

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 2, 2025

NEW ISSUE - FULL BOOK ENTRY

RATINGS:

Moody's: "Aa1" (stable outlook)

Fitch: "AAA" (stable outlook)

See "RATINGS" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2025A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and, further, interest on the Series 2025A Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025A Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2025A Bonds. Bond Counsel is further of the opinion that the Series 2025A Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.



\$65,360,000*

**MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2025A**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The Public Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds") shall be dated the date of delivery and shall be issued by Manatee County, Florida (the "County") as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2025A Bonds is due semiannually on each October 1 and April 1, commencing October 1, 2025, and such interest will be paid by check or draft of Hancock Whitney Bank, a banking corporation duly organized and existing under the laws of the State of Mississippi, as Paying Agent to the registered holders. In lieu of payment by check or draft, at the request and expense of an owner of \$1,000,000 or more in aggregate principal amount of Series 2025A Bonds, payment may be made by bank wire transfer in the manner described in the herein defined Resolution. Upon initial issuance, the Series 2025A Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. So long as DTC or Cede & Co. is the registered holder of the Series 2025A Bonds, payments on the Series 2025A Bonds will be mailed directly to DTC or Cede & Co., which is to remit such payments to the Direct Participants (as defined herein) and Indirect Participants (as defined herein), which in turn are to remit such payments to the Beneficial Owners (as defined herein) of the Series 2025A Bonds. See "DESCRIPTION OF THE SERIES 2025A BONDS - Book-Entry-Only System" herein.

The Series 2025A Bonds will be payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on a parity with the County's outstanding Public Utilities Revenue Improvement and Refunding Bonds, Series 2023, Public Utilities Revenue Improvement Bonds, Series 2018, Public Utilities Revenue Refunding Bonds, Series 2017, Public Utilities Revenue Refunding and Improvement Bonds, Series 2015 (to the extent not refunded as further described herein), and an Equipment Lease/Purchase Agreement dated November 21, 2024 by and between the County and Banc of America Public Capital Corp (the "Lease Purchase Obligation"). There will be no debt service reserve account established for the Series 2025A Bonds.

Certain of the Series 2025A Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturities as described herein.

The Series 2025A Bonds are limited obligations of the County payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on parity with certain outstanding obligations of the County, as more fully described herein. Neither the full faith and credit, nor the taxing power of the County, is pledged for the payment of the Series 2025A Bonds. The Series 2025A Bonds shall not constitute a lien upon any property of the County, nor shall they constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely as provided herein.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read this entire Official Statement, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Series 2025A Bonds are being issued by the County for the purposes of (i) paying and redeeming all or a portion of the County's outstanding Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, and (ii) paying the costs of issuing the Series 2025A Bonds.

The Series 2025A Bonds will be offered when, as and if delivered to the Underwriters, subject to the approval as to legality by Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel to the County. Certain legal matters will be passed on for the County by the Office of the County Attorney. Certain matters relating to disclosure will be passed upon for the County by its Disclosure Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Public Resources Advisory Group, Inc., Tampa, Florida is acting as Financial Advisor to the County. Bryant Miller Olive P.A., Tampa, Florida, is acting as Counsel to the Underwriters. It is expected that the Series 2025A Bonds will be available for delivery through the facilities of DTC, on or about [____], 2025.

PNC Capital Markets LLC

Raymond James

Dated: [____], 2025

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2025A Bonds may not be sold nor may offers to buy the Series 2025A Bonds be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2025A Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The County has deemed this Preliminary Official Statement "final," except for certain permitted omissions within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

\$65,360,000*
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2025A

\$65,360,000* Serial Bonds

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES
AND INITIAL CUSIP NUMBERS**

