the Bonds and the interest thereon, upon said Net Revenues. All other obligations issued by the Issuer, other than the Bonds herein authorized and Additional Parity Obligations provided for in Subsection R below, payable from such Net Revenues shall be, and shall contain an express statement that such obligations are, junior and subordinate in all respects to the Bonds and any such Additional Parity Obligations, as to lien on and source and security for payment from the Net Revenues.

R. ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS. No Additional Parity Obligations payable on a parity from the Net Revenues of the System with the Bonds issued pursuant to this Ordinance shall be issued after the issuance of the Bonds herein authorized, except for the construction and/or acquisition of additions, extensions and improvements to the System, or for refunding purposes, and except upon the conditions and in the manner herein provided:

(1) There shall have been obtained and filed with the Issuer not later than the date of delivery of such Additional Parity Obligations, a certificate of an Independent Certified Public Accountant of suitable experience and responsibility: (a) stating that the books and records of the Issuer relating to the collection and receipt of the Revenues derived from the operation of the Water and Sewer System have been audited by him; (b) setting forth the amount of Net Revenues, as defined herein, received by the Issuer for either the preceding Fiscal Year or for

-41-

deemed to be the interest rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of sale of such Additional Parity Obligations, as published in The Bond Buyer or if that index is no longer published, an interest rate equal to 80% of the yield for outstanding Treasury bonds having an equivalent maturity as the Additional Parity Obligations proposed to be issued, or if there are no such Treasury bonds having equivalent maturities, 80% of the lowest prevailing prime rate of any of the five largest commercial banks in the United States ranked by assets. If none of the foregoing are available, such interest rate shall be that selected by a Qualified Independent Consultant. If Additional Parity Obligations are payable at the option of the holder, the "put" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of calculating the average Debt Service Requirement for such variable rate Additional Parity Obligations.

(4) Each ordinance or resolution authorizing the issuance of Additional Parity Obligations will recite that all of the covenants herein contained will be applicable to such Additional Parity Obligations.

(5) The Issuer shall not be in default in performing any of the covenants and obligations assumed hereunder, and all payments herein required to have been made into the accounts and funds, as provided hereunder, shall have been made to the full extent required.

(6) The Issuer covenants that it will not issue Designated Maturity Bonds (as defined in Subsection 2L(2)(11) hereof) as Additional Parity Obligations as long as Bonds insured by a Municipal Bond Insurer remain outstanding unless (i) the Issuer obtains the consent of such Municipal Bond Insurer to such issuance, which consent shall not be unreasonably withheld or (ii) the Issuer covenants at the time of issuance of such Designated Maturity Bonds either to establish a credit facility which insures payment of the principal of such Bonds on the date of maturity

any twelve (12) consecutive months of the eighteen (18) months immediately preceding the date of sale of such Additional Parity Obligations with respect to which such certificate is made, at the option of the Issuer, and (c) stating that the Net Revenues for such preceding Fiscal Year or twelve (12) month period are equal to at least 1.30 times the highest Debt Service Requirement in any succeeding Fiscal Year on (i) all Bonds and all Additional Parity Obligations, if any, then outstanding and (ii) the Additional Parity Obligations with respect to which such certificate is made.

(2) If desirable, the Net Revenues for such preceding Fiscal Year or twelve (12) month period may be adjusted by the Qualified Independent Consultant as follows: (a) to reflect for such preceding Fiscal Year or twelve (12) month period changes made in the rates, fees, rentals or other charges for the operation of the System placed in effect prior to the date of the certificate provided for in paragraph (1), above; (b) to reflect any change in such Net Revenues caused by any new projects, including the acquisition of any existing water and/or sewer systems, of the System having been placed into use and operation subsequent to the date of commencement of such preceding Fiscal Year or twelve (12) month period, as the case may be, and prior to the date of such certificate provided for in paragraph (1) above; (c) to include the estimated Net to be derived during the third full Fiscal Year commencing after the date upon which the proposed Additional Parity Obligations are delivered pursuant to the certificate referred to in subparagraph (1) above, on account of (i) the project to be constructed or acquired from the proceeds of such proposed Additional Parity Obligations, and (ii) projects under construction on the date of issuance of the proposed Additional Parity Obligations.

(3) For purposes of determining the Highest Debt Service Requirement for the issuance of Additional Parity Obligations which will bear a variable rate of interest, the interest on such proposed Additional Parity Obligations shall be

-42-

thereof or to refund such Bonds, in either case at a date not later than five years preceding the stated maturity thereof.

S. CONNECTIONS WITH SYSTEM. The Issuer will, to the full extent permitted by law, require all lands, buildings and structures within the service area which can use the facilities and services of the System, to connect with and use the facilities and services of the System, and to cease all other means and methods for the supply of water and the collection, purification, treatment and disposal of sewage and waste matter.

T. TAX EXEMPTION. The Issuer at all times while the Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, and any valid and applicable rules and regulations promulgated thereunder, to the extent necessary to preserve the exemption from federal income taxation of the interest on the Bonds, and will adopt any procedures necessary for such compliance.

U. PAYMENT FROM NET REVENUES. The Issuer will duly and punctually pay or cause to be paid from the Net Revenues of the System, the principal of, and interest and premium, if any, on the Bonds.

SECTION 18. MODIFICATION OR AMENDMENT. No adverse material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the holders of fifty-one percent (51%) or more in principal amount of the Bonds then outstanding; provided, however, that in the event the Issuer obtains a policy of municipal bond insurance covering the Bonds, then only the consent of the Municipal Bond Insurer shall be required; provided, further, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon or in the amount of principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on the Bonds as the same shall become due from the Net Revenues of the System or reduce the par-

-43-

-41-

consent of the Holders of the Bonds required to consent to any adverse material modification or amendment hereof without the consent of the Holders of all Bonds and the Municipal Bond Insurer; and provided further, however, that the Issuer may at any time amend this Ordinance to provide for the issuance or exchange of Bonds in coupon form, if and to the extent that doing so will not affect the tax exempt status of the interest on the Bonds.

SECTION 19. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or from time to time and at such price or prices consistent with the provisions of the Act and the requirements of this Ordinance as the Issuer shall hereafter determine by resolution; provided that the first sale of such Bonds shall provide proceeds at least sufficient to carry out the refunding program hereinbefore set forth.

SECTION 20. VALIDATION AUTHORIZED. If the Mayor, the City Manager and the City Attorney shall determine in their discretion to validate the Bonds, the City Attorney is authorized and directed to prepare and file proceedings to validate the Bonds in the manner provided by law.

SECTION 21. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 22. PUBLICATION OF NOTICE OF REFUNDING. Within thirty (30) days after the delivery of the Bonds, the Issuer shall cause to be published one time in a financial journal of general circulation in the City and State of New York, a notice of the advance refunding of the Refunded Bonds.

-45-

agreements and other obligations of the Issuer to the Registered Owners of such Bonds shall continue to exist and the Municipal Bond Insurer shall be subrogated to the rights of such Registered Owners.

Further, in the event that at any time after such defeasance has occurred, as above provided, a deficiency of cash or securities is found to exist in the escrow account, the Issuer covenants that it will, within seven (7) business days after being notified of such deficiency by the escrow holder of the escrow account, make up such deficiency from any funds or securities legally available to it in order that said escrow account shall be fully sufficient for the purpose of defeasing the Bonds.

SECTION 23. REPEAL OF INCONSISTENT ORDINANCES AND RESOLUTIONS. All ordinances or resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 24. EFFECTIVE DATE. This Ordinance shall take effect upon its enactment in the manner provided by law.

ATTEST:


City Clerk


Mayor

SECTION 23. USE OF FUNDS SET ASIDE FOR REFUNDED BONDS.

The moneys and investments in the funds and accounts established in the proceedings authorizing the issuance of the Refunded Bonds shall be transferred to one or more of the corresponding funds and accounts established in this Ordinance or, at the option of the Issuer, shall be deposited in escrow for payment of the Refunded Bonds pursuant to the Escrow Deposit Agreement described in Section 15 hereof. The distribution of such moneys and investments among the various accounts, funds and Escrow Deposit Agreements shall be made as determined by the Director of Finance of the City prior to the delivery of any of the Bonds.

SECTION 24. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of and lien on the Revenues in favor of the holders of the Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, in respect to which such Federal Securities, the principal and interest received will be sufficient to make timely payment of the principal, interest, and redemption premiums, if any, on the outstanding Bonds, shall be considered "provision for payment". Nothing herein shall be deemed to require the Issuer 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 Issuer in determining whether to exercise any such option for early redemption.

In the event that, prior to such defeasance, the principal and/or interest due on any of the Bonds shall have been paid by the Municipal Bond Insurer pursuant to its municipal bond insurance policy, the Bonds so paid shall remain outstanding, shall not be defeased and not be considered paid by the Issuer, and the lien and pledge of the Pledged Funds and all covenants,

-46-

[THIS PAGE INTENTIONALLY LEFT BLANK]

PASSED FIRST READING this 17th day of APRIL, 1987.

PASSED SECOND READING this 21st day of APRIL, 1987.

-47-

CITY OF POMPAHO BEACH, FLORIDA

WATER AND SEWER REVENUE BONDS

ORDINANCE NO. 92-74Adopted September 29, 1992ORDINANCE NO. 92-92-74City Commission of the
City of Pompano Beach, FloridaRE: Proposed Amendments to Bond Ordinance 87-35 enacted by
the City of Pompano Beach, Florida on April 27, 1987
(the "Bond Ordinance")

Ladies and Gentlemen:

Municipal Bond Investors Assurance Corporation, a New York stock insurance company ("MBIA") is the insurer of the \$27,820,000 City of Pompano Beach, Florida Water and Sewer Revenue Bonds, Series 1987 issued under and secured by the above referenced Bond Ordinance. MBIA hereby consents, as required by Section 18 of the Bond Ordinance, to the proposed adoption by the City Commission of the City of Pompano Beach, Florida of certain amendments to the Bond Ordinance and all matters set forth in Exhibit A annexed hereto and made a part hereof.

Very truly yours,

MUNICIPAL BOND INVESTORS ASSURANCE
CORPORATIONBy: Paul J. SingerTitle: Chief ExecutiveDate: September 29, 1992

1/889016/1

AN ORDINANCE SUPPLEMENTING AND AMENDING ORDINANCE NO. 87-35 ENACTED BY THE CITY COMMISSION OF THE CITY OF POMPAHO BEACH, FLORIDA ON APRIL 27, 1987 ENTITLED "AN ORDINANCE OF THE CITY OF POMPAHO BEACH, FLORIDA, COMBINING THE CITY'S WATER SYSTEM AND SEWER SYSTEM INTO ONE COMBINED SYSTEM FOR FINANCING PURPOSES; AUTHORIZING THE REPAYMENT OF PRESENTLY OUTSTANDING WATER SYSTEM REVENUE BONDS, SERIES 1982, OF THE CITY AND THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE COMBINED WATER AND SEWER SYSTEM; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$35,000,000 WATER AND SEWER REVENUE BONDS, SERIES 1987, TO BE APPLIED TO SUCH PURPOSES; PROVIDING FOR THE PAYMENT OF SAID BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE" TO AUTHORIZE THE DEPOSIT OF AN INSURANCE POLICY TO THE CREDIT OF THE RESERVE ACCOUNT AND SET FORTH CERTAIN MATTERS RELATING THERETO; TO REVISE THE DEFINITION OF "COST OF OPERATION AND MAINTENANCE"; TO AMEND THE REQUIREMENTS FOR ISSUING ADDITIONAL BONDS; TO AMEND THE REQUIREMENTS OF THE RATE COVENANT SET FORTH IN SAID ORDINANCE; TO PERMIT THE CITY TO SELL TO THIRD PARTIES CERTAIN OF ITS OPTIONAL REDEMPTION RIGHTS WITH RESPECT TO BONDS ISSUED AS ADDITIONAL PARITY OBLIGATIONS PURSUANT TO THE ORDINANCE; TO CREATE A RATE STABILIZATION FUND; TO PERMIT AMOUNTS IN THE RATE STABILIZATION FUND TO BE TAKEN INTO ACCOUNT IN DETERMINING COMPLIANCE WITH THE RATE COVENANT IN SAID ORDINANCE; AND TO PROVIDE AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY OF POMPAHO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. The City of Pompano Beach, Florida (the "Issuer") is authorized to adopt this ordinance under the authority granted by the provisions of Chapter 166, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On April 27, 1987, the City Commission of the Issuer enacted Ordinance No. 87-35, the title of which is quoted in the title of this ordinance (the "Bond Ordinance") authorizing, among other matters, the issuance of the Issuer's Water and Sewer Revenue Bonds, Series 1987.

B. The Issuer now desires to supplement and amend the Bond Ordinance in the manner described herein, pursuant to Section 18 of the Bond Ordinance, which permits such amendments with the consent of the "Municipal Bond Insurer" as such term is defined in the Bond Ordinance. Municipal Bond Investors Assurance Corporation is the Municipal Bond Insurer for purposes of the Bond Ordinance and has heretofore delivered to the Issuer its written consent to the amendments to the Bond Ordinance set forth herein.

C. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Ordinance is hereby incorporated herein by this reference. All matters underlined herein shall indicate additions to the Bond Ordinance and all matters crossed-out herein shall indicate deletions from the Bond Ordinance.

SECTION 3. SUPPLEMENT AND AMENDMENTS TO BOND ORDINANCE. The Bond Ordinance is hereby supplemented and amended as follows:

A. The definition of "Cost of Operation and Maintenance" set forth in Section 2.J of the Bond Ordinance is hereby amended and supplemented as follows:

"J. 'Cost of Operation and Maintenance' of the System shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System as calculated in accordance with the generally accepted accounting principles, but shall not include expenses not annually recurring, such as any reserve for renewals and replacements, extraordinary repairs or conditions, any allowance for depreciation or amortization, any debt service requirement or any general administrative charges payable to the General Fund."

B. The definition of "Gross Revenues" or "Revenues" set forth in Section 2.R of the Bond Ordinance is hereby amended and supplemented as follows:

"R. 'Gross Revenues' or 'Revenues' shall mean all income or earnings, including installation and connection charges (but not Impact Fees) and including income from investments deposited in the Revenue Fund, derived by the Issuer from the operation of the System; provided, however, that any Revenues available to be used by the Issuer for any lawful purpose under Section 17.B.(6) hereof which were deposited in the Rate Stabilization Fund and used by the Issuer to pay the Cost of Operation and Maintenance of the System shall be deemed to be Revenues when so used for the purpose of determining compliance by the Issuer with the rate covenants contained in Section 17.B hereof and with the requirements of Section 17.A.(1) hereof relating to the issuance of additional Parity Obligations."

C. Section 2 of the Bond Ordinance is hereby amended and supplemented to add three new definitions immediately after the definition of "Registered Owner" as follows:

"BB. 'Reserve Account Policy' shall mean an insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the issuer in lieu of or in partial substitution for cash or securities on deposit in the Reserve Account created hereunder."

"CC. 'Reserve Policy Costs' shall mean costs of payment of draw on all outstanding Reserve Account Policies and related reasonable expenses incurred by all Reserve Account Sureties, together with interest thereon at a rate set by the Related Ordinance or resolution or an agreement between the issuer and the related Reserve Account Surety."

"DD. 'Reserve Account Surety' shall mean the firm or corporation that issues a Reserve Account Policy for a series of bonds issued hereunder."

The definitions presently lettered "BB" through "DD" in the Bond Ordinance are hereby deemed relettered to accommodate the inclusion of the new definitions above.

D. Section 13 of the Bond Ordinance is hereby amended and supplemented to add the following at the end thereof:

"The issuer shall be entitled to exercise any right of optional redemption established by subsequent resolution with respect to Additional Parity Obligations issued hereunder (the "Optional Redemption Bonds") only to the extent it has not sold the right to call the Optional Redemption Bonds for mandatory tender for purchase (the "Option Rights"), as provided below, which Option Rights are or were exercisable on the proposed redemption date for the Optional Redemption Bonds of the maturity of Optional Redemption Bonds proposed to be redeemed. If Option Rights have been sold for a portion of the Optional Redemption Bonds of a particular maturity which are or were exercisable on the redemption date, the issuer shall be entitled

to call for redemption on that redemption date a principal amount of Optional Redemption Bonds of that maturity equal to the principal amount for which Option Rights have not been sold.

The Optional Redemption Bonds shall be subject to mandatory tender for purchase at the same time and price and upon the same notice requirements as applicable to the optional redemption of the Optional Redemption Bonds, if as provided in the final Official Statement with respect to the Optional Redemption Bonds and the Purchase Contract approved and executed by the Mayor or Vice-Mayor of the Issuer pursuant to the authority and guidelines provided herein. Any Optional Redemption Bond so purchased shall remain outstanding within the meaning of this Ordinance and shall not be deemed paid unless delivered to the Bond Registrar with express instructions to cancel the debt evidenced thereby.

The issuer hereby reserves the right to sell its Option Rights to one or more third parties as provided herein and by subsequent resolution of the issuer, specifying the Optional Redemption Bonds with respect to which such rights may be exercised and the terms and conditions applicable to the exercise of such rights, including redemption price and date. Any such sale will transfer to the purchaser all or a portion of the issuer's rights to require the mandatory tender for purchase of an identified maturity and identified principal amount of the Optional Redemption Bonds for an identified period of time prior to the maturity of these Optional Redemption Bonds. If such sale is made, the issuer will not have the right to call for prior redemption an amount of Optional Redemption Bonds equal to the amount of Optional Redemption Bonds for which Option Rights have been sold, with the same maturity as the maturity of the Optional Redemption Bonds with respect to which the Option Rights have been sold for the period which those Option Rights may have been exercised.

In the event the issuer sells all or any portion of its Option Rights, the following terms and conditions shall apply:

3

F/840016/9

F/840016/9

4

(a) The Option Rights so sold shall be evidenced by certificates (the "Call Right Certificates") executed by the Mayor or Vice-Mayor of the Issuer and attested by the Bond Registrar. Each Call Right Certificate shall identify the maturity and principal amount of Optional Redemption Bonds to which it applies and the time period (the "Option Period") during which the Option Right evidenced by the Call Right Certificate is exercisable. No single Call Right Certificate shall be issued for more than one maturity of the Optional Redemption Bonds. The Call Right Certificates shall represent the right to require a tender for purchase of an amount of Optional Redemption Bonds of \$5,000 or any integral multiple thereof or any lower minimum denomination specified in the issuer resolution authorizing the sale of the Call Right Certificates.