Maturity (October 1)*	Principal Amount*	Interest Rate	Yield	Price	Initial CUSIP No.**
2025	\$ 1,415,000	%	%		[]
2026	1,325,000				
2027	1,515,000				
2028	1,705,000				
2029	1,925,000				
2030	2,150,000				
2031	2,400,000				
2032	2,665,000				
2033	2,955,000				
2034	3,255,000				
2035	3,595,000				
2036	9,385,000				
2037	9,855,000				
2038	10,350,000				
2039	10,865,000				

\$[] Term Bonds

\$[] []% Term Bond due October 1, 20[]; Yield []%; Price; Initial CUSIP No. []**

\$[] []% Term Bond due October 1, 20[]; Yield []%; Price; Initial CUSIP No. []**

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriters and are included solely for the convenience of the holders of the Series 2025A Bonds. Neither the County nor the Underwriters are responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025A Bonds as indicated above.

MANATEE COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

George Kruse, Chair
Dr. Bob McCann, First Vice-Chair
Tal Siddique, Second Vice-Chair
Carol Ann Felts, Third Vice-Chair
Amanda Ballard
Jason Bearden
Mike Rahn

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
OF MANATEE COUNTY AND CLERK OF THE BOARD
OF COUNTY COMMISSIONERS**

Angelina "Angel" Colonnese

COUNTY ADMINISTRATOR

Charlie Bishop

CHIEF FINANCIAL OFFICER

Sheila McLean

COUNTY ATTORNEY

Pamela D'Agostino, Esq.

SENIOR DIRECTOR OF FINANCE

Neil Unruh

FINANCE DIRECTOR

Kim Wilder

DIRECTOR OF UTILITIES DEPARTMENT

Patrick Shea

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Carr, Riggs & Ingram, LLC
Bradenton, Florida

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc.

BOND COUNSEL

Greenberg Traurig, P.A.

DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2025A Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, DTC, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the County with respect to any information provided by others.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2025A Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2025A BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE PUBLIC UTILITIES SYSTEM (AS HEREIN DEFINED) OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2025A BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, the Rule.

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
The County	1
Purpose of the Series 2025A Bonds.....	2
Authority for the Series 2025A Bonds.....	2
Description of the Series 2025A Bonds.....	2
Security for the Series 2025A Bonds.....	3
Additional Bonds	3
Continuing Disclosure.....	3
Additional Information.....	4
PLAN OF REFUNDING.....	4
DESCRIPTION OF THE SERIES 2025A BONDS	5
General Description	5
Redemption of Series 2025A Bonds	5
Book-Entry-Only System.....	7
SECURITY FOR THE SERIES 2025A BONDS	10
Pledged Revenues; Special Obligations.....	10
Creation of Funds and Accounts	10
No Debt Service Reserve Account.....	11
Rate Covenant	11
Subordinated Indebtedness	12
Additional Bonds	12
Application of Revenues	12
ESTIMATED SOURCES AND USES OF FUNDS.....	15
DEBT SERVICE SCHEDULE FOR THE SERIES 2025A BONDS.....	16
DEBT SERVICE SCHEDULE FOR THE PRIOR DEBT AND SERIES 2025A BONDS	17
THE WATER AND WASTEWATER DIVISION.....	18
General	18
Background	18
Administration.....	19
Employees	20
Water Supply and Treatment Facilities.....	21
Water Transmission and Distribution Facilities.....	24
Water Supply Contracts	25
Wastewater Treatment	27
Wastewater Collection	29
Wastewater Treatment Contracts	30
Mandatory Connections	31
Water and Wastewater Rates	31
Monthly Water Fixed Service Charge	32

Monthly Wastewater Fixed Service Charge	33
Water and Wastewater Connection Fees	35
Facility Investment Fee	36
Collection Practices; Delinquencies.....	37
Regulation	38
Current Five-Year Capital Improvement Program	39
THE SOLID WASTE DIVISION	40
Background	40
Administration and Employees	40
Existing Facilities.....	41
Recycling.....	42
Deposit to the Closure Trust Fund	42
Current Five-Year Capital Improvement Program	43
Franchise Agreements.....	43
Solid Waste Rates	43
Hauling Fee and Other Revenues.....	44
THE STORMWATER MANAGEMENT SYSTEM.....	48
Background	48
Administration.....	48
Existing Facilities.....	48
Service Area	48
Regulations.....	49
Comprehensive Plan.....	49
Current Five-Year Capital Improvement Program	49
Revenues and Expenses	50
HISTORIC OPERATING RESULTS OF SYSTEM.....	51
INVESTMENT POLICY	52
SELF INSURANCE	53
PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS.....	54
Florida Retirement System.....	54
Other Post-Employment Benefits	56
INVESTMENT CONSIDERATIONS	58
Changes in Federal and State Law and Regulations	58
Climate Change.....	58
2024 Hurricanes	60
Cybersecurity	60
Inflation and Economic Issues	61
LITIGATION	62
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	62
LEGAL MATTERS	63
TAX MATTERS	64
General	64
Original Issue Discount and Premium	65

Changes in Federal and State Tax Law.....	66
Information Reporting and Backup Withholding	67
VERIFICATION OF ARITHMETICAL COMPUTATIONS.....	67
ENFORCEABILITY OF REMEDIES	67
RATINGS	68
UNDERWRITING	68
CONTINGENT FEES	69
CONTINUING DISCLOSURE	69
FINANCIAL STATEMENTS.....	74
FINANCIAL ADVISOR.....	74
MISCELLANEOUS.....	74
AUTHORIZATION OF CERTIFICATION CONCERNING OFFICIAL STATEMENT	76

APPENDICES

APPENDIX A	GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA
APPENDIX B	AUDITED FINANCIAL STATEMENTS RELATING TO THE PUBLIC UTILITIES SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024
APPENDIX C	SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION
APPENDIX D	PROPOSED FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

Relating To

\$65,360,000*

MANATEE COUNTY, FLORIDA

Public Utilities Revenue Refunding Bonds,

Series 2025A

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to making an investment decision. The offering by Manatee County, Florida (the "County") of its \$65,360,000* Public Utilities Revenue Refunding Bonds, Series 2025A (the "Series 2025A Bonds"), to potential investors is made only by means of this entire Official Statement, including all appendices attached hereto.

Capitalized terms used but not defined herein have the same meaning as when used in the hereinafter described Resolution, unless the context would clearly indicate otherwise. A description of certain provisions relating to the Series 2025A Bonds is set forth in the Resolution, the summary of which is contained in APPENDIX C of this Official Statement. The descriptions of the Series 2025A Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements.

The County

The County, which has an estimated 2024 population of 455,356, covers an area of approximately 740 square miles on the west coast of the State of Florida (the "State"). It is bounded on the north by Tampa Bay and Hillsborough County, on the west by the Gulf of America, on the south by Sarasota County, and on the east by DeSoto and Hardee Counties. The Bob Graham Sunshine Skyway Bridge provides a direct link between the County and the City of St. Petersburg. Interstate 75 is the primary north-south access road within the County. Interstate 275, State Road 64, and State Road 70 are the major east-west access roads within the County. The City of Bradenton is the County seat. Other incorporated cities within the County are: Anna Maria, Bradenton Beach, Holmes Beach, Longboat Key and Palmetto. The economy of the County is based on a combination of services, retail, manufacturing, tourism and agriculture. For additional information

*Preliminary, subject to change.

regarding the County, see "APPENDIX A - GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA" attached hereto.

Purpose of the Series 2025A Bonds

The Series 2025A Bonds are being issued by the County for the purposes of (i) paying and redeeming all or a portion of the County's outstanding Public Utilities Revenue Refunding and Improvement Bonds, Series 2015 (the principal amount of the Series 2015 Bonds to be redeemed is herein referred to as the "Refunded Bonds"), and (ii) paying the costs of issuing the Series 2025A Bonds. See "PLAN OF REFUNDING" herein.