(b) The form of the Call Right Certificates shall be as provided by resolution of the issuer adopted before the sale of the Option Rights. The resolution of the issuer shall contain provisions for the registration, transfer and exchange of Call Right Certificates under such circumstances, at such times and upon payment of such fees as provided therein and shall provide for the appointment of a fiscal agent (which shall be a bank or trust company either within or without the state) for the Option Rights (the "Fiscal Agent"). If so provided in that instrument, the issuer may provide for a book-entry system for the Option Rights which in substance conforms to the provisions of this subsection dealing with Call Right Certificates.

(c) In order to exercise the Option Right represented by a Call Right Certificate, the Call Right Certificate, the purchase price and written instructions which designate the purchase date and, if less than all of the Optional Redemption Bonds to which the Call Right Certificate pertains are to be purchased, the principal amount to be purchased, must be delivered to the Fiscal Agent not less than 45 nor more than 90 days

before the purchase date. The purchase date must be between 45 and 90 days after the delivery of the Call Right Certificate, purchase price and written instructions to the Fiscal Agent and must be a date that is included in the Option Period specified in the Call Right Certificate. The purchase date may not be a date between the Record Date and corresponding interest payment date with respect to the Optional Redemption Bonds, if mutually agreeable to the owner of the Option Rights and the Fiscal Agent, the Fiscal Agent may invest the purchase price delivered to it by such owner in Federal securities which mature on or before the purchase date. Any interest or other gain on such Federal securities, net of any fee of the Fiscal Agent, shall be the property of and be remitted to the owner of the Call Right Certificate.

(d) Upon receipt of a Call Right Certificate, the purchase price and instructions provided in paragraph (c) above, the Bond Registrar shall proceed to select, by lot, an Optional Redemption Bond or Optional Redemption Bonds to be tendered for purchase, which Optional Redemption Bond or Optional Redemption Bonds are subject to mandatory tender for purchase during the Option Period specified in the Call Right Certificate, with a maturity and a principal amount equal to that specified in the Call Right Certificate (or instructions if only a portion of the Optional Redemption Bonds to which the Call Right Certificate pertains are being purchased). Such selection shall be made between 30 and 45 days prior to the purchase date. A portion of any Optional Redemption Bond in a denomination that exceeds \$5,000 may be called for mandatory tender for purchase pursuant to this section, and if so called, the Bond Registrar shall authenticate and deliver a new Optional Redemption Bond for the unpurchased portion of that Optional Redemption Bond to the registered owner thereof.

(e) Any Optional Redemption Bond called for mandatory tender for purchase must be delivered to the Bond Registrar on the purchase date and upon such delivery, the

5

F/840016/9

F/840016/9

6

purchase price will be paid by the Fiscal Agent to the registered owner thereof. If the purchase date is an interest payment date for the Optional Redemption Bonds, the interest due on the Optional Redemption Bonds shall be paid as provided in the resolution setting forth the Optional Redemption Bonds with respect to which Optional Rights may be sold. Any Optional Redemption Bond so called for mandatory tender which is not so accepted on the purchase date shall be treated as purchased by the owner of the Option Right being exercised for all purposes hereof. Upon subsequent receipt of such Optional Redemption Bond or satisfactory indemnity from the registered owner thereof, the purchase price of such Optional Bond shall be paid to the registered owner of such deemed purchased bond. In no event shall the registered owner of any Optional Redemption Bond which is called for mandatory tender for purchase be entitled to interest accruing after the purchase date. The Bond Registrar shall cancel any Optional Redemption Bonds tendered for mandatory purchase and issue a new Optional Redemption Bond in the same principal amount and with the same interest rate, maturity date, form and tenor (except that such Optional Redemption Bond shall state that it is a Optional Redemption Bond which is not subject to mandatory tender for purchase or optional redemption for the time period during which the Option Right evidenced by the Call Right Certificate being exchanged for such Optional Redemption Bond was exercisable) to the owner of the Call Right Certificate pursuant to which the Optional Redemption Bond was called for mandatory tender for purchase. The Bond Registrar shall note on the registration records that such Optional Redemption Bond is not subject to mandatory tender for purchase or optional redemption for the designated period of time. If a book-entry system is then employed for the Optional Redemption Bonds, the Bond Registrar shall require that the new Optional Redemption Bond so issued be registered in the name of and delivered to the person designated by the securities depository which is holding certificates pursuant to the book-entry system.

7

F780046/9

(g) Between 180 and 30 days prior to the execution by the issuer of a contract for sale of any Option Rights hereunder, the issuer shall cause the Bond Registrar to give notice of the proposed sale by certified or registered mail to the registered owners of the Optional Redemption Bonds. Such notice shall state that it is a notice of proposed sale of Option Rights with respect to the Optional Redemption Bonds and shall include the name and address of a person or entity from which additional information concerning the proposed sale may be obtained. In addition, such notice may list, but is not required to list, the subscribers with respect to which the Option Rights are proposed to be sold and the CUSIP numbers of those maturities. Any error in such maturities or CUSIP numbers or any other error in such notice shall not affect the ability of the issuer to proceed with the sale of the Option Rights. Actual receipt of mailed notice by the registered owner of any Optional Redemption Bond shall not be a condition precedent to the sale of the Option Rights with respect to the Optional Redemption Bond or any other Optional Redemption Bond. A certificate by the Bond Registrar that such notice has been given as herein provided shall be conclusive as against all parties.

(h) Notwithstanding anything contained herein any provisions herein dealing with the Option Rights or the Call Right Certificates may be amended by the issuer prior to the sale of the Option Rights as provided in Section 18 hereof, provided that no such amendment may be made which adversely affects or changes the security for or payment of the Optional Redemption Bonds, or manner of making such payment, or which permits Optional Redemption Bonds to be called for mandatory tender for purchase prior to the dates specified or at prices less than those specified in the Purchase Contract and the final Official Statement with respect to the Optional Redemption Bonds, provided less than 30 days mailed notice to the registered owner of any Optional Redemption Bond called for mandatory tender for purchase or permits the issuer to sell Option Rights without mailing the notice of the sale of Option Rights required by subsection (g) above.

9

F780046/9

(i) If the owner of Option Rights is also the owner of an Optional Redemption Bond of the maturity to which the Option Rights owner's Call Right Certificate pertains, which Optional Redemption Bond is subject to mandatory tender for purchase during the Option Period specified in the Call Right Certificate, that Option Rights owner may present to the Bond Registrar the Call Right Certificate and the Optional Redemption Bond and request that the Registrar cancel the Call Right Certificate and designate the Optional Redemption Bond to be an Optional Redemption Bond which is not subject to mandatory tender for purchase or optional redemption during the Option Period specified in the Call Right Certificate. Upon receipt of such Call Right Certificate, the Optional Redemption Bond and request, the Bond Registrar shall so designate the Optional Redemption Bond on its records and on the Optional Redemption Bond itself by stamping or other appropriate means of identification or by issuing a replacement Optional Redemption Bond and that Optional Redemption Bond or any Optional Redemption Bond thereafter issued in a transfer or exchange for that Optional Redemption Bond shall not be subject to mandatory tender for purchase or optional redemption during the designated period. The Bond Registrar is not required to honor such a request if it is made within the 15-day period preceding the selection of Optional Redemption Bonds of the same maturity as the Optional Redemption Bond presented for prior redemption or mandatory tender for purchase nor to honor such a request with respect to a Optional Redemption Bond which has been selected for prior redemption or mandatory tender for purchase. The Bond Registrar may charge the Option Rights owner a fee to compensate it for its expenses in connection with the exchange contemplated by this subsection and shall charge the Option Rights owner any tax or governmental charges imposed in connection therewith. At the request of the owner, the issuer and the Bond Registrar shall cooperate in obtaining a new CUSIP number, if needed or desirable, for such Optional Redemption Bond.

8

F780046/9

The foregoing notwithstanding, the issuer shall not sell Option Rights as provided above unless there has been received and filed with the issuer an opinion of nationally recognized bond counsel to the effect that the sale of such Option Rights and the application of the proceeds from such sale in the manner provided in the resolution of the issuer providing for such sale is within the corporate power of the issuer, is a legal, valid and binding obligation of the issuer under applicable law, and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Optional Redemption Bonds.

F. Section 17 of the Bond Ordinance is hereby amended and supplemented to add a new subsection AA following subsection A thereof to read as follows:

"AA. RATE STABILIZATION FUND. There is hereby created the "City of Pompano Beach Water and Sewer System Rate Stabilization Fund" (hereinafter called the "Rate Stabilization Fund"). The issuer may, from time to time, for the purpose of preventing or mitigating future increases in rates and charges, deposit sums remaining in the Revenue Fund pursuant to Section 17.B(1) hereof in the Rate Stabilization Fund. Any monies deposited in the Rate Stabilization Fund shall be trust funds to be held and applied, prior to application of sums in the Operation and Maintenance Fund, to the payment of the Cost of Operation and Maintenance of the System."

F. Section 17.B.(1) of the Bond Ordinance is hereby amended and supplemented as follows:

"(1) Revenue shall be used for deposit into a non-pledged fund to be known as the "Rebate Fund" which is hereby established, at the time and in the amounts required to be transferred in order to comply with the substance rebate covenants of the issuer made at the time of issuance of such series of bonds issued hereunder. Thereafter, payments shall first be used for deposit into a fund to be known as the "Operation and Maintenance Fund" which is hereby established, of such sums as are necessary to pay the Costs of Operation and Maintenance of the System for the then current month."

10

F780046/9

CITY OF POMPANO BEACH
Brevard County, Florida

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, AMENDING ORDINANCE NO. 87-35 ENACTED BY THE CITY COMMISSION OF THE CITY ON APRIL 27, 1987, AS SAME HAS BEEN AMENDED AND SUPPLEMENTED TO THE DATE HEREOF, TO MODIFY THE DEFINITION OF AUTHORIZED INVESTMENTS SET FORTH THEREIN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission was held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were, in fact, heard; now, therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1: AUTHORITY FOR THIS ORDINANCE. The City of Pompano Beach, Florida, (the "City") is authorized to adopt this ordinance (the "Ordinance") under the authority granted by the provisions of Chapter 166, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 2: FINDINGS. It is hereby found and determined that:

A. Pursuant to Ordinance No. 87-35 enacted by the City Commission of the City ("City Commission") on April 27, 1987 (the "Original Bond Ordinance"), as amended and supplemented to the date hereof (collectively, the "Bond Ordinance"), the City has previously issued and sold its Water and Sewer Revenue Bonds, Series 1993, its Water and Sewer

Refunding Revenue Bonds, Series 1993 and its Water and Sewer Revenue Bonds, Series 2000 (collectively, the "Outstanding Bonds").

B. The City now desires to amend the Original Bond Ordinance in the manner described herein pursuant to Section 18 of the Original Bond Ordinance, which permits such amendments with the consent of the providers of municipal bond insurance with respect to the Outstanding Bonds, MBIA Insurance Company and Financial Guaranty Insurance Company (collectively, the "Insurers"). The Insurers have previously delivered to the City their written consent to the amendment to the Original Bond Ordinance set forth herein.

C. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance. To the extent necessary to effectuate the terms and conditions hereof, the Bond Ordinance is hereby incorporated herein by this reference. All matters underlined herein shall indicate additions to the Original Bond Ordinance and all matters crossed-out herein shall indicate deletions from the Original Bond Ordinance.

SECTION 3: AMENDMENT TO ORIGINAL BOND ORDINANCE. Subsection (6) of the definition of "Authorized Investments" in Section 2.D. of the Original Indenture is hereby amended as follows:

"(6) written repurchase agreements with any bank, savings institution or trust company which is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or with any broker-dealer with retail customers which falls under Securities Investors Protection protection, provided that such repurchase agreements are fully secured by (i) above or obligations of any agency or instrumentality of the United States of America, and provided further that (i) such collateral is held by the issuer or any agent acting solely for the issuer during the term of such repurchase agreement, (ii) such collateral is not subject to liens or claims of third parties, (iii) such collateral has a market value (determined at least once every 14 days) at least equal to the amount invested in the repurchase agreement, (iv) the issuer has a perfected first security interest in the collateral, (v) the agreement shall be for a term not longer than ~~270 days~~ three years, and (vi) the failure to maintain such collateral at the level required in (iii) above will require the issuer to liquidate the collateral;"

SECTION 4: BOND ORDINANCE TO CONTINUE IN EFFECT. Except as herein expressly provided, the Bond Ordinance and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 5: EFFECTIVE DATE. This Ordinance shall become effective upon passage.

PASSED FIRST READING this 13th day of June, 2000.

PASSED SECOND READING this 27th day of June, 2000.


WILLIAM F. GRIFFIN, MAYOR

ATTEST:


MARY L. CHAMBERS, CITY CLERK

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF POMPANO BEACH, FLORIDA
 WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2005

AMENDED AND RESTATED ORDINANCE NO. 2005-57

FTL 753016 6

AMENDED AND RESTATED ORDINANCE NO. 2005-57

AN ORDINANCE OF THE CITY OF POMPANO BEACH, FLORIDA AMENDING AND RESTATING IN ITS ENTIRETY ORDINANCE NO. 2002-04 ENACTED ON OCTOBER 9, 2001 ENTITLED:

"AN ORDINANCE OF THE CITY OF POMPANO BEACH, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$45,000,000 CITY OF POMPANO BEACH, FLORIDA WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2001 AS ADDITIONAL PARITY OBLIGATIONS UNDER ORDINANCE NO. 87-35 ENACTED ON APRIL 27, 1987, AS AMENDED AND SUPPLEMENTED, FOR THE PRINCIPAL PURPOSE OF REFUNDING ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 1993 AND/OR WATER AND SEWER REVENUE BONDS, SERIES 2000; FIXING CERTAIN TERMS AND DETAILS OF SUCH BONDS; AUTHORIZING A PUBLIC SALE OF SUCH BONDS; DIRECTING THE APPLICATION OF THE PROCEEDS OF SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPOINTING THE PAYING AGENT AND BOND REGISTRAR FOR SUCH BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS BETWEEN THE CITY AND THE PAYING AGENT AND BOND REGISTRAR; AUTHORIZING A MUNICIPAL BOND INSURANCE POLICY AND RESERVE ACCOUNT INSURANCE POLICY AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS WITH THE PROVIDERS OF SUCH INSURANCE; AUTHORIZING THE FORM OF AND THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE FORM OF AND THE EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENTS; APPOINTING AN ESCROW AGENT AND AUTHORIZING APPOINTMENT OF A VERIFICATION AGENT; AUTHORIZING AND RATIFYING OTHER REQUIRED ACTIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE."

; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$47,000,000 CITY OF POMPANO BEACH, FLORIDA WATER AND SEWER

FTL 753016 8

TABLE OF CONTENTS

	Page
SECTION 1. AMENDMENT AND RESTATEMENT	2
SECTION 2. AUTHORITY FOR THIS ORDINANCE	2
SECTION 3. FINDINGS	3
SECTION 4. AUTHORIZATION AND APPROVAL OF THE 2005 BONDS AND REFUNDING OF REFUNDED BONDS	4
SECTION 5. REDEMPTION PROVISIONS	6
SECTION 6. EXECUTION OF THE 2005 BONDS	6
SECTION 7. PUBLIC SALE OF THE 2005 BONDS	6
SECTION 8. APPLICATION OF THE BOND PROCEEDS	7
SECTION 9. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT	7
SECTION 10. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR	8
SECTION 11. INSURANCE MATTERS	8
SECTION 12. CONTINUING DISCLOSURE	8
SECTION 13. EXECUTION OF ESCROW DEPOSIT AGREEMENTS	8
SECTION 14. TAX COVENANT	9
SECTION 15. GENERAL AUTHORITY	9
SECTION 16. SEVERABILITY AND INVALID PROVISIONS	10
SECTION 17. BOND ORDINANCE TO CONTINUE IN FORCE	10
SECTION 18. EFFECTIVE DATE	10

EXHIBITS

EXHIBIT A PRELIMINARY OFFICIAL STATEMENT	A-1
EXHIBIT B CONTINUING DISCLOSURE CERTIFICATE	B-1
EXHIBIT C 1993 ESCROW AGREEMENT	C-1
EXHIBIT D 2000 ESCROW AGREEMENT	D-1

FTL 753016 8

(i)

REFUNDING REVENUE BONDS, SERIES 2005 AS ADDITIONAL PARITY OBLIGATIONS UNDER ORDINANCE NO. 87-35 ENACTED ON APRIL 27, 1987, AS AMENDED AND SUPPLEMENTED, FOR THE PRINCIPAL PURPOSE OF REFUNDING ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 1993 AND/OR WATER AND SEWER REVENUE BONDS, SERIES 2000; FIXING CERTAIN TERMS AND DETAILS OF SUCH BONDS; APPROVING THE FORM OF A OFFICIAL DETAILED NOTICE OF BOND SALE AND AUTHORIZING A PUBLIC SALE OF SUCH BONDS; APPROVING THE APPLICATION OF THE PROCEEDS OF SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPOINTING THE PAYING AGENT AND BOND REGISTRAR FOR SUCH BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS BETWEEN THE CITY AND THE PAYING AGENT AND BOND REGISTRAR; AUTHORIZING A MUNICIPAL BOND INSURANCE POLICY AND, IF DETERMINED TO BE NECESSARY, A RESERVE ACCOUNT INSURANCE POLICY AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS WITH THE PROVIDERS OF SUCH INSURANCE; AUTHORIZING THE FORM OF AND THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE FORM OF AND THE EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENTS; APPOINTING AN ESCROW AGENT AND AUTHORIZING APPOINTMENT OF A VERIFICATION AGENT; AUTHORIZING AND RATIFYING OTHER REQUIRED ACTIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. AMENDMENT AND RESTATEMENT. On October 9, 2001 the City of Pompano Beach, Florida (the "City") enacted Ordinance No. 2002-04 (the "Original Ordinance"). The City now desires to amend and restate the Original Ordinance in its entirety hereby.

SECTION 2. AUTHORITY FOR THIS ORDINANCE. The City is authorized to enact this amended and restated ordinance (the "Ordinance") under the authority granted by the provisions of Chapter 166, Florida Statutes, as amended, the City Charter of the City, and other applicable provisions of law. In consideration of the acceptance of the 2005 Bonds (herein defined) by those who shall own the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders.

FTL 753016 8

SECTION 3. FINDINGS. It is hereby found and determined that:

A. Pursuant to Ordinance No. 87-35 enacted by the City Commission of the City (the "City Commission") on April 27, 1987, as amended and supplemented to the date hereof (the "Bond Ordinance"), the City has previously issued and sold, and there are currently Outstanding, its Water and Sewer Revenue Bonds, Series 1993 (the "1993 Bonds") and Water and Sewer Revenue Bonds, Series 2000 (the "2000 Bonds").