Authority for the Series 2025A Bonds

The Series 2025A Bonds are being issued pursuant to Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented, Chapters 125, 197 and 403, Florida Statutes, Chapter 159, Part VII, Florida Statutes, certain ordinances of the County, and other applicable provisions of law, and pursuant to Resolution No. R-91-21 adopted by the Board of County Commissioners of the County (the "Board") on January 15, 1991, as amended and supplemented (the "Original Resolution"), including, in particular, as amended and supplemented by Resolution No. R-10-233, adopted by the Board on November 9, 2010, Resolution No. R-10-238, adopted by the Board on November 16, 2010 (collectively, the "Series 2010 Resolution"), Resolution No. R-11-225, adopted by the Board on October 25, 2011 (the "Series 2011 Resolution"), Resolution No. R-15-001, adopted by the Board on March 24, 2015 (the "Series 2015 Resolution"), Resolution No. R-17-147, adopted by the Board on December 12, 2017 (the "Series 2017 Resolution"), Resolution No. R-18-135, adopted by the Board on August 21, 2018 (the "Series 2018 Resolution"), Resolution No. R-21-180, adopted by the Board on November 16, 2021 (the "Series 2021 Resolution"), Resolution No. R-23-002, adopted by the Board on April 25, 2023 (the "Series 2023 Resolution"), Resolution No. 24-212, adopted by the Board on November 12, 2024 (the "Series 2024 Resolution") and Resolution No. 25-026, adopted by the Board on March 25, 2025 (the "Series 2025A Resolution", and together with the Original Resolution, the Series 2010 Resolution, the Series 2011 Resolution, the Series 2015 Resolution, the Series 2017 Resolution, the Series 2018 Resolution, the Series 2021 Resolution, the Series 2023 Resolution, and the Series 2024 Resolution, the "Resolution").

Description of the Series 2025A Bonds

The Series 2025A Bonds shall be dated the date of delivery and shall be issued by the County as fully registered bonds in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company ("DTC"). Individual purchases will be made in book entry form only through DTC in the denomination of \$5,000 or any integral multiple thereof. Interest on the Series 2025A Bonds is payable on October 1, 2025 and semiannually on each April 1 and October 1 thereafter. Payments of principal and interest on the Series 2025A Bonds will be made to purchasers by DTC

through Direct Participants and Indirect Participants. Hancock Whitney Bank, a banking corporation duly organized and existing under the laws of the State of Mississippi, will serve as Paying Agent and Registrar for the Series 2025A Bonds. See "DESCRIPTION OF THE SERIES 2025A BONDS" herein.

Security for the Series 2025A Bonds

The Series 2025A Bonds will be payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on a parity with the County's outstanding Public Utilities Revenue Improvement and Refunding Bonds, Series 2023 (the "Series 2023 Bonds"), Public Utilities Revenue Improvement Bonds, Series 2018 (the "Series 2018 Bonds"), Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"), Public Utilities Revenue Refunding and Improvement Bonds, Series 2015 (the "Series 2015 Bonds") (to the extent not refunded by the Series 2025A Bonds), and the Lease Purchase Obligation (collectively, the "Prior Debt"). Prior to the issuance of the Series 2025A Bonds, the Prior Debt will be outstanding in the aggregate principal amount of \$458,457,555.07. See "SECURITY FOR THE SERIES 2025A BONDS - Subordinated Indebtedness" herein for a discussion of potential subordinated debt to be secured by the Net Revenues from time to time. The County's Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions, as more fully described herein. At this time, the County does not collect any revenues from the operation of its Stormwater Management Division. See "SECURITY FOR THE SERIES 2025A BONDS" herein. See "SECURITY FOR THE SERIES 2025A BONDS - Pledged Revenues; Special Obligations" herein. The term "Bonds" as used herein shall mean the Prior Debt, the Series 2025A Bonds and any obligations issued on a parity with such Bonds.