B. The Bond Ordinance authorizes the issuance of Additional Parity Obligations thereunder for refunding purposes, payable from the Net Revenues on a parity with Bonds that are Outstanding under the Bond Ordinance.

C. The City's Co-Financial Advisors have indicated that based on current market conditions, there is an opportunity for the City to realize significant present value interest-cost savings by accomplishing the current refunding of all or a portion of the 1993 Bonds and/or the advance refunding of all or a portion of the 2000 Bonds.

D. The City hereby determines that it is necessary, desirable and in the best interests of the City to authorize the current refunding and defeasance of all or a portion of the 1993 Bonds and/or the advance refunding and defeasance of all or a portion of the 2000 Bonds, as shall be designated by the City pursuant to Sections 4(b) and 7 hereof (collectively, the "Refunded Bonds"), subject to the requirements set forth in Section 7 hereof. In furtherance thereof and pursuant to the Bond Ordinance, the City deems it to be in its best interest to issue its Water and Sewer Refunding Revenue Bonds, Series 2005 in one or more Series in the aggregate principal amount of not exceeding \$47,000,000 (the "2005 Bonds") and to apply the proceeds thereof to refund and defease the Refunded Bonds and for such other purposes set forth herein.

E. All of the provisions, covenants, pledges and conditions in the Bond Ordinance shall be applicable to the 2005 Bonds herein authorized and such 2005 Bonds shall constitute "Additional Parity Obligations" issued for refunding purposes within the meaning of the Bond Ordinance.

F. The principal of and interest on the 2005 Bonds herein authorized and all sinking fund, reserve and other payments provided for in the Bond Ordinance shall be payable solely from the Net Revenues and, to the extent provided in the Bond Ordinance, from the monies on deposit from time to time in the funds and accounts created under the Bond Ordinance, and it will not be necessary nor has there been authorized the levy of taxes on any property in the City to pay for same, and the 2005 Bonds shall not constitute a lien upon any of the properties of the City, except the Net Revenues and the funds and accounts created under the Bond Ordinance, nor shall the 2005 Bonds be secured by the credit or taxing power of the City or the general funds of the City not expressly pledged under the Bond Ordinance.

G. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Ordinance is hereby incorporated herein by this reference.

SECTION 4. AUTHORIZATION AND APPROVAL OF THE 2005 BONDS AND REFUNDING OF REFUNDED BONDS.

(a) Subject to the provisions of Section 7 hereof, the City hereby authorizes and approves the issuance of Bonds in one or more Series in the initial aggregate principal amount of not exceeding \$47,000,000 to be known as the "City of Pompano Beach, Florida, Water and Sewer Refunding Revenue Bonds, Series 2005" for the purpose of providing funds, together with other legally available funds of the City, to refund and defease the Refunded Bonds (on a current refunding basis with respect to 1993 Bonds, if any, comprising the Refunded Bonds and on an advance refunding basis with respect to the 2000 Bonds, if any, comprising the Refunded Bonds), pay the premiums for a municipal bond insurance policy, if determined to be necessary in accordance herewith, a Reserve Account Policy, and pay costs of issuance of the 2005 Bonds. The 2005 Bonds shall be issued pursuant to the Bond Ordinance as Additional Parity Obligations issued for refunding purposes within the meaning of the Bond Ordinance and shall be secured equally and ratably under the Bond Ordinance with the (i) Outstanding 1993 Bonds and Outstanding 2000 Bonds that are not refunded by proceeds of the 2005 Bonds and remain Outstanding after issuance of the 2005 Bonds, if any, and (ii) any Additional Parity Obligations hereafter issued and Outstanding under the Bond Ordinance. All provisions, covenants, pledges and conditions of the Bond Ordinance shall be applicable to the 2005 Bonds.

(b) The refunding and defeasance of the Refunded Bonds from proceeds of the 2005 Bonds and other legally available funds of the City, including sums presently on deposit in the funds and accounts established under the Bond Ordinance, is hereby authorized (on a current refunding basis with respect to 1993 Bonds, if any, comprising the Refunded Bonds and on an advance refunding basis with respect to the 2000 Bonds, if any, comprising the Refunded Bonds). The specific 1993 Bonds and/or 2000 Bonds to be refunded and which will constitute the Refunded Bonds shall be set forth in the Award Certificate referred to in Section 7 hereof. If the Award Certificate indicates that the Refunded Bonds include all or a portion of both the 1993 Bonds and the 2000 Bonds, the 2005 Bonds may be issued in two series as shall be set forth in the final Official Statement, with the proceeds of one series being applied to accomplish the current refunding of all or a portion of the 1993 Bonds to be refunded and the proceeds of the other series being applied to accomplish the advance refunding of all or a portion of the 2000 Bonds to be refunded. Currently with or prior to the delivery of the 2005 Bonds, a portion of the sums on deposit in the funds and accounts established under the Bond Ordinance shall be transferred and deposited to the credit of the Escrow Fund established under the hereinafter mentioned Escrow Agreement, if it is determined by the City's Finance Director to be necessary or advisable to make such transfer, after consultation with the City's Bond Counsel and Co-Financial Advisors, and the specific amounts to be so transferred and deposited shall be as set forth in a certificate executed by the Finance Director and delivered at the time of issuance of the 2005 Bonds.

FTL 753018.0

3

(c) The 2005 Bonds shall be initially issued as a single registered bond for each maturity. The 2005 Bonds will be dated as of the date specified in the final Official Statement (hereinafter defined), shall be issued in denominations of \$5,000 or integral multiples thereof, and will bear interest payable semi-annually on July 1 and January 1 of each year, commencing on the date specified in the final Official Statement. The 2005 Bonds shall mature not later than twenty (20) years from their date of issuance and, subject to Section 7 hereof, shall bear interest at a rate per annum not exceeding the maximum rate permitted by law. Notwithstanding anything to the contrary set forth in the Bond Ordinance, payments of interest on the 2005 Bonds may be made by the Paying Agent for the 2005 Bonds by wire transfer to any Registered Owners of at least \$50,000 in aggregate principal amount of 2005 Bonds.

(d) A book-entry-only system of registration is hereby authorized for the 2005 Bonds. So long as the City shall maintain a book-entry-only system with respect to the 2005 Bonds, the following provisions shall apply:

The 2005 Bonds shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the 2005 Bonds and so long as the 2005 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and of the Bond Ordinance. On original issue, the 2005 Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interests of its participants ("DTC Participants"), and other institutions who clear through or maintain a custodial relationship with DTC Participants ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the 2005 Bonds ("Beneficial Owners").

Principal and interest prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments to Indirect Participants shall be the responsibility of DTC Participants, and payments by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Registrar or the City.

The 2005 Bonds shall initially be issued in the form of one fully registered Bond for each maturity. Individuals may purchase beneficial interests in the amount of \$5,000 or integral multiples thereof in book-entry-only form, without certificated 2005 Bonds, through the DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE 2005 BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO BENEFICIAL OWNERS.

FTL 753018.0

5

FTL 753018.0

4

The City has entered into a customary letter of representations with DTC providing for such a book-entry-only system (the "DTC Agreement"). Such agreement may be terminated at any time by DTC or the City (subject to DTC's policies and procedures). In the event of such termination, the City shall select another securities depository or discontinue such book-entry-only system. If the City does not replace DTC, the Registrar will register and deliver to the Beneficial Owners replacement 2005 Bonds in the form of fully registered 2005 Bonds in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 5. REDEMPTION PROVISIONS. The redemption provisions of the 2005 Bonds shall be as set forth in the form of the Preliminary Official Statement attached hereto as Exhibit A (the "Preliminary Official Statement"). Notice of redemption shall be provided as set forth in the Bond Ordinance. Notwithstanding anything to the contrary set forth in the Bond Ordinance, in the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Bond Registrar or a fiduciary institution acting as escrow agent not later than the redemption date or (2) the City retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any such notice of Conditional Redemption shall be captioned "Conditional Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the City delivers a written direction to the Bond Registrar directing the Bond Registrar to rescind the redemption notice. The Bond Registrar shall give prompt notice of such rescission to the affected bondholders. Any 2005 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the City to make such funds available shall constitute an Event of Default under the Bond Ordinance.

SECTION 6. EXECUTION OF THE 2005 BONDS. The Mayor of the City (the "Mayor" or Vice-Mayor of the City (the "Vice-Mayor") and the City Manager of the City (the "City Manager") are hereby authorized to execute, and the City Clerk of the City (the "City Clerk") is hereby authorized to attest, by manual or facsimile signature, each of the 2005 Bonds and to deliver the 2005 Bonds to the Bond Registrar for authentication and delivery. The 2005 Bonds shall be substantially in the form set forth in the Bond Ordinance as the bond form for the Outstanding Bonds. Execution of the 2005 Bonds by the Mayor and City Manager shall constitute conclusive evidence of the approval thereof.

SECTION 7. PUBLIC SALE OF THE 2005 BONDS. It is hereby found, ascertained, determined and declared by the City that a public sale of the 2005 Bonds is in the best interest of the City and is hereby authorized, approved and ratified. The preparation and publication of the official detailed notice of bond sale, certificate with respect to issue price and related documents in the forms set forth in the Preliminary Official Statement attached hereto as Exhibit A (the "Preliminary Official Statement") are hereby authorized and approved. The preparation of a summary notice of bond sale summarizing the official detailed notice of bond sale is hereby authorized and approved. The Mayor or Vice-Mayor and the City Manager are hereby authorized to execute the official detailed notice of bond sale. The Mayor or Vice-Mayor of the City and the City Manager, in consultation with the

FTL 753018.0

6

City's Co-Financial Advisors, are hereby authorized to award the 2005 Bonds to the bidder naming the lowest true interest cost to the City over the life of the 2005 Bonds (the "Purchaser"), provided that the (a) initial aggregate par amount of the 2005 Bonds does not exceed \$47,000,000, (b) City shall realize one or more of the following: (i) a present value savings as a result of the refunding of all or a portion of the 1993 Bonds of not less than three percent (3%) of the principal amount of the 1993 Bonds to be refunded and/or (ii) a present value savings as a result of the refunding of all or a portion of the 2000 Bonds of not less than three percent (3%) of the principal amount of the 2000 Bonds to be refunded and/or (iii) a present value savings as a result of the refunding of all or a portion of the 1993 Bonds and all or a portion of the 2000 Bonds, on a combined basis, of not less than three percent (3%) of the principal amount of the 1993 Bonds and 2000 Bonds to be refunded; and (c) 2005 Bonds do not mature more than twenty (20) years from their date of issuance. The award and the designation of the 1993 Bonds and/or 2000 Bonds that constitute the Refunded Bonds shall be evidenced by the execution of a certificate by the Mayor or Vice-Mayor and the City Manager (the "Award Certificate"). The Mayor or Vice-Mayor and the City Manager are hereby authorized and directed to take all action necessary to consummate the sale of the 2005 Bonds upon the terms and conditions set forth herein and in the official detailed notice of bond sale.

SECTION 8. APPLICATION OF THE 2005 BOND PROCEEDS. The proceeds derived from the sale of the 2005 Bonds shall be applied simultaneously with the delivery thereof for the purposes stated in, and in a manner consistent with, the hereinafter mentioned Official Statement. The specific amounts to be deposited in the funds and accounts created under the Bond Ordinance and to the applicable Escrow Fund created under the hereinafter defined Escrow Agreements shall be as set forth in a certificate executed by the City Manager and delivered at the time of issuance of the 2005 Bonds.

SECTION 9. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT. The Preliminary Official Statement relating to the 2005 Bonds in substantially the form submitted at this meeting and attached hereto as Exhibit A is hereby authorized and approved with respect to the information therein contained, with such insertions, modifications and deletions as are approved by the City Manager, in consultation with the City's Co-Financial Advisors and Bond Counsel. The distribution and use of the Preliminary Official Statement in connection with the public offering for sale of the 2005 Bonds is hereby authorized and approved. The execution by the City Manager of a certificate deeming the Preliminary Official Statement final within the meaning of Rule 15c-12 of the Securities and Exchange Act of 1934 is hereby authorized and approved. The City Manager is hereby authorized to have prepared, and the Mayor or Vice-Mayor and the City Manager are hereby authorized to execute, and the City Clerk is hereby authorized to attest, a final Official Statement dated the date of the award of the 2005 Bonds containing such information as necessary to confirm the details of the 2005 Bonds and such other insertions, modifications, and changes as may be approved by the Mayor or Vice-Mayor and City Manager (the "Official Statement"). The delivery, upon such execution, of the Official Statement, to the Purchaser for use by it in connection with the sale and distribution of the 2005 Bonds is hereby authorized and approved. The execution and delivery of the Official Statement by the Mayor or Vice-Mayor and the City Manager shall constitute conclusive evidence of the approval thereof.

FTL75018

7

the redemption date, on the earliest practicable date following issuance of the 2005 Bonds. In the event it is determined in accordance herewith to accomplish the advance refunding of all or a portion of the 2000 Bonds, the Mayor or Vice-Mayor and City Manager are hereby authorized and directed to execute, and the City Clerk is hereby authorized to attest, the 2000 Escrow Deposit Agreement (the "2000 Escrow Agreement"), in substantially the form submitted at this meeting and attached hereto as Exhibit D, with such insertions, modifications and changes as may be approved by the Mayor or Vice-Mayor and City Manager. The City acknowledges that the 2000 Escrow Agreement will provide for any of the 2000 Bonds to be refunded that mature on July 1, 2008 and thereafter to be irrevocably called for redemption on July 1, 2007 at a redemption price of 101%, expressed as a percentage of the principal amount of the such 2000 Bonds to be redeemed on that date, together with interest accrued through the redemption date. The execution and delivery of the 1993 Escrow Agreement and/or 2000 Escrow Agreement by the Mayor or Vice-Mayor and City Manager shall constitute conclusive evidence of the approval thereof. Wachovia Bank, National Association, Miami, Florida is hereby appointed as Escrow Agent (the "Escrow Agent") under the 1993 Escrow Agreement and the 2000 Escrow Agreement. The City Manager, in consultation with the City's Co-Financial Advisors, is hereby authorized to appoint a qualified firm to act as verification agent with respect to any 1993 Bonds and 2000 Bonds comprising the Refunded Bonds.

SECTION 14. TAX COVENANT. The City covenants with the holders of the 2005 Bonds that it shall comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") necessary to maintain the exclusion of interest on the 2005 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be related to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such 2005 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2005 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The City further covenants that neither the City nor any other person under its control or direction will make any investment or other use of the proceeds of the 2005 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2005 Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the 2005 Bonds.

SECTION 15. GENERAL AUTHORITY. The Mayor, Vice-Mayor, City Manager, City Clerk and any other proper officials of the City are hereby authorized to do all acts and things required of them by this Ordinance, the Bond Ordinance, the Preliminary Official Statement, the Official Statement, the 2005 Bonds, the DTC Agreement or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing, including the execution of any documents or instruments relating to the purchase of Federal Securities (including a resubmission or forward purchase agreement) and each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby. The application by the City for Federal Securities may be filed on behalf of the City by

FTL75018

9

SECTION 10. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR. Wachovia Bank National Association, Miami, Florida is hereby appointed as Paying Agent and Bond Registrar for the 2005 Bonds. The Mayor or Vice-Mayor and the City Manager are hereby authorized to execute, and the City Clerk is hereby authorized to attest, without further act of the City, agreements with such Paying Agent and Bond Registrar as necessary to reflect the obligation of such Paying Agent and Bond Registrar to accept and perform the respective duties imposed upon each, and to effectuate the transactions contemplated, by this Ordinance and the Bond Ordinance.

SECTION 11. INSURANCE MATTERS. The City Manager, in consultation with the City's Co-Financial Advisors, is hereby authorized to obtain a municipal bond insurance policy with respect to the 2005 Bonds. If necessary to cause the amount on deposit to the credit of the Reserve Account to be equal to the Debt Service Reserve Requirement for the 2005 Bonds and any Bonds that are Outstanding under the Bond Ordinance upon issuance of the 2005 Bonds, the City Manager, in consultation with the City's Co-Financial Advisors, is hereby authorized to a Reserve Account Policy for such purpose. Upon consultation with the City's Co-Financial Advisors and Bond Counsel, the Mayor or Vice-Mayor and City Manager are hereby authorized to execute, and the City Clerk is hereby authorized to attest, without further act of the City, agreements with the providers of the municipal bond insurance policy and Reserve Account Policy, if any, as necessary to reflect the requirements of such providers with respect to the 2005 Bonds.

SECTION 12. CONTINUING DISCLOSURE. The Continuing Disclosure Certificate, substantially in the form attached as Exhibit B (the "Continuing Disclosure Certificate"), is hereby authorized and approved, with such insertions, modifications and deletions as are approved by the City Manager, in consultation with the City's Co-Financial Advisors and Bond Counsel. The Mayor or Vice-Mayor and the City Manager are hereby authorized to execute, and the City Clerk is hereby authorized to attest, the Continuing Disclosure Certificate. The execution and delivery of the Continuing Disclosure Certificate by the Mayor or Vice-Mayor and the City Manager constitutes conclusive evidence of the approval thereof. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance or the Bond Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Holder of the 2005 Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

SECTION 13. EXECUTION OF ESCROW DEPOSIT AGREEMENTS. In the event it is determined in accordance herewith to accomplish the current refunding of all or a portion of the 1993 Bonds, the Mayor or Vice-Mayor and City Manager are hereby authorized and directed to execute, and the City Clerk is hereby authorized to attest, the 1993 Escrow Deposit Agreement (the "1993 Escrow Agreement"), in substantially the form submitted at this meeting and attached hereto as Exhibit C, with such insertions, modifications and changes as may be approved by the City Manager, in consultation with the City's Co-Financial Advisors and Bond Counsel. The City acknowledges that the 1993 Bonds to be refunded, if any, will be irrevocably called for redemption as provided in the 1993 Escrow Agreement, without premium, together with interest accrued through

FTL75018

8

either Bond Counsel, the Co-Financial Advisors, the Escrow Agent or the Purchaser. All actions of the Mayor, Vice-Mayor, City Manager, City Clerk and any other proper officials of the City heretofore taken to implement this Ordinance, the Bond Ordinance, the Preliminary Official Statement, the Official Statement, the 2005 Bonds, the DTC Agreement or in accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing are hereby ratified and confirmed.

SECTION 16. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof or of the 2005 Bonds.

SECTION 17. BOND ORDINANCE TO CONTINUE IN FORCE. Except as herein expressly provided as to the 2005 Bonds, the Bond Ordinance and all the terms and provisions thereof, are and shall remain in full force and effect. The Original Ordinance is hereby deemed amended and restated in its entirety hereby.

SECTION 18. EFFECTIVE DATE. This Ordinance shall be effective as its second reading.

PASSED AND ENACTED on first reading this 24 day of May, 2005.

PASSED AND ENACTED on second reading this 14 day of June, 2005.

By:  Mayor

(Seal)

ATTEST:


City Clerk

FTL75018

10

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

We, the undersigned members of the City Commission of the City of Pompano Beach, Florida, recognizing that the purchasers and subsequent owners of the Water and Sewer Refunding Revenue Bonds, Series 2005 of the City of Pompano Beach, Florida, referred to in the foregoing Ordinance, will have accepted such 2005 Bonds in reliance upon this certificate, do hereby certify, individually and collectively, that no two or more of us, meeting together in any meeting which was not open to the public or of which the public did not have notice, reached any prior conclusion as to whether the action taken by said Ordinance or any part thereof should or should not be taken on by said City Commission or should be recommended as an action to be taken or not to be taken by said City Commission:

WITNESS our Official Signatures:
[Signature]
Mayor
[Signature]
Vice-Mayor
[Signature]
Commissioner
[Signature]
Commissioner
[Signature]
Commissioner
[Signature]
Commissioner

The foregoing instrument was acknowledged before me this ____ day of _____, 2005, by _____ as _____ for City of Pompano Beach, Florida.

[SEAL]

Personally Known _____
or Produced Identification _____
Type of Identification Produced _____

FTL-753010-8

11

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by JOHN C. RAYSON, as Mayor of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by SUSAN FOSTER, as Vice Mayor of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by GEORGE BRUMMER as Commissioner of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

STATE OF FLORIDA
COUNTY OF BROWARD

FTL-753010-8

11-A

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by LAMAR FISHER, as Commissioner of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by KAY MCGINN, as Commissioner of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 9th day of March, 2006 by E. PAT LARKINS as Commissioner of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

FTL-753010-8

11-B

BOND DEBT SERVICE

City of Pompano Beach Water & Sewer Revenue
Series 2014 Refunding of Series 2006B
Final Numbers
Loan Provider: Regions Capital Advantage

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2015			76,940.50	76,940.50	
07/01/2015	2,915,000	1.680%	145,782.00	3,060,782.00	3,137,722.50
01/01/2016			121,296.00	121,296.00	
07/01/2016	2,790,000	1.680%	121,296.00	2,911,296.00	3,032,592.00
01/01/2017			97,860.00	97,860.00	
07/01/2017	2,835,000	1.680%	97,860.00	2,932,860.00	3,030,720.00
01/01/2018			74,046.00	74,046.00	
07/01/2018	2,890,000	1.680%	74,046.00	2,964,046.00	3,038,092.00
01/01/2019			49,770.00	49,770.00	
07/01/2019	2,935,000	1.680%	49,770.00	2,984,770.00	3,034,540.00
01/01/2020			25,116.00	25,116.00	
07/01/2020	2,990,000	1.680%	25,116.00	3,015,116.00	3,040,232.00
	17,355,000		958,898.50	18,313,898.50	18,313,898.50





OFFICE OF THE CITY ATTORNEY

City Attorney | Mark E. Berman*

Assistant City Attorneys | Fawn Powers Tracy A. Lyons James E. Saunders III

*Board Certified City County and Local Government Law

City Attorney's Communication #2019-62 October 25, 2018

Ms. Angela Knecht
Program Administrator
State Revolving Fund Management
3900 Commonwealth Blvd., Mail Station 3505
Tallahassee, Florida 32399-3000

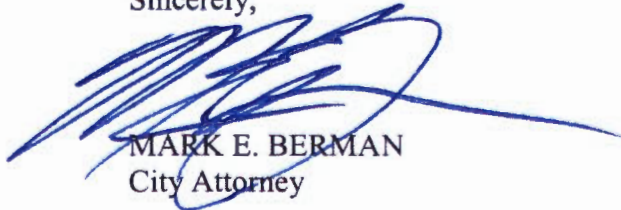
Re: DW06245 – City of Pompano Beach
Water Interconnect Project

Dear Ms. Knecht:

I am the duly appointed City Attorney for the City of Pompano Beach. The City proposes to borrow \$496,400 (\$342,300 to be repaid and \$154,100 to be forgiven) from the Drinking Water State Revolving Fund loan program for the Water Interconnect Project. The loan will be secured by the net revenues of the City's water and sewer system and the pledged revenues are legally available to pledge. The City of Pompano Beach has the legal authority to increase rates to ensure repayment of the loan.

The pledge on revenues is subject to a prior lien with the following issues: City of Pompano Beach, Florida, Water and Sewer System Revenue Refunding Bonds, Series 2014.

Sincerely,



MARK E. BERMAN
City Attorney

MEB/jrm
L:cor/atty/2019-62

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	\$ 42,425,662	\$ 1,637,897	\$ 12,182,376	\$ 56,245,935	\$ 22,239,388
Fines and forfeitures	-	290,239	-	290,239	-
Miscellaneous	-	18,000	55,000	73,000	141,745
Total operating revenues	<u>42,425,662</u>	<u>1,946,136</u>	<u>12,237,376</u>	<u>56,609,174</u>	<u>22,381,133</u>
OPERATING EXPENSES					
Personnel services	8,346,644	-	1,412,037	9,758,681	2,888,394
Other current expenses	22,687,887	1,084,309	6,690,135	30,462,331	18,573,779
Depreciation and amortization	6,824,876	758,852	1,988,648	9,572,376	114,470
Total operating expenses	<u>37,859,407</u>	<u>1,843,161</u>	<u>10,090,820</u>	<u>49,793,388</u>	<u>21,576,643</u>
Operating income (loss)	<u>4,566,255</u>	<u>102,975</u>	<u>2,146,556</u>	<u>6,815,786</u>	<u>804,490</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	345,366	29,468	110,457	485,291	145,830
Miscellaneous revenue	323	-	100	423	414
Interest expense and fiscal agent fees	(388,529)	(1,246,033)	-	(1,634,562)	-
Operating grants and contributions	-	-	68,235	68,235	-
Gain or (loss) from disposition of capital assets	89,532	-	16,848	106,380	(10,126)
Total nonoperating revenues (expenses)	<u>46,692</u>	<u>(1,216,565)</u>	<u>195,640</u>	<u>(974,233)</u>	<u>136,118</u>
Income (loss) before contributions and transfers	4,612,947	(1,113,590)	2,342,196	5,841,553	940,608
Capital grants and contributions	1,866,725	-	90,027	1,956,752	-
Transfers in	28,421	-	12,543,918	12,572,339	-
Transfers out	-	(687,447)	(8,767,183)	(9,454,630)	-
Change in net position	<u>6,508,093</u>	<u>(1,801,037)</u>	<u>6,208,958</u>	<u>10,916,014</u>	<u>940,608</u>
Total net position - beginning	<u>120,726,144</u>	<u>1,842,544</u>	<u>45,243,193</u>	<u>167,811,881</u>	<u>8,333,969</u>
Total net position - ending	<u>\$ 127,234,237</u>	<u>\$ 41,507</u>	<u>\$ 51,452,151</u>	<u>\$ 178,727,895</u>	<u>\$ 9,274,577</u>

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	\$ 41,695,146	\$ 1,560,320	\$ 13,539,250	\$ 56,794,716	\$ 20,866,454
Fines and forfeitures	-	423,247	-	423,247	-
Miscellaneous	55,096	3,395	97,406	155,897	145,571
Total operating revenues	<u>41,750,242</u>	<u>1,986,962</u>	<u>13,636,656</u>	<u>57,373,860</u>	<u>21,012,025</u>
OPERATING EXPENSES					
Personnel services	9,326,330	-	2,011,715	11,338,045	2,734,723
Other current expenses	21,739,998	1,209,753	8,621,181	31,570,932	18,789,798
Depreciation and amortization	9,679,484	19,704	2,760,571	12,459,759	231,636
Total operating expenses	<u>40,745,812</u>	<u>1,229,457</u>	<u>13,393,467</u>	<u>55,368,736</u>	<u>21,756,157</u>
Operating income (loss)	<u>1,004,430</u>	<u>757,505</u>	<u>243,189</u>	<u>2,005,124</u>	<u>(744,132)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	568,816	64,620	134,351	767,787	252,638
Miscellaneous revenue	10,283	408,358	5,430	424,071	3,626
Interest expense and fiscal agent fees	(447,652)	(729,039)	(1,696)	(1,178,387)	-
Gain or (loss) from disposition of capital assets	75,729	-	58,161	133,890	26
Total nonoperating revenue (expenses)	<u>207,176</u>	<u>(256,061)</u>	<u>196,246</u>	<u>147,361</u>	<u>256,290</u>
Income (loss) before contributions and transfers	1,211,606	501,444	439,435	2,152,485	(487,842)
Capital grants and contributions	194,517	-	61,744	256,261	87,026
Operating grants and contributions	-	-	27,639	27,639	-
Transfers in	271,060	-	1,092,378	1,363,438	-
Transfers out	(63,000)	-	(1,981,918)	(2,044,918)	-
Change in net position	<u>1,614,183</u>	<u>501,444</u>	<u>(360,722)</u>	<u>1,754,905</u>	<u>(400,816)</u>
Total net position - beginning	<u>119,111,961</u>	<u>1,341,100</u>	<u>45,603,915</u>	<u>166,056,976</u>	<u>8,734,785</u>
Total net position - ending	<u>\$ 120,726,144</u>	<u>\$ 1,842,544</u>	<u>\$ 45,243,193</u>	<u>\$ 167,811,881</u>	<u>\$ 8,333,969</u>

The accompanying notes are an integral part of the financial statements.

412-3305-533.12-60	412 ACCRUED VACATION/SICK LVE		(36,297.00)	7,279.00	(43,576.00)	(599)
412-3305-533.13-20	412 DROP PLAN VAC/SICK PAY	Operating Expenses	1,127.00	1,127.00	0.00	0
412-3305-533.14-10	412 OVERTIME REGULAR	Operating Expenses	2,753.00	818.00	1,935.00	237
412-3305-533.15-40	412 PAID VACATION TERM EMPL	Operating Expenses	8,295.00	0.00	8,295.00	0
412-3305-533.15-50	412 PAID SICK LEAVE TERM EMPL	Operating Expenses	9,594.00	0.00	9,594.00	0
412-3305-533.21-00	412 FICA TAXES	Operating Expenses	21,634.00	18,698.00	2,936.00	16
412-3305-533.22-10	412 GENL EMPLOYEES RETIREMENT	Operating Expenses	39,894.00	39,149.00	745.00	2
412-3305-533.23-20	412 GEN EMPL VEBA TRUST	Operating Expenses	5,407.00	2,425.00	2,982.00	123
412-3305-533.26-20	412 AUTOMOBILE	Operating Expenses	5,167.00	5,818.00	(651.00)	(11)
412-3305-533.28-10	412 PENSION CONTRIBUTION		(39,894.00)	(39,149.00)	(745.00)	2
412-3305-533.28-20	412 PENSION EXPENSE		(20,620.00)	167,198.00	(187,818.00)	(112)
412-3310-533.12-10	412 EXEMPT	Operating Expenses	90,587.00	86,932.00	3,655.00	4
412-3310-533.12-24	412 NON EXEMPT GENERAL EMP	Operating Expenses	455,773.00	480,053.00	(24,280.00)	(5)
412-3310-533.12-30	412 ASSIGNMENT DIFFERENTIAL	Operating Expenses	3,609.00	573.00	3,036.00	530
412-3310-533.12-60	412 ACCRUED VACATION/SICK LVE		(31,117.00)	7,186.00	(38,303.00)	(533)
412-3310-533.13-20	412 DROP PLAN VAC/SICK PAY	Operating Expenses	13,120.00	9,702.00	3,418.00	35
412-3310-533.14-10	412 OVERTIME REGULAR	Operating Expenses	6,368.00	3,560.00	2,808.00	79
412-3310-533.21-00	412 FICA TAXES	Operating Expenses	43,001.00	43,809.00	(808.00)	(2)
412-3310-533.22-10	412 GENL EMPLOYEES RETIREMENT	Operating Expenses	119,478.00	114,642.00	4,836.00	4
412-3310-533.23-20	412 GEN EMPL VEBA TRUST	Operating Expenses	12,240.00	5,456.00	6,784.00	124
412-3310-533.26-20	412 AUTOMOBILE	Operating Expenses	2,892.00	2,900.00	(8.00)	0
412-3310-533.28-10	412 PENSION CONTRIBUTION	Operating Expenses	(119,478.00)	(114,642.00)	(4,836.00)	4
412-3310-533.28-20	412 PENSION EXPENSE	Operating Expenses	153,170.00	92,171.00	60,999.00	66
412-3320-533.12-10	412 EXEMPT	Operating Expenses	223,520.00	182,646.00	40,874.00	22
412-3320-533.12-24	412 NON EXEMPT GENERAL EMP	Operating Expenses	1,386,056.00	1,313,549.00	72,507.00	6
412-3320-533.12-30	412 ASSIGNMENT DIFFERENTIAL	Operating Expenses	5,726.00	3,845.00	1,881.00	49
412-3320-533.12-60	412 ACCRUED VACATION/SICK LVE		17,922.00	22,263.00	(4,341.00)	(19)
412-3320-533.13-10	412 TEMPORARY & PART TIME	Operating Expenses	37,830.00	76,346.00	(38,516.00)	(50)
412-3320-533.13-20	412 DROP PLAN VAC/SICK PAY	Operating Expenses	10,330.00	14,649.00	(4,319.00)	(29)
412-3320-533.14-10	412 OVERTIME REGULAR	Operating Expenses	88,457.00	56,340.00	32,117.00	57
412-3320-533.14-40	412 OVERTIME CALL-IN	Operating Expenses	8,712.00	8,699.00	13.00	0
412-3320-533.15-10	412 STAND BY	Operating Expenses	5,648.00	5,518.00	130.00	2
412-3320-533.15-40	412 PAID VACATION TERM EMPL	Operating Expenses	3,728.00	1,178.00	2,550.00	216
412-3320-533.15-50	412 PAID SICK LEAVE TERM EMPL	Operating Expenses	2,586.00	0.00	2,586.00	0

412-3320-533.15-70 412 INCENTIVE PAY	Operating Expenses	(325.00)	275.00	(600.00)	(218)
412-3320-533.21-00 412 FICA TAXES	Operating Expenses	131,241.00	123,973.00	7,268.00	6
412-3320-533.22-10 412 GENL EMPLOYEES RETIREMENT	Operating Expenses	375,453.00	365,079.00	10,374.00	3
412-3320-533.23-20 412 GEN EMPL VEBA TRUST	Operating Expenses	35,702.00	13,771.00	21,931.00	159
412-3320-533.26-20 412 AUTOMOBILE	Operating Expenses	5,635.00	4,328.00	1,307.00	30
412-3320-533.26-40 412 EDUCATION	Operating Expenses	0.00	348.00	(348.00)	(100)
412-3320-533.28-10 412 PENSION CONTRIBUTION	Operating Expenses	(375,453.00)	(365,079.00)	(10,374.00)	3
412-3320-533.28-20 412 PENSION EXPENSE	Operating Expenses	258,664.00	556,670.00	(298,006.00)	(54)
412-3330-533.12-10 412 EXEMPT	Operating Expenses	196,720.00	166,050.00	30,670.00	18
412-3330-533.12-24 412 NON EXEMPT GENERAL EMP	Operating Expenses	992,810.00	1,007,569.00	(14,759.00)	(1)
412-3330-533.12-30 412 ASSIGNMENT DIFFERENTIAL	Operating Expenses	9,673.00	17,145.00	(7,472.00)	(44)
412-3330-533.12-60 412 ACCRUED VACATION/SICK LVE		4,446.00	(5,467.00)	9,913.00	(181)
412-3330-533.13-10 412 TEMPORARY & PART TIME	Operating Expenses	144.00	155.00	(11.00)	(7)
412-3330-533.14-10 412 OVERTIME REGULAR	Operating Expenses	38,642.00	11,172.00	27,470.00	246
412-3330-533.14-40 412 OVERTIME CALL-IN	Operating Expenses	78,945.00	93,337.00	(14,392.00)	(15)
412-3330-533.15-10 412 STAND BY	Operating Expenses	9,169.00	9,157.00	12.00	0
412-3330-533.15-40 412 PAID VACATION TERM EMPL	Operating Expenses	2,384.00	3,153.00	(769.00)	(24)
412-3330-533.15-50 412 PAID SICK LEAVE TERM EMPL	Operating Expenses	3,434.00	28,509.00	(25,075.00)	(88)
412-3330-533.15-70 412 INCENTIVE PAY	Operating Expenses	19,154.00	18,161.00	993.00	5
412-3330-533.21-00 412 FICA TAXES	Operating Expenses	99,272.00	98,766.00	506.00	1
412-3330-533.22-10 412 GENL EMPLOYEES RETIREMENT	Operating Expenses	311,663.00	305,996.00	5,667.00	2
412-3330-533.23-20 412 GEN EMPL VEBA TRUST	Operating Expenses	26,746.00	11,145.00	15,601.00	140
412-3330-533.26-40 412 EDUCATION	Operating Expenses	1,827.00	0.00	1,827.00	0
412-3330-533.26-60 412 ALLOWANCE -CELL PHONE	Operating Expenses	481.00	483.00	(2.00)	0
412-3330-533.28-10 412 PENSION CONTRIBUTION		(311,663.00)	(305,996.00)	(5,667.00)	2
412-3330-533.28-20 412 PENSION EXPENSE		127,687.00	299,109.00	(171,422.00)	(57)
412-3340-533.12-24 412 NON EXEMPT GENERAL EMP		130,364.00	134,770.00	(4,406.00)	(3)
412-3340-533.12-30 412 ASSIGNMENT DIFFERENTIAL		456.00	0.00	456.00	0
412-3340-533.12-60 412 ACCRUED VACATION/SICK LVE		(5,599.00)	(868.00)	(4,731.00)	545
412-3340-533.13-10 412 TEMPORARY & PART TIME		49,978.00	45,261.00	4,717.00	10
412-3340-533.13-20 412 DROP PLAN VAC/SICK PAY		2,329.00	2,329.00	0.00	0
412-3340-533.14-10 412 OVERTIME REGULAR		6,592.00	8,575.00	(1,983.00)	(23)
412-3340-533.14-40 412 OVERTIME CALL-IN		306.00	1,757.00	(1,451.00)	(83)
412-3340-533.15-10 412 STAND BY		130.00	0.00	130.00	0