Additional Bonds

The County may issue additional obligations on a parity with the Prior Debt and the Series 2025A Bonds subject to compliance with certain conditions set forth in the Resolution. See "SECURITY FOR THE SERIES 2025A BONDS - Additional Bonds" herein.

Continuing Disclosure

The County has covenanted for the benefit of the Series 2025A Bondholders to provide certain financial information and operating data relating to the County, the Public Utilities System, the Prior Debt and the Series 2025A Bonds in each year, and to provide notices of the occurrence of certain enumerated material events, in accordance with Rule 15c2-12 of the Securities and Exchange Commission. The County's covenants and obligations regarding continuing disclosure are set forth in the Series 2025A Resolution. See "CONTINUING DISCLOSURE" herein.

Additional Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning DTC and its book-entry-only system of registration. Such information has not been provided by the County, and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by DTC and is not responsible for such information.

PLAN OF REFUNDING

The County has determined that it can achieve net present value net debt service savings by providing for the refunding of the Refunded Bonds. The County anticipates using a portion of the proceeds of the 2025A Bonds and other legally available moneys to redeem a portion of the Refunded Bonds on the date of delivery of the Series 2025A Bonds (the "Initial Redemption Date") and to redeem the remaining portion of the Refunded Bonds on or about _____, 2025 (the "Escrow Redemption Date") with moneys held under the Escrow Agreement (as defined below). It is anticipated that all of the Refunded Bonds will be refunded at a redemption price of par plus accrued interest to the applicable redemption date.

With respect to the portion of the Refunded Bonds that are expected to be redeemed on the Escrow Redemption Date, Hancock Whitney Bank (the "Escrow Agent") will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with the County to provide for the current refunding of a portion of the Refunded Bonds. The Escrow Agreement will create an irrevocable escrow deposit fund for the such portion of the Refunded Bonds (the "Escrow Deposit Fund") which will be held by the Escrow Agent solely for the benefit of the holders of such Refunded Bonds, and the money and securities held therein are to be applied to the payment of principal of and interest on such Refunded Bonds on the Escrow Redemption Date. The defeasance and redemption will be accomplished through the issuance of the Series 2025A Bonds and the deposit of a portion of the proceeds thereof, together with other legally available revenues of the County, into the Escrow Deposit Fund. Substantially all of such money is expected to be invested in Defeasance Obligations, as such term is defined in the Resolution. See APPENDIX E - "Summary of Certain Provisions of the Resolution" attached hereto. The maturing principal amount of and interest on the Defeasance Obligations and any cash held in the Escrow Deposit Fund is expected to be sufficient to pay the principal of, interest on the remaining Refunded Bonds and to redeem the outstanding balance on the Escrow Redemption Date including all accrued and unpaid interest, and will be pledged solely for the benefit of the holders of the remaining Refunded Bonds, and will not be available for payment of debt service on the Series 2025A Bonds.

The initial cash deposit plus principal and interest on the Defeasance Obligations in the Escrow Deposit Fund will be sufficient to pay and redeem the remaining Refunded Bonds on the Escrow Redemption Date according to the schedules prepared by Public Resources Advisory Group, Inc., as verified by Robert Thomas CPA, LLC (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

DESCRIPTION OF THE SERIES 2025A BONDS

General Description

The 2025A Bonds will be dated the date of issuance and will mature in the years, and in the amounts and bear interest at the rates set forth on the inside cover page hereof. The Series 2025A Bonds will be issued in fully registered form, in the denomination of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Purchases of beneficial interests in the Series 2025A Bonds will be made in book-entry-only form (without certificates) solely through Direct Participants and Indirect Participants, as described herein.