412-3340-533.21-00 412 FICA TAXES	14,542.00	14,680.00	(138.00)	(1)
412-3340-533.22-10 412 GENL EMPLOYEES RETIREMENT	33,940.00	31,099.00	2,841.00	9
412-3340-533.23-20 412 GEN EMPL VEBA TRUST	2,834.00	1,274.00	1,560.00	122
412-3340-533.28-10 412 PENSION CONTRIBUTION	(33,940.00)	(31,099.00)	(2,841.00)	9
412-3340-533.28-20 412 PENSION EXPENSE	(138,533.00)	221,071.00	(359,604.00)	(163)
412-3350-533.11-20 412 EXECUTIVE	9,903.00	9,519.00	384.00	4
412-3350-533.12-10 412 EXEMPT	67,908.00	67,593.00	315.00	0
412-3350-533.12-26 412 NON EXEMPT NON BARGAINING	3,519.00	3,348.00	171.00	5
412-3350-533.12-30 412 ASSIGNMENT DIFFERENTIAL	402.00	508.00	(106.00)	(21)
412-3350-533.12-60 412 ACCRUED VACATION/SICK LVE	(1,706.00)	(1,370.00)	(336.00)	25
412-3350-533.13-20 412 DROP PLAN VAC/SICK PAY	215.00	215.00	0.00	0
412-3350-533.14-10 412 OVERTIME REGULAR	390.00	154.00	236.00	153
412-3350-533.15-40 412 PAID VACATION TERM EMPL	1,694.00	2,963.00	(1,269.00)	(43)
412-3350-533.15-50 412 PAID SICK LEAVE TERM EMPL	1,146.00	0.00	1,146.00	0
412-3350-533.21-00 412 FICA TAXES	6,746.00	6,654.00	92.00	1
412-3350-533.22-10 412 GENL EMPLOYEES RETIREMENT	17,967.00	15,324.00	2,643.00	17
412-3350-533.23-20 412 GEN EMPL VEBA TRUST	1,816.00	886.00	930.00	105
412-3350-533.26-20 412 AUTOMOBILE	2,828.00	3,006.00	(178.00)	(6)
412-3350-533.28-10 412 PENSION CONTRIBUTION	(17,967.00)	(15,324.00)	(2,643.00)	17
412-3355-533.12-10 412 EXEMPT	12,767.00	6,770.00	5,997.00	89
412-3355-533.12-24 412 NON EXEMPT GENERAL EMP	232,322.00	148,786.00	83,536.00	56
412-3355-533.12-30 412 ASSIGNMENT DIFFERENTIAL	0.00	1,016.00	(1,016.00)	(100)
412-3355-533.12-60 412 ACCRUED VACATION/SICK LVE	14,735.00	2,640.00	12,095.00	458
412-3355-533.14-10 412 OVERTIME REGULAR	9,986.00	4,558.00	8,436.00	544
412-3355-533.14-40 412 OVERTIME CALL-IN	12,401.00	8,603.00	3,798.00	44
412-3355-533.15-10 412 STAND BY	1,843.00	734.00	1,109.00	151
412-3355-533.15-70 412 INCENTIVE PAY	4,005.00	1,811.00	2,194.00	121
412-3355-533.21-00 412 FICA TAXES	20,811.00	12,953.00	7,858.00	61
412-3355-533.22-10 412 GENL EMPLOYEES RETIREMENT	57,818.00	39,444.00	18,374.00	47
412-3355-533.23-20 412 GEN EMPL VEBA TRUST	5,512.00	1,519.00	3,993.00	263
412-3355-533.28-10 412 PENSION CONTRIBUTION	(57,818.00)	(39,444.00)	(18,374.00)	47
412-3505-535.11-20 412 EXECUTIVE	61,900.00	58,485.00	2,405.00	4
412-3505-535.12-10 412 EXEMPT	125,685.00	136,617.00	(10,932.00)	(8)
412-3505-535.12-24 412 NON EXEMPT GENERAL EMP	25,283.00	0.00	25,283.00	0

412-3505-535.12-26 412 NON EXEMPT NON BARGAINING	21,992.00	20,925.00	1,067.00	5
412-3505-535.12-30 412 ASSIGNMENT DIFFERENTIAL	2,511.00	3,177.00	(666.00)	(21)
412-3505-535.12-60 412 ACCRUED VACATION/SICK LVE	9,681.00	0.00	9,681.00	0
412-3505-535.13-20 412 DROP PLAN VAC/SICK PAY	1,342.00	1,342.00	0.00	0
412-3505-535.14-10 412 OVERTIME REGULAR	6,410.00	962.00	5,448.00	566
412-3505-535.14-40 412 OVERTIME CALL-IN	888.00	0.00	888.00	0
412-3505-535.15-10 412 STAND BY	16.00	0.00	16.00	0
412-3505-535.15-40 412 PAID VACATION TERM EMPL	9,326.00	0.00	9,326.00	0
412-3505-535.15-50 412 PAID SICK LEAVE TERM EMPL	10,741.00	0.00	10,741.00	0
412-3505-535.15-70 412 INCENTIVE PAY	691.00	0.00	691.00	0
412-3505-535.21-00 412 FICA TAXES	20,627.00	17,357.00	3,270.00	19
412-3505-535.22-10 412 GENL EMPLOYEES RETIREMENT	52,565.00	50,554.00	2,011.00	4
412-3505-535.23-20 412 GEN EMPL VEBA TRUST	4,974.00	2,103.00	2,871.00	137
412-3505-535.26-20 412 AUTOMOBILE	4,504.00	5,190.00	(686.00)	(13)
412-3505-535.26-40 412 EDUCATION	1,353.00	0.00	1,353.00	0
412-3505-535.28-10 412 PENSION CONTRIBUTION	(52,565.00)	(50,554.00)	(2,011.00)	4
412-3505-535.28-20 412 PENSION EXPENSE	56,437.00	113,762.00	(57,325.00)	(50)
412-3510-535.12-10 412 EXEMPT	129,011.00	125,712.00	3,299.00	3
412-3510-535.12-24 412 NON EXEMPT GENERAL EMP	619,321.00	621,992.00	(2,671.00)	0
412-3510-535.12-30 412 ASSIGNMENT DIFFERENTIAL	31.00	2,771.00	(2,740.00)	(99)
412-3510-535.12-60 412 ACCRUED VACATION/SICK LVE	8,422.00	(7,372.00)	15,794.00	(214)
412-3510-535.13-20 412 DROP PLAN VAC/SICK PAY	17,587.00	15,255.00	2,332.00	15
412-3510-535.14-10 412 OVERTIME REGULAR	40,443.00	12,271.00	28,175.00	230
412-3510-535.14-40 412 OVERTIME CALL-IN	112,667.00	109,255.00	3,412.00	3
412-3510-535.15-10 412 STAND BY	10,083.00	10,691.00	(608.00)	(6)
412-3510-535.15-70 412 INCENTIVE PAY	9,928.00	8,861.00	1,067.00	12
412-3510-535.21-00 412 FICA TAXES	69,095.00	66,729.00	2,367.00	4
412-3510-535.22-10 412 GENL EMPLOYEES RETIREMENT	178,351.00	164,859.00	13,492.00	8
412-3510-535.23-20 412 GEN EMPL VEBA TRUST	16,806.00	7,457.00	9,349.00	125
412-3510-535.28-10 412 PENSION CONTRIBUTION	(178,351.00)	(164,859.00)	(13,492.00)	8
412-3510-535.28-20 412 PENSION EXPENSE	86,547.00	433,488.00	(346,941.00)	(80)
412-3520-535.12-10 412 EXEMPT	80,507.00	78,447.00	2,060.00	3
412-3520-535.12-24 412 NON EXEMPT GENERAL EMP	943,835.00	891,043.00	52,792.00	6
412-3520-535.12-30 412 ASSIGNMENT DIFFERENTIAL	1,677.00	0.00	1,677.00	0

412-3520-535.12-60 412 ACCRUED VACATION/SICK LVE		20,103.00	(3,041.00)	23,144.00	(761)
412-3520-535.13-10 412 TEMPORARY & PART TIME		0.00	411.00	(411.00)	(100)
412-3520-535.13-20 412 DROP PLAN VAC/SICK PAY		7,542.00	0.00	7,542.00	0
412-3520-535.14-10 412 OVERTIME REGULAR		36,203.00	9,983.00	26,220.00	263
412-3520-535.14-40 412 OVERTIME CALL-IN		35,498.00	38,296.00	(2,798.00)	(7)
412-3520-535.15-10 412 STAND BY		5,921.00	6,968.00	(1,047.00)	(15)
412-3520-535.15-70 412 INCENTIVE PAY		14,939.00	12,773.00	2,166.00	17
412-3520-535.21-00 412 FICA TAXES		85,020.00	79,174.00	5,846.00	7
412-3520-535.22-10 412 GENL EMPLOYEES RETIREMENT		255,398.00	244,751.00	10,647.00	4
412-3520-535.23-20 412 GEN EMPL VEBA TRUST		23,048.00	9,488.00	13,560.00	143
412-3520-535.28-10 412 PENSION CONTRIBUTION		(255,398.00)	(244,751.00)	(10,647.00)	4
412-3520-535.28-20 412 PENSION EXPENSE		298,679.00	410,212.00	(111,533.00)	(27)
Utility Oper. Fund		8,346,644.00	9,326,330.00	(979,686.00)	(11)

5700 Other current expenses		22,687,887.00	21,739,988.00	947,899.00	4
5700 UTILIT Adjustments	Operating Expenses	176,714.00	129,662.00	47,052.00	36
5700 UTILIT Adjustments		144,585.00	106,088.00	38,497.00	36
Utility		321,299.00	235,750.00	85,549.00	36

412-3305-533.31-10 412 ENGINEERING	Operating Expenses	32,803.00	21,374.00	11,429.00	53
412-3305-533.31-40 412 MANAGEMENT CONSULTING	Operating Expenses	32,962.00	26,715.00	6,247.00	23
412-3305-533.31-60 412 OTHER PROFESSIONAL	Operating Expenses	79,916.00	54,251.00	25,665.00	47
412-3305-533.32-10 412 ACCOUNTING & AUDITING	Operating Expenses	12,602.00	13,169.00	(567.00)	(4)
412-3305-533.39-10 412 ADMINISTRATIVE SVC CHG	Operating Expenses	3,187,182.00	2,957,450.00	229,732.00	8
412-3305-533.39-20 412 CENTRAL SVCS CHGS	Operating Expenses	19,425.00	7,010.00	12,415.00	177
412-3305-533.39-30 412 CENTRAL STORES CHGS	Operating Expenses	1,565.00	983.00	582.00	59
412-3305-533.39-60 412 INSUR SVC CHGS -HEALTH	Operating Expenses	43,058.00	37,689.00	5,369.00	14
412-3305-533.39-65 412 INSUR SVC CHGS -RISK MGMT	Operating Expenses	3,020.00	2,645.00	375.00	14
412-3305-533.39-70 412 LANDSCAPE SERVICE CHGS	Operating Expenses	255,724.00	232,799.00	22,925.00	10
412-3305-533.39-90 412 INFORMATION TECH CHARGE	Operating Expenses	7,024.00	4,571.00	2,453.00	54
412-3305-533.40-10 412 TRAVEL EDUCATION MEMBER	Operating Expenses	27,604.00	28,011.00	(407.00)	(1)
412-3305-533.41-20 412 POSTAGE	Operating Expenses	623.00	1,656.00	(1,033.00)	(62)
412-3305-533.43-10 412 TELEPHONE	Operating Expenses	4,108.00	3,998.00	110.00	3

412-3305-533.43-30 412 ELECTRIC	Operating Expenses	921,570.00	950,251.00	(28,681.00)	(3)
412-3305-533.44-30 412 LAND RENT	Operating Expenses	566,537.00	572,859.00	(6,322.00)	(1)
412-3305-533.45-95 412 INSURANCE OPEB		56,719.00	37,220.00	19,499.00	52
412-3305-533.46-10 412 LAND. BLDGS, IMPROVEMENTS	Operating Expenses	1,379.00	862.00	517.00	60
412-3305-533.46-30 412 MACHINERY & EQUIPMENT	Operating Expenses	0.00	63.00	(63.00)	(100)
412-3305-533.46-50 412 SPECIAL SERVICES	Operating Expenses	19,626.00	17,859.00	1,767.00	10
412-3305-533.49-50 412 CREDIT CARD BANK FEES	Operating Expenses	48,870.00	46,198.00	2,672.00	6
412-3305-533.51-10 412 OFFICE SUPPLIES	Operating Expenses	5,581.00	6,946.00	(1,365.00)	(20)
412-3305-533.52-15 412 SMALL TOOLS MINOR EQUIP	Operating Expenses	0.00	4,901.00	(4,901.00)	(100)
412-3305-533.52-20 412 SPECIAL SUPPLIES	Operating Expenses	6,566.00	7,710.00	(1,144.00)	(15)
412-3305-533.52-25 412 SOFTWARE PURCHASES	Operating Expenses	35,630.00	35,916.00	(286.00)	(1)
412-3305-533.52-50 412 CLOTHING	Operating Expenses	245.00	568.00	(323.00)	(57)
412-3305-533.52-55 412 CLEANING	Operating Expenses	2,641.00	1,939.00	702.00	36
412-3310-533.39-20 412 CENTRAL SVCS CHGS	Operating Expenses	20,414.00	10,169.00	10,245.00	101
412-3310-533.39-30 412 CENTRAL STORES CHGS	Operating Expenses	2,276.00	1,441.00	835.00	58
412-3310-533.39-60 412 INSUR SVC CHGS -HEALTH	Operating Expenses	73,795.00	80,876.00	(7,081.00)	(9)
412-3310-533.39-65 412 INSUR SVC CHGS -RISK MGMT	Operating Expenses	10,154.00	11,273.00	(1,119.00)	(10)
412-3310-533.39-80 412 VEHICLE SERVICE CHGS	Operating Expenses	17,565.00	31,759.00	(14,194.00)	(45)
412-3310-533.39-90 412 INFORMATION TECH CHARGE	Operating Expenses	220,220.00	190,153.00	30,067.00	16
412-3310-533.40-10 412 TRAVEL EDUCATION MEMBER	Operating Expenses	1,293.00	757.00	536.00	71
412-3310-533.41-20 412 POSTAGE	Operating Expenses	74,714.00	82,463.00	(7,749.00)	(9)
412-3310-533.43-10 412 TELEPHONE	Operating Expenses	7,797.00	7,253.00	544.00	8
412-3310-533.46-40 412 MAINTENANCE CONTRACTS	Operating Expenses	8,569.00	8,569.00	0.00	0
412-3310-533.46-50 412 SPECIAL SERVICES	Operating Expenses	53,734.00	40,233.00	13,501.00	34
412-3310-533.51-10 412 OFFICE SUPPLIES	Operating Expenses	5,566.00	3,939.00	1,627.00	41
412-3310-533.52-15 412 SMALL TOOLS MINOR EQUIP	Operating Expenses	1,119.00	1,004.00	115.00	11
412-3310-533.52-50 412 CLOTHING	Operating Expenses	1,615.00	3,020.00	(1,405.00)	(47)
412-3310-533.52-55 412 CLEANING	Operating Expenses	0.00	18.00	(18.00)	(100)
412-3310-533.54-10 412 PUBLICATIONS	Operating Expenses	319.00	367.00	(48.00)	(13)
412-3320-533.31-60 412 OTHER PROFESSIONAL	Operating Expenses	136,394.00	121,150.00	15,244.00	13
412-3320-533.39-20 412 CENTRAL SVCS CHGS	Operating Expenses	50,205.00	24,663.00	25,542.00	104
412-3320-533.39-30 412 CENTRAL STORES CHGS	Operating Expenses	21,484.00	9,482.00	12,002.00	127
412-3320-533.39-60 412 INSUR SVC CHGS -HEALTH	Operating Expenses	332,183.00	336,032.00	(3,849.00)	(1)
412-3320-533.39-65 412 INSUR SVC CHGS -RISK MGMT	Operating Expenses	166,679.00	176,503.00	(9,824.00)	(6)

412-3320-533.39-80 412 VEHICLE SERVICE CHGS	Operating Expenses	80,690.00	91,837.00	(11,147.00)	(12)
412-3320-533.39-90 412 INFORMATION TECH CHARGE	Operating Expenses	22,635.00	22,272.00	363.00	2
412-3320-533.40-10 412 TRAVEL EDUCATION MEMBER	Operating Expenses	32,093.00	15,292.00	16,801.00	110
412-3320-533.41-20 412 POSTAGE	Operating Expenses	1,560.00	1,153.00	407.00	35
412-3320-533.43-10 412 TELEPHONE	Operating Expenses	3,205.00	1,700.00	1,505.00	89
412-3320-533.43-40 412 WATER AND WASTEWATER	Operating Expenses	27,183.00	26,233.00	950.00	4
412-3320-533.43-50 412 DISPOSAL CHARGES	Operating Expenses	13,041.00	14,640.00	(1,599.00)	(11)
412-3320-533.44-10 412 RENTALS & LEASES	Operating Expenses	0.00	3,506.00	(3,506.00)	(100)
412-3320-533.46-10 412 LAND. BLDGS, IMPROVEMENTS	Operating Expenses	14,713.00	9,210.00	5,503.00	60
412-3320-533.46-30 412 MACHINERY & EQUIPMENT	Operating Expenses	232,317.00	244,104.00	(11,787.00)	(5)
412-3320-533.46-40 412 MAINTENANCE CONTRACTS	Operating Expenses	76,988.00	96,501.00	(19,513.00)	(20)
412-3320-533.46-50 412 SPECIAL SERVICES	Operating Expenses	31,699.00	15,657.00	16,042.00	102
412-3320-533.51-10 412 OFFICE SUPPLIES	Operating Expenses	5,459.00	5,414.00	45.00	1
412-3320-533.52-05 412 CHEMICALS/HORTICULTURAL	Operating Expenses	1,239,939.00	1,228,800.00	11,139.00	1
412-3320-533.52-10 412 FUEL	Operating Expenses	41,341.00	12,551.00	28,790.00	229
412-3320-533.52-15 412 SMALL TOOLS MINOR EQUIP	Operating Expenses	4,734.00	2,962.00	1,772.00	60
412-3320-533.52-20 412 SPECIAL SUPPLIES	Operating Expenses	49,273.00	(3,797.00)	53,070.00	(1398)
412-3320-533.52-25 412 SOFTWARE PURCHASES	Operating Expenses	31,835.00	38,504.00	(6,669.00)	(17)
412-3320-533.52-50 412 CLOTHING	Operating Expenses	9,226.00	9,603.00	(377.00)	(4)
412-3320-533.52-55 412 CLEANING	Operating Expenses	250.00	552.00	(302.00)	(55)
412-3320-533.54-10 412 PUBLICATIONS	Operating Expenses	171.00	313.00	(142.00)	(45)
412-3330-533.31-60 412 OTHER PROFESSIONAL	Operating Expenses	7,062.00	2,997.00	4,065.00	136
412-3330-533.39-20 412 CENTRAL SVCS CHGS	Operating Expenses	43,382.00	20,497.00	22,885.00	112
412-3330-533.39-30 412 CENTRAL STORES CHGS	Operating Expenses	60,411.00	38,610.00	21,801.00	56
412-3330-533.39-60 412 INSUR SVC CHGS -HEALTH	Operating Expenses	252,004.00	221,713.00	30,291.00	14
412-3330-533.39-65 412 INSUR SVC CHGS -RISK MGMT	Operating Expenses	161,345.00	183,017.00	(21,672.00)	(12)
412-3330-533.39-80 412 VEHICLE SERVICE CHGS	Operating Expenses	203,578.00	184,000.00	19,578.00	11
412-3330-533.39-90 412 INFORMATION TECH CHARGE	Operating Expenses	11,157.00	9,434.00	1,723.00	18
412-3330-533.40-10 412 TRAVEL EDUCATION MEMBER	Operating Expenses	12,284.00	12,315.00	(31.00)	0
412-3330-533.41-20 412 POSTAGE	Operating Expenses	398.00	11,359.00	(10,961.00)	(96)
412-3330-533.43-10 412 TELEPHONE	Operating Expenses	1,188.00	1,445.00	(257.00)	(18)
412-3330-533.43-50 412 DISPOSAL CHARGES	Operating Expenses	6,960.00	6,284.00	676.00	11
412-3330-533.46-10 412 LAND. BLDGS, IMPROVEMENTS	Operating Expenses	259,383.00	281,194.00	(21,811.00)	(8)
412-3330-533.46-30 412 MACHINERY & EQUIPMENT	Operating Expenses	7,120.00	35,261.00	(28,141.00)	(80)

412-3330-533.46-50 412 SPECIAL SERVICES	Operating Expenses	1,312.00	2,242.00	(930.00)	(41)
412-3330-533.51-10 412 OFFICE SUPPLIES	Operating Expenses	4,211.00	4,187.00	24.00	1
412-3330-533.52-05 412 CHEMICALS/HORTICULTURAL	Operating Expenses	426.00	305.00	121.00	40
412-3330-533.52-15 412 SMALL TOOLS MINOR EQUIP	Operating Expenses	10,186.00	10,728.00	(542.00)	(5)
412-3330-533.52-20 412 SPECIAL SUPPLIES	Operating Expenses	3,122.00	14,811.00	(11,689.00)	(79)
412-3330-533.52-50 412 CLOTHING	Operating Expenses	18,838.00	13,443.00	5,395.00	40
412-3330-533.52-55 412 CLEANING	Operating Expenses	1,506.00	881.00	625.00	71
412-3340-533.31-60 412 OTHER PROFESSIONAL		16,282.00	16,484.00	(202.00)	(1)
412-3340-533.39-20 412 CENTRAL SVCS CHGS		6,835.00	3,399.00	3,436.00	101
412-3340-533.39-30 412 CENTRAL STORES CHGS		911.00	1,140.00	(229.00)	(20)
412-3340-533.39-60 412 INSUR SVC CHGS -HEALTH		9,684.00	11,338.00	(1,654.00)	(15)
412-3340-533.39-65 412 INSUR SVC CHGS -RISK MGMT		17,832.00	18,744.00	(912.00)	(5)
412-3340-533.39-90 412 INFORMATION TECH CHARGE		670.00	716.00	(46.00)	(6)
412-3340-533.43-40 412 WATER AND WASTEWATER		2,777.00	2,308.00	469.00	20
412-3340-533.46-10 412 LAND. BLDGS, IMPROVEMENTS		306.00	0.00	306.00	0
412-3340-533.46-30 412 MACHINERY & EQUIPMENT		25,132.00	26,578.00	(1,446.00)	(5)
412-3340-533.46-50 412 SPECIAL SERVICES		2,591.00	7,600.00	(5,009.00)	(66)
412-3340-533.46-80 412 REUSE WATER METERS		110.00	605.00	(495.00)	(82)
412-3340-533.51-10 412 OFFICE SUPPLIES		676.00	974.00	(298.00)	(31)
412-3340-533.52-05 412 CHEMICALS/HORTICULTURAL		76,446.00	65,500.00	10,946.00	17
412-3340-533.52-20 412 SPECIAL SUPPLIES		2,341.00	1,762.00	579.00	33
412-3340-533.52-50 412 CLOTHING		600.00	600.00	0.00	0
412-3350-533.28-20 412 PENSION EXPENSE		150,571.00	0.00	150,571.00	0
412-3350-533.31-40 412 MANAGEMENT CONSULTING		0.00	88.00	(88.00)	(100)
412-3350-533.31-60 412 OTHER PROFESSIONAL		1,890.00	22,553.00	(20,663.00)	(92)
412-3350-533.39-20 412 CENTRAL SVCS CHGS		15,551.00	1,740.00	13,811.00	794
412-3350-533.39-30 412 CENTRAL STORES CHGS		199.00	393.00	(194.00)	(49)
412-3350-533.39-60 412 INSUR SVC CHGS -HEALTH		3,197.00	19,462.00	(16,265.00)	(84)
412-3350-533.39-65 412 INSUR SVC CHGS -RISK MGMT		668.00	1,878.00	(1,210.00)	(64)
412-3350-533.39-90 412 INFORMATION TECH CHARGE		1,458.00	1,961.00	(503.00)	(26)
412-3350-533.40-10 412 TRAVEL EDUCATION MEMBER		4,540.00	6,907.00	(2,367.00)	(34)
412-3350-533.41-20 412 POSTAGE		538.00	231.00	307.00	133
412-3350-533.43-10 412 TELEPHONE		402.00	353.00	49.00	14
412-3350-533.43-30 412 ELECTRIC		182,970.00	184,085.00	(1,115.00)	(1)

412-3350-533.48-10 412 ADVERTISING	2,677.00	6,527.00	(3,850.00)	(59)
412-3350-533.49-50 412 CREDIT CARD BANK FEES	63.00	1,231.00	(1,168.00)	(95)
412-3350-533.51-10 412 OFFICE SUPPLIES	1,500.00	1,107.00	393.00	36
412-3350-533.52-15 412 SMALL TOOLS MINOR EQUIP	1,633.00	2,045.00	(412.00)	(20)
412-3350-533.52-20 412 SPECIAL SUPPLIES	578.00	1,220.00	(642.00)	(53)
412-3350-533.52-50 412 CLOTHING	0.00	220.00	(220.00)	(100)
412-3355-533.28-20 412 PENSION EXPENSE	387,570.00	0.00	387,570.00	0
412-3355-533.31-60 412 OTHER PROFESSIONAL	26,986.00	18,749.00	8,237.00	44
412-3355-533.39-20 412 CENTRAL SVCS CHGS	11,292.00	5,616.00	5,676.00	101
412-3355-533.39-30 412 CENTRAL STORES CHGS	626.00	8,471.00	(7,845.00)	(93)
412-3355-533.39-60 412 INSUR SVC CHGS -HEALTH	60,079.00	59,137.00	942.00	2
412-3355-533.39-65 412 INSUR SVC CHGS -RISK MGMT	3,676.00	5,609.00	(1,933.00)	(34)
412-3355-533.39-80 412 VEHICLE SERVICE CHGS	151,948.00	108,436.00	43,512.00	40
412-3355-533.39-90 412 INFORMATION TECH CHARGE	9,634.00	6,944.00	2,690.00	39
412-3355-533.40-10 412 TRAVEL EDUCATION MEMBER	1,354.00	0.00	1,354.00	0
412-3355-533.46-10 412 LAND. BLDGS. IMPROVEMENTS	5,288.00	1,533.00	3,755.00	245
412-3355-533.46-30 412 MACHINERY & EQUIPMENT	0.00	4,890.00	(4,890.00)	(100)
412-3355-533.46-80 412 REUSE WATER METERS	574.00	0.00	574.00	0
412-3355-533.52-15 412 SMALL TOOLS MINOR EQUIP	498.00	0.00	498.00	0
412-3355-533.52-20 412 SPECIAL SUPPLIES	0.00	1,172.00	(1,172.00)	(100)
412-3355-533.52-50 412 CLOTHING	986.00	0.00	986.00	0
412-3505-535.31-60 412 OTHER PROFESSIONAL	2,800.00	4,300.00	(1,500.00)	(35)
412-3505-535.32-10 412 ACCOUNTING & AUDITING	11,361.00	11,790.00	(429.00)	(4)
412-3505-535.39-10 412 ADMINISTRATIVE SVC CHG	1,853,753.00	1,676,204.00	177,549.00	11
412-3505-535.39-20 412 CENTRAL SVCS CHGS	16,354.00	4,604.00	11,750.00	255
412-3505-535.39-30 412 CENTRAL STORES CHGS	1,423.00	344.00	1,079.00	314
412-3505-535.39-60 412 INSUR SVC CHGS -HEALTH	32,180.00	19,812.00	12,368.00	62
412-3505-535.39-65 412 INSUR SVC CHGS -RISK MGMT	2,340.00	2,629.00	(289.00)	(11)
412-3505-535.39-70 412 LANDSCAPE SERVICE CHGS	198,897.00	181,066.00	17,831.00	10
412-3505-535.39-90 412 INFORMATION TECH CHARGE	4,310.00	6,239.00	(1,929.00)	(31)
412-3505-535.40-10 412 TRAVEL EDUCATION MEMBER	0.00	712.00	(712.00)	(100)
412-3505-535.43-10 412 TELEPHONE	417.00	865.00	(448.00)	(52)
412-3505-535.43-30 412 ELECTRIC	311,073.00	283,400.00	27,673.00	10
412-3505-535.46-10 412 LAND. BLDGS, IMPROVEMENTS	173.00	61.00	112.00	184

412-3505-535.49-50 412 CREDIT CARD BANK FEES	48,528.00	42,079.00	6,449.00	15
412-3505-535.51-10 412 OFFICE SUPPLIES	500.00	356.00	144.00	40
412-3505-535.52-20 412 SPECIAL SUPPLIES	400.00	32.00	368.00	1150
412-3505-535.52-50 412 CLOTHING	484.00	400.00	84.00	21
412-3505-535.52-55 412 CLEANING	544.00	444.00	100.00	23
412-3510-535.39-20 412 CENTRAL SVCS CHGS	27,558.00	12,084.00	15,474.00	128
412-3510-535.39-30 412 CENTRAL STORES CHGS	12,549.00	6,665.00	5,884.00	88
412-3510-535.39-60 412 INSUR SVC CHGS -HEALTH	179,573.00	148,418.00	31,155.00	21
412-3510-535.39-65 412 INSUR SVC CHGS -RISK MGMT	95,965.00	90,996.00	4,969.00	5
412-3510-535.39-80 412 VEHICLE SERVICE CHGS	79,801.00	93,914.00	(14,113.00)	(15)
412-3510-535.39-90 412 INFORMATION TECH CHARGE	22,648.00	17,701.00	4,947.00	28
412-3510-535.40-10 412 TRAVEL EDUCATION MEMBER	2,046.00	4,991.00	(2,945.00)	(59)
412-3510-535.41-20 412 POSTAGE	1,621.00	615.00	1,006.00	164
412-3510-535.43-10 412 TELEPHONE	1,970.00	2,110.00	(140.00)	(7)
412-3510-535.43-20 412 GAS	479.00	420.00	59.00	14
412-3510-535.43-40 412 WATER AND WASTEWATER	45,019.00	47,411.00	(2,392.00)	(5)
412-3510-535.44-10 412 RENTALS & LEASES	0.00	14,025.00	(14,025.00)	(100)
412-3510-535.46-10 412 LAND. BLDGS, IMPROVEMENTS	83,725.00	57,822.00	25,903.00	45
412-3510-535.46-30 412 MACHINERY & EQUIPMENT	106,115.00	121,230.00	(15,115.00)	(12)
412-3510-535.46-40 412 MAINTENANCE CONTRACTS	14,883.00	9,999.00	4,884.00	49
412-3510-535.46-50 412 SPECIAL SERVICES	239,352.00	269,351.00	(29,999.00)	(11)
412-3510-535.51-10 412 OFFICE SUPPLIES	795.00	788.00	7.00	1
412-3510-535.52-05 412 CHEMICALS/HORTICULTURAL	9,985.00	5,025.00	4,960.00	99
412-3510-535.52-10 412 FUEL	2,320.00	0.00	2,320.00	0
412-3510-535.52-15 412 SMALL TOOLS MINOR EQUIP	5,082.00	4,983.00	99.00	2
412-3510-535.52-20 412 SPECIAL SUPPLIES	22,772.00	38,876.00	(16,104.00)	(41)
412-3510-535.52-50 412 CLOTHING	7,131.00	4,016.00	3,115.00	78
412-3510-535.52-55 412 CLEANING	333.00	661.00	(328.00)	(50)
412-3520-535.39-20 412 CENTRAL SVCS CHGS	22,777.00	6,924.00	15,853.00	229
412-3520-535.39-30 412 CENTRAL STORES CHGS	29,593.00	13,008.00	16,585.00	127
412-3520-535.39-60 412 INSUR SVC CHGS -HEALTH	192,356.00	183,540.00	8,816.00	5
412-3520-535.39-65 412 INSUR SVC CHGS -RISK MGMT	166,823.00	163,622.00	3,201.00	2
412-3520-535.39-80 412 VEHICLE SERVICE CHGS	142,783.00	142,309.00	479.00	0
412-3520-535.40-10 412 TRAVEL EDUCATION MEMBER	9,479.00	3,829.00	5,650.00	148

412-3520-535.41-20 412 POSTAGE	0.00	1,000.00	(1,000.00)	(100)
412-3520-535.43-10 412 TELEPHONE	660.00	514.00	146.00	28
412-3520-535.43-50 412 DISPOSAL CHARGES	14,270.00	11,500.00	2,770.00	24
412-3520-535.46-10 412 LAND. BLDGS, IMPROVEMENTS	96,099.00	73,734.00	22,365.00	30
412-3520-535.46-30 412 MACHINERY & EQUIPMENT	18,020.00	17,170.00	850.00	5
412-3520-535.46-50 412 SPECIAL SERVICES	12,444.00	37,503.00	(25,059.00)	(67)
412-3520-535.48-10 412 ADVERTISING	0.00	105.00	(105.00)	(100)
412-3520-535.51-10 412 OFFICE SUPPLIES	1,194.00	1,488.00	(294.00)	(20)
412-3520-535.52-05 412 CHEMICALS/HORTICULTURAL	3,131.00	7,022.00	(3,891.00)	(55)
412-3520-535.52-15 412 SMALL TOOLS MINOR EQUIP	1,078.00	3,402.00	(2,324.00)	(68)
412-3520-535.52-20 412 SPECIAL SUPPLIES	7,907.00	(1,860.00)	9,767.00	(525)
412-3520-535.52-50 412 CLOTHING	13,613.00	10,193.00	3,420.00	34
412-3520-535.52-55 412 CLEANING	277.00	604.00	(327.00)	(54)
412-3530-535.43-50 412 DISPOSAL CHARGES	7,431,381.00	7,902,420.00	(471,039.00)	(6)
Utility Oper. Fund	22,366,588.00	21,504,238.00	862,350.00	4

5900 Depreciation and amortization	6,824,876.00	9,679,484.00	(2,854,608.00)	(29)
412-1350-533.59-20 412 AMORTIZATION EXPENSE	2,690.00	10,762.00	(8,072.00)	(75)
412-3305-533.59-10 412 DEPRECIATION	550,525.00	737,137.00	(186,612.00)	(25)
412-3310-533.59-10 412 DEPRECIATION	37,796.00	37,796.00	0.00	0
412-3320-533.59-10 412 DEPRECIATION	1,875,177.00	2,231,241.00	(356,064.00)	(16)
412-3330-533.59-10 412 DEPRECIATION	1,509,270.00	3,400,900.00	(1,891,630.00)	(56)
412-3340-533.59-10 412 DEPRECIATION	183,122.00	163,480.00	19,642.00	12
412-3350-533.59-10 412 DEPRECIATION	75,986.00	51,363.00	24,623.00	48
412-3355-533.59-10 412 DEPRECIATION	2,999.00	196.00	2,803.00	1430
412-3505-535.59-10 412 DEPRECIATION	405,644.00	925,727.00	(520,083.00)	(56)
412-3510-535.59-10 412 DEPRECIATION	534,174.00	535,258.00	(1,084.00)	0
412-3520-535.59-10 412 DEPRECIATION	1,575,679.00	1,513,810.00	61,869.00	4
412-3530-535.59-10 412 DEPRECIATION	71,814.00	71,814.00	0.00	0
Utility Oper. Fund	6,824,876.00	9,679,484.00	(2,854,608.00)	(29)