Interest on the Series 2025A Bonds (first payment due October 1, 2025 and semiannually on each April 1 and October 1 thereafter) will be payable by Hancock Whitney Bank, as Paying Agent, mailed to the registered owner, as shown on the registration books of the County maintained by the Registrar, on the fifteenth day of the month prior to each Interest Payment Date, whether or not such day is a Business Day (the "Record Date"). The principal of the Series 2025A Bonds is payable at maturity to the registered owner at the designated corporate trust office of the Paying Agent, unless earlier redeemed by redemption.

So long as the Series 2025A Bonds shall be in book-entry-only form, payments on the Series 2025A Bonds are payable by check or draft mailed or delivered to Cede & Co. as registered owner thereof and will be redistributed by DTC and the Direct Participants as described in "DESCRIPTION OF THE BONDS - Book-Entry-Only System" below.

Redemption of Series 2025A Bonds

Optional Redemption. The Series 2025A Bonds maturing on or prior to October 1, 20[] shall not be redeemable prior to their stated dates of maturity. The Series 2025A Bonds maturing after October 1, 20[] shall be redeemable at the option of the County from any legally available source, in whole or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on April 1, 20[], or at any time thereafter, at a redemption price of not greater than 100%, together with accrued interest to the date fixed for redemption.

Mandatory Redemption. The Series 2025A Bonds maturing on October 1, 20[] are subject to mandatory sinking fund redemption, in part by lot, in such manner as the Paying Agent may deem appropriate, prior to maturity on October 1 of each year, at a Redemption Price equal to the principal amount of such Series 2025A Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the years and in the amounts as follows:

Year	Principal Amount
------	------------------

*

*Final Maturity.

The Series 2025A Bonds maturing on October 1, 20[] are subject to mandatory sinking fund redemption, in part by lot, in such manner as the Paying Agent may deem appropriate, prior to maturity on October 1 of each year, at a Redemption Price equal to the principal amount of such Series 2025A Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the years and in the amounts as follows:

Year	Principal Amount
------	------------------

*

*Final Maturity.

Notice of Redemption. Notice of redemption will be mailed, postage prepaid, by the Registrar not less than 30 days prior to the date fixed for redemption, to all registered owners of the Series 2025A Bonds or portion of Series 2025A Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar, fifteen days prior to the date such notice is mailed.

Notice of redemption shall set forth (i) the identification of the Series 2025A Bonds subject to redemption, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) that such Series 2025A Bonds will be redeemed at the designated corporate trust office of the Paying Agent, and the name, address and telephone number of a contact person, (v) if less than all of the Series 2025A Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series of Series 2025A Bonds to be redeemed, and (vi) in the case of any of the Series 2025A Bonds to be redeemed in part

only, the portion of the principal amount thereof to be redeemed. The notice of redemption may provide that such notice is contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission will be mailed in the manner described above to all affected Bondholders within a reasonable time period after the County determines that such conditions will not be satisfied and prior to the scheduled date of redemption. In case any Series 2025A Bonds are to be redeemed in part only, the notice of redemption that relates to such Series 2025A Bonds shall state also that on or after the redemption date, upon surrender of such Series 2025A Bonds, a new Series 2025A Bond or Series 2025A Bonds of the same maturity, bearing interest at the same rate and in aggregate principal amount, equal to the unredeemed portion of such Series 2025A Bonds, will be issued, if so required. Failure of the registered owner of any Series 2025A Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2025A Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2025A Bonds duly called for prior redemption if payment of the redemption price has been duly made or provided for. See "DESCRIPTION OF THE BONDS - Book-Entry-Only System" below.

Book-Entry-Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2025A Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2025A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A

Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025A Bond documents. For example, Beneficial Owners of the Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2025A Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2025A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent and Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent for the Series 2025A Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025A Bond certificates are required to be printed and delivered.

The County may decide, subject to the procedures of DTC, to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2025A Bond certificates will be printed and delivered and be subject to transfer and registration as provided in the Resolution.