6100 Investment earnings		(345,366.00)	(568,816.00)	223,450.00	(39)
412-0000-361.10-00 412 INTEREST EARNINGS	Interest Income	(249,630.70)	(235,822.95)	(13,807.75)	6
412-0000-361.10-00 412 INTEREST EARNINGS		(204,243.30)	(192,946.05)	(11,297.25)	6
412-0000-361.11-00 412 NET INCR (DCR) FAIR VALUE		51,811.00	(9,504.00)	61,315.00	(645)
412-0000-361.35-00 412 INT REALIZED GAIN(LOSS)		194,141.00	68,133.00	126,008.00	185
Utility Oper. Fund		(207,922.00)	(370,140.00)	162,218.00	(44)
420-0000-361.10-00 420 INTEREST EARNINGS	Interest Income	(153,318.55)	(126,335.00)	(26,983.55)	21
420-0000-361.10-00 420 INTEREST EARNINGS		(125,442.45)	(103,365.00)	(22,077.45)	21
420-0000-361.11-00 420 NET INCR (DCR) FAIR VALUE		31,848.00	(4,422.00)	36,270.00	(820)
420-0000-361.35-00 420 INT REALIZED GAIN(LOSS)		109,178.00	35,517.00	73,661.00	207
Utility R & R Fund		(137,735.00)	(198,605.00)	60,870.00	(31)
421-0000-361.11-00 421 NET INCR (DCR) FAIR VALUE		291.00	(71.00)	362.00	(510)
Utility Cap Project Energy Fund		291.00	(71.00)	362.00	(510)
6520.NO Miscellaneous revenue		(323.00)	(10,283.00)	9,960.00	(97)
420-0000-369.92-00 420 OTHER REVENUES		(323.00)	(10,283.00)	9,960.00	(97)
Utility R & R Fund		(323.00)	(10,283.00)	9,960.00	(97)
5980 Interest expense and fiscal agent fees		388,529.00	447,652.00	(59,123.00)	(13)
412-1350-533.72-10 412 INTEREST EXPENSE		384,004.00	444,272.00	(60,268.00)	(14)
412-1350-533.72-20 412 INT EXP UB DEPOSITS		4,525.00	3,380.00	1,145.00	34
Utility Oper. Fund		388,529.00	447,652.00	(59,123.00)	(13)
5990 Gain or (loss) from disposition of capital assets		(89,532.00)	(75,729.00)	(13,803.00)	18
412-0000-364.30-00 412 SALE OF FIXED ASSETS	Proceeds for sale of assets	(49,395.50)	(41,650.95)	(7,744.55)	19
412-0000-364.30-00 412 SALE OF FIXED ASSETS		(40,414.50)	(34,078.05)	(6,336.45)	19
412-3320-533.95-10 412 LOSS ON FIXED ASSET DISP		250.00	0.00	250.00	0
412-3520-535.95-10 412 LOSS ON FIXED ASSET DISP		28.00	0.00	28.00	0
Utility Oper. Fund		(89,532.00)	(75,729.00)	(13,803.00)	18

6800 Capital grants and contributions		(1,866,725.00)	(194,517.00)	(1,672,208.00)	860
412-0000-389.45-00 412 CONTRIBUTED CAPITAL		(1,866,725.00)	(194,517.00)	(1,672,208.00)	860
Utility Oper. Fund		(1,866,725.00)	(194,517.00)	(1,672,208.00)	860
6700 Transfers in		(28,421.00)	(271,060.00)	242,639.00	(90)
6700 UTILIT Adjustments		6,000,000.00	6,000,000.00	0.00	0
Utility		6,000,000.00	6,000,000.00	0.00	0
420-0000-381.13-15 420 TRANSFER FROM FUND 315		0.00	(271,060.00)	271,060.00	(100)
420-0000-381.14-12 420 TRANSFER FROM FUND 412		(6,000,000.00)	(6,000,000.00)	0.00	0
420-0000-381.14-25 420 TRANSFER FROM FUND 425		(28,421.00)	0.00	(28,421.00)	0
Utility R & R Fund		(6,028,421.00)	(6,271,060.00)	242,639.00	(4)
5940 Transfers out		0.00	63,000.00	(63,000.00)	(100)
5940 UTILIT Adjustments		(6,000,000.00)	(6,000,000.00)	0.00	0
Utility		(6,000,000.00)	(6,000,000.00)	0.00	0
412-3305-533.91-11 412 INTERFUND TRANS TO 420	Operating Expenses	3,425,000.00	3,425,000.00	0.00	0
412-3520-535.91-11 412 INTERFUND TRANS TO 420		2,575,000.00	2,575,000.00	0.00	0
Utility Oper. Fund		6,000,000.00	6,000,000.00	0.00	0
420-0000-599.91-05 420 INTERFUND TRANS TO 302		0.00	63,000.00	(63,000.00)	(100)
Utility R & R Fund		0.00	63,000.00	(63,000.00)	(100)

Og 39

ORDINANCE NO. 2017- 64

**CITY OF POMPANO BEACH
Broward County, Florida**

AN ORDINANCE AMENDING CHAPTER 50, "WATER," OF THE CITY OF POMPANO BEACH CODE OF ORDINANCES BY AMENDING SECTION 50.03, "WATER TARIFF," TO PROVIDE FOR INCREASES TO RATES AND CHARGES FOR WATER SERVICE; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City's rate consultant, Raftelis Financial Consultants, Inc., has conducted a rate study and reviewed the City's water and wastewater rates and charges for Fiscal Years 2018 through 2022; and

WHEREAS, based upon the water and wastewater rate study, the City's consultant has advised the need for periodic increases to the City's water and sewer rates to ensure adequate funding to meet the utility system's requirements; and

WHEREAS, notice of the proposed increase in utility service pursuant to this ordinance and of the date, time and place the proposed increase will be considered, have been provided to utility customers as required in Section 180.136, Florida Statutes; and

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of its proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission has been held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had the opportunity to be and were, in fact, heard; now, therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That Section 50.03, "Water Tariff," of the City of Pompano Beach Code of

Ordinances is hereby amended to read as follows:

§ 50.03 WATER TARIFF.

...

(D) There is hereby levied and established a system of rates and charges for water furnished by the city against each and every person, firm, partnership, corporation, or other legal entity requiring water service in accordance with the following schedule:

(1) Single-Family Residential Classification.

Territory: Applicable within the incorporated limits of the city.

(a) Monthly service charge per meter size:

<i>Meter-Size</i> <i>Inches</i>	<i>Charge-Effective</i> <i>9/3/10</i>	<i>Charge-Effective</i> <i>1/1/11</i>
¾	\$11.49	\$12.88
1	14.94	16.74
1½	21.06	23.60
2	29.86	33.46

<u>Meter Size</u> <u>Inches</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
¾	\$13.43	\$14.00	\$14.60	\$15.22	\$15.87
1	17.45	18.19	18.96	19.77	20.61
1½	24.60	25.65	26.74	27.88	29.06
2	34.88	36.36	37.91	39.52	41.20

(b) Commodity charges per 1,000 gallons:

1. ¾" meter size.

<i>Usage</i> <i>(Gallons)</i>	<i>Charge-Effective</i> <i>9/3/10</i>	<i>Charge-Effective</i> <i>1/1/11</i>
0-10,000	\$1.92	\$2.24
11,000-15,000	2.56	3.07
16,000-25,000	3.46	4.27
>25,000	4.70	6.00

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
0-10,000	\$2.34	\$2.44	\$2.54	\$2.65	\$2.76
11,000-15,000	3.20	3.34	3.48	3.63	3.78
16,000-25,000	4.45	4.64	4.84	5.05	5.26
>25,000	6.26	6.53	6.81	7.10	7.40

2. 1" meter size.

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>9/3/10</u>	<u>Charge Effective</u> <u>1/1/11</u>
0-13,000	\$1.92	\$2.24
14,000-20,000	2.56	3.07
21,000-32,000	3.46	4.27
>32,000	4.70	6.00

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
0-13,000	\$2.34	\$2.44	\$2.54	\$2.65	\$2.76
14,000-20,000	3.20	3.34	3.48	3.63	3.78
21,000-32,000	4.45	4.64	4.84	5.05	5.26
>32,000	6.26	6.53	6.81	7.10	7.40

3. 1½" meter size.

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>9/3/10</u>	<u>Charge Effective</u> <u>1/1/11</u>
0-16,000	\$1.92	\$2.24
17,000-24,000	2.56	3.07
25,000-40,000	3.46	4.27
>40,000	4.70	6.00

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
0-16,000	\$2.34	\$2.44	\$2.54	\$2.65	\$2.76
17,000-24,000	3.20	3.34	3.48	3.63	3.78
25,000-40,000	4.45	4.64	4.84	5.05	5.26
>40,000	6.26	6.53	6.81	7.10	7.40

4. 2" meter size.

<u>Usage</u> <u>Gallons)</u>	<u>Charge Effective</u> <u>9/3/10</u>	<u>Charge Effective</u> <u>1/1/11</u>
0-26,000	\$1.92	\$2.24
27,000-39,000	2.56	3.07
40,000-65,000	3.46	4.27
>65,000	4.70	6.00

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
0-26,000	\$2.34	\$2.44	\$2.54	\$2.65	\$2.76
27,000-39,000	3.20	3.34	3.48	3.63	3.78
40,000-65,000	4.45	4.64	4.84	5.05	5.26
>65,000	6.26	6.53	6.81	7.10	7.40

(2) Multiple-family residential classification.

Territory: Applicable within the incorporated limits of the city.

(a) Monthly service charge per meter size:

Meter Size Inches	Charge Effective 9/3/10	Charge Effective 1/1/11
3/4	\$ 7.91	\$ 8.86
1	10.63	11.91
1½	12.71	14.25

<u>Meter Size Inches</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge effective 10/1/21</u>
3/4	\$9.24	\$9.63	\$10.04	\$10.47	\$10.91
1	12.42	12.95	13.50	14.07	14.67
1½	14.86	15.49	16.15	16.84	17.56

Meter Size Inches	Charge Effective 9/3/10	Charge Effective 1/1/11
2	20.81	23.32
3	79.71	89.32
4	101.16	113.36
6	152.14	170.47
8	210.21	235.54
10	318.65	357.05

<u>Meter Size Inches</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
2	\$24.31	\$25.34	\$26.42	\$27.54	\$28.71
3	93.12	97.08	101.21	105.51	109.99
4	118.18	123.20	128.44	133.90	139.59
6	177.71	185.26	193.13	201.34	209.90
8	245.55	255.99	266.87	278.21	290.03
10	372.22	388.04	404.53	421.72	439.64

(b) Monthly service charge for each additional unit on the same meter:

Effective 9/3/10	Effective 1/1/11
\$3.64	\$4.08

<u>Effective 10/1/17</u>	<u>Effective 10/1/18</u>	<u>Effective 10/1/19</u>	<u>Effective 10/1/20</u>	<u>Effective 10/1/21</u>
<u>\$4.25</u>	<u>\$4.43</u>	<u>\$4.62</u>	<u>\$4.82</u>	<u>\$5.02</u>

(c) Commodity charges per 1,000 gallons:

1. Per unit monthly:

Usage (Gallons)	Charge Effective 9/3/10	Charge Effective 1/1/11
0-7,000	\$1.92	\$2.24
8,000-11,000	2.56	3.07
12,000-15,000	3.46	4.27
>15,000	4.70	6.00

<u>Usage</u> <u>(Gallons)</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge Effective</u> <u>10/1/21</u>
0-7,000	\$2.34	\$2.44	\$2.54	\$2.65	\$2.76
8,000-11,000	3.20	3.34	3.48	3.63	3.78
12,000-15,000	4.45	4.64	4.84	5.05	5.26
>15,000	6.26	6.53	6.81	7.10	7.40

(3) Commercial classification.

Territory: Applicable within the incorporated limits of the city.

(a) Monthly service charge per meter size:

<u>Meter Size Inches</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
3/4	\$13.12	\$14.71
1	17.04	19.10
1½	24.03	26.93
2	34.07	38.18
3	131.09	146.89
4	166.48	186.54
6	250.35	280.52
8	346.05	387.75
10	490.27	549.34

<u>Meter Size Inches</u>	<u>Charge Effective</u> <u>10/1/17</u>	<u>Charge Effective</u> <u>10/1/18</u>	<u>Charge Effective</u> <u>10/1/19</u>	<u>Charge Effective</u> <u>10/1/20</u>	<u>Charge effective</u> <u>10/1/21</u>
3/4	\$15.34	\$15.99	\$16.67	\$17.38	\$18.12
1	19.91	20.76	21.64	22.56	23.52
1½	28.07	29.26	30.50	31.80	33.15
2	39.80	41.49	43.25	45.09	47.01
3	153.13	159.64	166.42	173.49	180.86
4	194.47	202.73	211.35	220.33	229.69
6	292.44	304.87	317.83	331.34	345.42
8	404.23	421.41	439.32	457.99	477.45
10	572.69	597.03	622.40	648.85	676.43

(b) Monthly service charge for each additional unit on the same meter:

<u>Effective</u> <u>9/3/10</u>	<u>Effective</u> <u>1/1/11</u>
\$6.78	\$7.60

<u>Effective</u> <u>10/1/17</u>	<u>Effective</u> <u>10/1/18</u>	<u>Effective</u> <u>10/1/19</u>	<u>Effective</u> <u>10/1/20</u>	<u>Effective</u> <u>10/1/21</u>
\$7.92	\$8.26	\$8.61	\$8.98	\$9.36

(c) Commodity charges per 1,000 gallons:

1. Base charge:

Effective 9/3/10 \$1.92		Effective 1/1/11 \$2.24			
<u>Effective</u> <u>10/1/17</u> <u>\$2.34</u>	<u>Effective</u> <u>10/1/18</u> <u>\$2.44</u>	<u>Effective</u> <u>10/1/19</u> <u>\$2.54</u>	<u>Effective</u> <u>10/1/20</u> <u>\$2.65</u>	<u>Effective</u> <u>10/1/21</u> <u>\$2.76</u>	

2. Base consumption allowance per meter size monthly:

<i>Inches</i>	<i>Gallons</i>
3/4	10,000
1	13,000
1½	16,000
2	26,000
3	100,000
4	127,000
6	191,000
8	264,000
10	400,000

3. Incremental use charge:

Effective 9/3/10 \$2.70		Effective 1/1/11 \$3.24			
<u>Effective</u> <u>10/1/17</u> <u>\$3.38</u>	<u>Effective</u> <u>10/1/18</u> <u>\$3.52</u>	<u>Effective</u> <u>10/1/19</u> <u>\$3.67</u>	<u>Effective</u> <u>10/1/20</u> <u>\$3.83</u>	<u>Effective</u> <u>10/1/21</u> <u>\$3.99</u>	

All accounts opened during construction shall be treated for billing purposes as commercial accounts and shall be billed pursuant to the schedule set forth herein. The permanent classification of the account will be established upon issuance of the certificate of occupancy.

(4) Irrigation classification.

Availability: Applicable to water service for individually metered irrigation and lawn sprinkling.

Territory: Applicable within the incorporated limits of the city.

(a) Monthly service charge per meter size:

<i>Meter Size Inches</i>	<i>Charge Effective 9/3/10</i>	<i>Charge Effective 1/1/11</i>
3/4	\$ 7.91	\$ 8.86
1	10.63	11.91
1½	12.71	14.25
2	20.81	23.32
3	79.71	89.32
4	101.16	113.36
6	152.14	170.47
8	210.21	235.54
10	318.65	357.05

<u><i>Meter Size Inches</i></u>	<u><i>Charge Effective 10/1/17</i></u>	<u><i>Charge Effective 10/1/18</i></u>	<u><i>Charge Effective 10/1/19</i></u>	<u><i>Charge Effective 10/1/20</i></u>	<u><i>Charge effective 10/1/21</i></u>
3/4	\$9.24	\$9.63	\$10.04	\$10.47	\$10.91
1	12.42	12.95	13.50	14.07	14.67
1½	14.86	15.49	16.15	16.84	17.56
2	24.31	25.34	26.42	27.54	28.71
3	93.12	97.08	101.21	105.51	109.99
4	118.18	123.20	128.44	133.90	139.59
6	177.71	185.26	193.13	201.34	209.90
8	245.55	255.99	266.87	278.21	290.03
10	372.22	388.04	404.53	421.72	439.64

(b) Consumption charge per 1,000 gallons.

1. 3/4" meter size.

<i>Usage (Gallons)</i>	<i>Charge Effective 9/3/10</i>	<i>Charge Effective 1/1/11</i>
0-10,000	\$3.01	\$3.44
11,000-15,000	3.86	4.61
16,000-25,000	5.06	6.23
>25,000	6.58	8.32

<u><i>Usage (Gallons)</i></u>	<u><i>Charge Effective 10/1/17</i></u>	<u><i>Charge Effective 10/1/18</i></u>	<u><i>Charge Effective 10/1/19</i></u>	<u><i>Charge Effective 10/1/20</i></u>	<u><i>Charge Effective 10/1/21</i></u>
0-10,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
11,000-15,000	4.81	5.01	5.22	5.44	5.67
16,000-25,000	6.49	6.77	7.06	7.36	7.67
>25,000	8.67	9.04	9.42	9.82	10.24

2. 1" meter size.

<i>Usage (Gallons)</i>	<i>Charge Effective 9/3/10</i>	<i>Charge Effective 1/1/11</i>
0-13,000	\$3.01	\$3.44
14,000-20,000	3.86	4.61
21,000-32,000	5.06	6.23
>32,000	6.58	8.32

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
<u>0-13,000</u>	<u>\$3.59</u>	<u>\$3.74</u>	<u>\$3.90</u>	<u>\$4.07</u>	<u>\$4.24</u>
<u>14,000-20,000</u>	<u>4.81</u>	<u>5.01</u>	<u>5.22</u>	<u>5.44</u>	<u>5.67</u>
<u>21,000-32,000</u>	<u>6.49</u>	<u>6.77</u>	<u>7.06</u>	<u>7.36</u>	<u>7.67</u>
<u>>32,000</u>	<u>8.67</u>	<u>9.04</u>	<u>9.42</u>	<u>9.82</u>	<u>10.24</u>

3. 1½" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
<u>0-16,000</u>	<u>\$3.01</u>	<u>\$3.44</u>
<u>17,000-24,000</u>	<u>3.86</u>	<u>4.61</u>
<u>25,000-40,000</u>	<u>5.06</u>	<u>6.23</u>
<u>>40,000</u>	<u>6.58</u>	<u>8.32</u>

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
<u>0-16,000</u>	<u>\$3.59</u>	<u>\$3.74</u>	<u>\$3.90</u>	<u>\$4.07</u>	<u>\$4.24</u>
<u>17,000-24,000</u>	<u>4.81</u>	<u>5.01</u>	<u>5.22</u>	<u>5.44</u>	<u>5.67</u>
<u>25,000-40,000</u>	<u>6.49</u>	<u>6.77</u>	<u>7.06</u>	<u>7.36</u>	<u>7.67</u>
<u>>40,000</u>	<u>8.67</u>	<u>9.04</u>	<u>9.42</u>	<u>9.82</u>	<u>10.24</u>

4. 2" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
<u>0-26,000</u>	<u>\$3.01</u>	<u>\$3.44</u>
<u>27,000-39,000</u>	<u>3.86</u>	<u>4.61</u>
<u>40,000-65,000</u>	<u>5.06</u>	<u>6.23</u>
<u>>65,000</u>	<u>6.58</u>	<u>8.32</u>

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
<u>0-26,000</u>	<u>\$3.59</u>	<u>\$3.74</u>	<u>\$3.90</u>	<u>\$4.07</u>	<u>\$4.24</u>
<u>27,000-39,000</u>	<u>4.81</u>	<u>5.01</u>	<u>5.22</u>	<u>5.44</u>	<u>5.67</u>
<u>40,000-65,000</u>	<u>6.49</u>	<u>6.77</u>	<u>7.06</u>	<u>7.36</u>	<u>7.67</u>
<u>>65,000</u>	<u>8.67</u>	<u>9.04</u>	<u>9.42</u>	<u>9.82</u>	<u>10.24</u>

5. 3" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
<u>0-100,000</u>	<u>\$3.01</u>	<u>\$3.44</u>
<u>101,000-150,000</u>	<u>3.86</u>	<u>4.61</u>
<u>151,000-250,000</u>	<u>5.06</u>	<u>6.23</u>
<u>>250,000</u>	<u>6.58</u>	<u>8.32</u>

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
0-100,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
101,000-150,000	4.81	5.01	5.22	5.44	5.67
151,000-250,000	6.49	6.77	7.06	7.36	7.67
>250,000	8.67	9.04	9.42	9.82	10.24

6. 4" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
0-127,000	\$3.01	\$3.44
128,000-190,000	3.86	4.61
191,000-318,000	5.06	6.23
>318,000	6.58	8.32

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
0-127,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
128,000-190,000	4.81	5.01	5.22	5.44	5.67
191,000-318,000	6.49	6.77	7.06	7.36	7.67
>318,000	8.67	9.04	9.42	9.82	10.24

7. 6" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
0-191,000	\$3.01	\$3.44
192,000-287,000	3.86	4.61
288,000-478,000	5.06	6.23
>478,000	6.58	8.32

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
0-191,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
192,000-287,000	4.81	5.01	5.22	5.44	5.67
288,000-487,000	6.49	6.77	7.06	7.36	7.67
>478,000	8.67	9.04	9.42	9.82	10.24

8. 8" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
0-264,000	\$3.01	\$3.44
265,000-396,000	3.86	4.61
397,000-660,000	5.06	6.23
>660,000	6.58	8.32

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
0-264,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
265,000-396,000	4.81	5.01	5.22	5.44	5.67
397,000-660,000	6.49	6.77	7.06	7.36	7.67
>660,000	8.67	9.04	9.42	9.82	10.24

9. 10" meter size.

<u>Usage (Gallons)</u>	<u>Charge Effective 9/3/10</u>	<u>Charge Effective 1/1/11</u>
0-400,000	\$3.01	\$3.44
401,000-600,000	3.86	4.61
601,000-1,000,000	5.06	6.23
>1,000,000	6.58	8.32

<u>Usage (Gallons)</u>	<u>Charge Effective 10/1/17</u>	<u>Charge Effective 10/1/18</u>	<u>Charge Effective 10/1/19</u>	<u>Charge Effective 10/1/20</u>	<u>Charge Effective 10/1/21</u>
0-400,000	\$3.59	\$3.74	\$3.90	\$4.07	\$4.24
401,000-600,000	4.81	5.01	5.22	5.44	5.67
601,000-1,000,000	6.49	6.77	7.06	7.36	7.67
>1,000,000	8.67	9.04	9.42	9.82	10.24

SECTION 2. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION 3. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 4. This Ordinance shall become effective October 1, 2017.

PASSED FIRST READING this 11th day of July, 2017.

PASSED SECOND READING this 25th day of July, 2017.



 LAMAR FISHER, MAYOR

ATTEST:



 ASCELETA HAMMOND, CITY CLERK

MEB/jrm
 6/28/17
 l:ord/ch50/2017-266



227 West Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704 • 373 • 1199
Fax 704 • 373 • 1113

www.raftelis.com

June 23, 2017

The Honorable Mayor and City Commission
City of Pompano Beach
Post Office Drawer 1300
Pompano Beach, Florida 33061

Dear Ladies and Gentlemen:

Raftelis Financial Consultants, Inc. (“RFC”) is pleased to provide this letter report to the City of Pompano Beach (City) to document the results of the rate study update prepared for the City’s Utilities Department (Utility Department) for fiscal years (FY) 2018 through 2022. Last year, the utility rate and financial planning model (Model) developed for the City indicated that rates did not need to be adjusted for FY 2017 due to adequate reserve funds. It should be noted that the last time water and sewer rates were increased was January of 2011. This letter addresses the projected revenue sufficiency of the water, wastewater, and reuse utilities at existing rates for FY 2018 - 2022 and the revenue sufficiency of the stormwater utility under the rate adjustments previously approved by the Commission (a 10-year plan for stormwater rate adjustments).

A. Water, Reuse, and Wastewater Utilities

Water and Wastewater Fund Revenue Sufficiency for FY 2018

RFC has updated the Model to reflect year-to-date results for FY 2017 and the Utility Department’s recommended 2018 operating and capital budget to provide a forecast of the projected financial sufficiency of the water and wastewater utilities for FY 2018. To be conservative, the analysis was also based on the assumption that billable water and wastewater flow would return to the lower levels, as opposed to the higher flows demonstrated in FY 2015 and FY 2016. Based on the projected revenues and expenditures in FY 2018, it is anticipated that the water and wastewater utilities will generate a deficit of about \$5.0 million due to the following factors:

- The FY 2018 budget for operations and maintenance expenses is approximately 6.6% higher than last year’s budget which reflects increase in pension costs, engineering costs, FAA land rent for wells, and an additional position that is transferring from the Stormwater Fund to the Utility Fund.
- Water and wastewater flow assumptions assume more normal weather conditions, but reflect increased flow resulting from growth in the customer base.

As of the beginning of September, 2016, Utility Fund 412 (the water and wastewater fund) had approximately \$26 million in uncommitted reserves. The Utility Department’s target uncommitted reserve fund balance is 50% of total revenue requirements, or approximately \$23.3 million for FY 2018. The anticipated deficit of \$5.0 million will reduce the fund balance below the target.

Water and Wastewater Fund Revenue Sufficiency for FY 2018 – FY 2021

The Utility Department’s capital improvement plan for the next 5 years is approximately \$56.1 million, as shown in the Table 1. In addition to on-going or programmatic expenditures for the annual repair and replacement of water lines, re-lining of wastewater collection lines, and meter replacement, the following key capital improvement projects are scheduled to be completed within the next 5 years:

Water

- Water filter rehabilitation (\$8.3 million)
- Renovation of the old electrical system at the water treatment plant (\$7.8 million)
- Maintenance, rehabilitation, and operational enhancements to existing treatment plant and membrane plant (\$2.4 million)
- Transfer station rehabilitation (\$2.1 million)

Reuse

- Construction of reuse tank and booster station (\$14 million)

Wastewater

- Upgrade of the wastewater systems at Lyons Park in conjunction with the stormwater project (\$3.9 million)
- Upgrade and rehabilitation of wastewater lift stations (\$2.4 million)

Table 1: Five-Year Expenditure Plan for Water, Reuse, and Wastewater (in millions)

5-Year CIP	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Water projects	\$15.1	\$6.4	\$1.4	\$4.0	\$1.5	\$28.4
Reuse projects	\$0.7	\$0.6	\$14.7	\$0.7	\$0.8	\$17.5
Wastewater projects	\$4.9	\$1.2	\$1.7	\$1.7	\$1.5	\$11.0
Total						\$56.8

The Utility Department is anticipating issuing SRF loans for approximately 60% of the five-year CIP which will cause total debt service payments to increase over the next few years. (If SRF loans are not available, then the Utility Department may need to issue revenues bonds which carry higher

interest rates.) Debt service payments for the Utility Department’s Series 2006 revenue bonds will cease in FY 2021. However, debt service payments for SRF loans will begin prior to FY 2021, which means debt service costs will increase before they eventually decrease. The Utility Department has set a target debt service coverage ratio of 1.50 on total debt service and a target debt service coverage ratio of 2.0 on revenue bond debt, which means revenues from rates must be sufficient to meet these targets.

For the Utility Department to be able to achieve a debt service coverage ratio of at least 1.50 on total debt service (and 2.0 debt service coverage in the event revenue bonds are issued), as well as replenish fund balances to maintain target levels for uncommitted reserve funds, it is recommended that the Utility Department increase water, reuse, and wastewater rates over the next five-year period (FY 2018 to FY 2022). Table 2 shows the projected rate increases over the five-year forecast period (refer to Attachment A for the proposed water, sewer and reuse rates). It should be noted that fund balances are used in the first few years until revenues from rate increase are sufficient to meet revenue requirements, which allows for programmatic annual rate increases.

Table 2: Preliminary Five-Year Forecast of Water, Reuse, and Wastewater Rate Increases

YEAR	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Water	4.25%	4.25%	4.25%	4.25%	4.25%
Reuse	4.25%	4.25%	4.25%	4.25%	4.25%
Wastewater	3.00%	3.00%	3.00%	3.00%	3.00%

Customer Impacts and Comparison with Other Utilities

Since the Utility Department’s last rate increase was in January 2011, the current and Proposed FY 2018 monthly water and sewer bill for the average residential single-family customer using 8,000 gallons of water is among the lowest when compared to both local and regional utilities, as shown in Exhibits 1 and 2. These exhibits also show the water and sewer bill under the proposed FY 2022 rates, which continue to compare favorably as the charts do not account for the future rate adjustments (over the next 5 years) that the other utilities may implement.

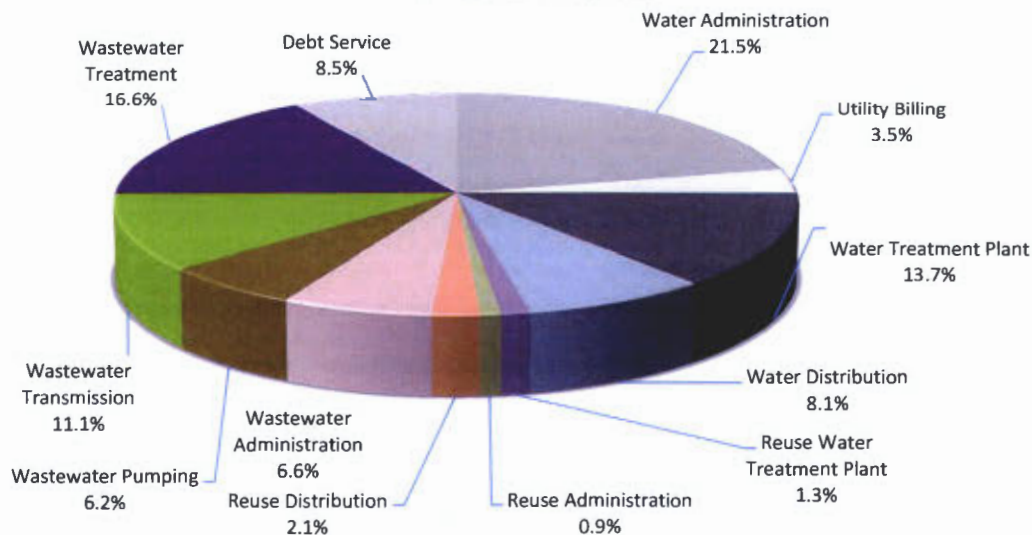
Under the proposed rates increases, the average residential single-family customer using 8,000 gallons will have an increase in their water and sewer bill of 3.6% or \$2.35 in FY 2018. The projected monthly water and sewer bill *in FY 2022* for the average single-family customer is \$12.57 higher than the current water and sewer bill (an average increase of \$2.50 per year over the next five years).

6.08% Increase in
Water Budget
between 2018 and
2019

Utilities Summary

Utilities	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Rec.	Variance
Water Department					
Water					
Administration	10,064,327	9,607,869	9,807,613	10,378,868	571,255
Utility Billing*	1,243,432	1,286,589	1,480,652	1,677,025	196,373
Water Treatment					
Plant	7,430,362	7,161,457	6,323,584	6,615,010	291,426
Water Distribution	6,450,009	4,580,153	3,688,819	3,925,665	236,846
Reuse Water					
Treatment Plant	809,782	492,268	724,822	621,670	(103,152)
Reuse					
Administration	547,014	606,832	433,464	433,300	(164)
Reuse Distribution	446,579	1,010,806	744,661	1,015,537	270,876
Wastewater Department					
Wastewater					
Administration	3,656,574	3,259,552	3,010,277	3,173,756	163,479
Wastewater					
Pumping	3,098,418	2,925,536	2,739,427	2,990,555	251,128
Wastewater					
Transmission	6,707,310	6,576,282	5,195,564	5,350,608	155,044
Wastewater					
Treatment	7,974,234	7,503,195	8,009,313	8,009,313	0
Debt Service	458,414	391,219	4,116,459	4,112,044	(4,415)
Total	\$48,886,455	\$45,401,758	\$46,274,655	\$48,303,351	\$565,236

FY 2019 Utilities

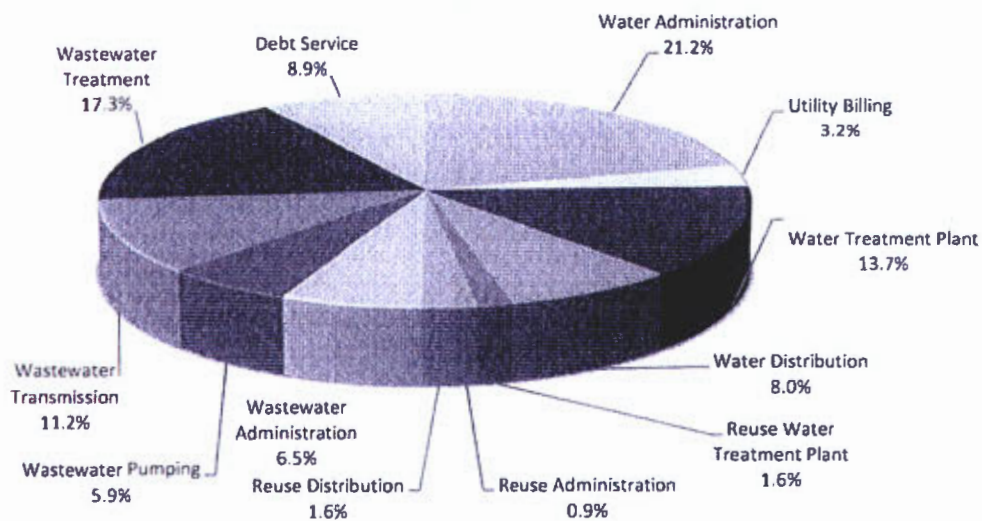


*Utility Billing personnel reports to the Finance Department.

Utilities Summary

Utilities	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	Variance
Water Department					
Water					
Administration	7,870,224	10,064,327	9,698,986	9,807,613	108,627
Utility Billing*	1,088,313	1,243,432	1,314,124	1,480,652	166,528
Water Treatment					
Plant	6,916,604	7,430,362	5,935,815	6,323,584	387,769
Water Distribution	6,429,219	6,450,009	3,460,492	3,688,819	228,327
Reuse Water					
Treatment Plant	554,307	809,782	497,997	724,822	226,825
Reuse					
Administration	270,120	547,014	329,450	433,464	104,014
Reuse Distribution	333,953	446,579	739,748	744,661	4,913
Wastewater Department					
Wastewater					
Administration	3,440,059	3,656,574	2,963,649	3,010,277	46,628
Wastewater					
Pumping	2,745,438	3,098,418	2,634,094	2,739,427	105,333
Wastewater					
Transmission	6,420,519	6,707,310	5,047,887	5,195,564	147,677
Wastewater					
Treatment	7,404,892	7,974,234	7,809,313	8,009,313	200,000
Debt Service					
	570,976	458,414	4,109,087	4,116,459	7,372
Total	\$44,044,624	\$48,886,455	\$44,540,642	\$46,274,655	\$1,734,013

FY 2018 Utilities



*Utility Billing personnel reports to the Finance Department.

City of Pompano Beach
Identification of Source and Methods used for Projections
FY 2018 to 2021

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Forecasted	Forecasted	Forecasted	Forecasted
Total Operating Revenues*	21,842,161	22,158,808	23,100,557	24,082,331	25,105,830	26,172,828
Interest Income*	362,158	402,949	420,074	437,927	456,539	475,942
Other Revenues*	41,651	49,396	51,495	53,684	55,965	58,344
Total Revenues*	22,245,970	22,611,153	23,572,127	24,573,942	25,618,335	26,707,114
		1.64%	4.25%	4.25%	4.25%	4.25%
Total Operating Expenses per audit report*	40,745,812	37,859,407	39,513,863	41,916,306	43,928,289	46,036,847
Excluding non-cash items:						
Depreciation**	(9,679,484)	(6,824,876)	(7,123,123)	(7,556,209)	(7,918,907)	(8,299,015)
Other post employment benefit**	(37,220.00)	(56,719)	(59,198)	(62,797)	(65,811)	(68,970)
Compensated absences**	(31,663.00)	27,935	29,156	30,928	32,413	33,969
Transfer to Project Fund**	3,425,000.00	3,425,000	3,574,673	3,792,013	3,974,029	4,164,783
Non-Cash pension adjustments**	(922,784.00)	82,355	85,954	91,180	95,557	100,143
Non-Water System Expenses **	(15,879,456)	(16,195,450)	(16,903,191)	(17,930,905)	(18,791,589)	(19,693,585)
Operating expenses excluding non-cash items	17,620,205	18,317,652	19,118,133	20,280,516	21,253,981	22,274,172
		3.96%	4.37%	6.08%	4.80%	4.80%
Net Revenues	4,625,765	4,293,501	4,453,994	4,293,426	4,364,354	4,432,942
2014 Water & Sewer Bonds (Debt Service)	2,001,511	2,000,275	2,005,141	2,002,796	2,006,553	N/A
No Current SRF Loans for Water Utility	-	-	-	-	-	-
Revenues Available for this SRF Loan	2,624,254	2,293,226	2,448,853	2,290,630	2,357,801	4,432,942

*Actual amounts are based on audited financial statements. See attached pages from audited financial statement from FY 2016- FY 2017

**Amounts are included in the audited financials statements and have been separately itemized from the City's Financial ledger.

Projected Fiscal Year 2018 through Fiscal Year 2021 Utility Water revenues have been adjusted by 4.25% for each year based on the scheduled Utility water Fee increases already authorized by the City Commission through 2022. See attached Water Rate Study and Water Rate Ordinance covering increases from FY 2018 - FY 2022.

Projected Fiscal Year 2018 through Fiscal Year 2021 Utility expenses are shown as increasing each year based on the trend from 2016 -2019. 2016 and 2017 trend is based on actuals. 2018 and 2019 is based on the adopted budget. 2020 and 2021 is based on the average increases from 2017 - 2019. See attached pages from audited financial statement from FY 2016 & FY 2017 and Adopted Budget book for FY 2018 & FY 2019.