SECURITY FOR THE SERIES 2025A BONDS

Pledged Revenues; Special Obligations

The Series 2025A Bonds will be payable from and secured by a lien upon and a pledge of the Net Revenues of the Public Utilities System. The Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions. At this time the County does not collect any revenues from the operation of its Stormwater Management System. The County may, by subsequent resolution, elect to pledge special assessments for the payment of principal of and interest on the Series 2025A Bonds. If the County makes such election, the special assessments so pledged shall be treated for all purposes as Gross Revenues. The Series 2025A Bonds shall be payable on a parity in all respects with the Prior Debt and any Additional Bonds (as herein defined).

The Series 2025A Bonds shall not be and shall not constitute an indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness, but shall be payable solely from the Net Revenues. No holder or holders of any Series 2025A Bonds issued under the Resolution shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Prior Debt and Series 2025A Bonds or the interest thereon.

Creation of Funds and Accounts

The Resolution creates the following funds and accounts:

- (a) Revenue Fund (hereinafter referred to as the "Revenue Fund").
- (b) Sinking Fund (hereinafter referred to as the "Sinking Fund"), with separate accounts to be known as the "Interest Account," the "Principal Account," the "Bond Redemption Account," and the "Debt Service Reserve Account" for each applicable Series of Bonds. The County reserves the right, but shall not be obligated to create and establish additional separate Federal Direct Payment Accounts and separate subaccounts within the Federal Direct Payment Account for each series of Build America Bonds. The County is not required to create Debt Service Reserve Accounts for each Series of Bonds.
- (c) Rate Stabilization Fund (the "Rate Stabilization Fund").
- (d) Acquisition/Construction Fund (the "Construction Fund"), with a separate line item to be known as the "2025 Cost of Issuance Cost Center."
- (e) Renewal and Replacement Fund (the "Renewal and Replacement Fund").
- (f) General Reserve Fund (the "General Reserve Fund").

The Sinking Fund, including the Interest Account, Principal Account, Bond Redemption Account, Debt Service Reserve Accounts, the General Reserve Fund, the Construction Fund, the Renewal and Replacement Fund, and all other special funds and accounts created and established by the Resolution, other than the Rate Stabilization Fund, shall constitute trust funds for the Holders of the Series 2025A Bonds, except that any Debt Service Reserve Account shall constitute a trust fund only for the Holders of the Series of Bonds to which such Debt Service Reserve Account, if any, relates. The amounts required to be accounted for in each of the funds and accounts may be deposited in a single bank account maintained by the County, provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein. The designation and establishment of such funds and accounts shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the Public Utilities System for certain purposes and to establish such certain priorities for application of certain revenues and assets.

No Debt Service Reserve Account

The Resolution provides for the establishment of a separate and distinct Debt Service Reserve Account for any Series of Bonds as determined by the County in the Sinking Fund, each referred to herein as a "Debt Service Reserve Account," with such other appropriate denomination as the County deems necessary to distinguish one such Debt Service Reserve Account from another. Each such Debt Service Reserve Account shall constitute separate security for the Series of Bonds for which it relates and the moneys or securities therein or derived from a Reserve Account Credit Facility Substitute therein shall not be available to pay debt service on any other Series of Bonds unless expressly so provided by subsequent proceedings of the County.

There will be no debt service reserve account established for the Series 2025A Bonds. Amounts on deposit in any Debt Service Reserve Account established for any other Series of Bonds shall not be available for the Series 2025A Bonds.

Rate Covenant

Pursuant to the Resolution, the County has agreed to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its Public Utilities System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at least 115% of the Annual Debt Service Requirement for all outstanding Prior Debt, including the Series 2025A Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Resolution; and that such rates, fees, rentals or other charges shall not be reduced so as to be insufficient for such purposes. See "SECURITY FOR THE SERIES 2025A BONDS - Pledged Revenues; Special Obligation" herein.

Subordinated Indebtedness

The County may, at any time or from time to time, issue evidences of indebtedness payable in whole or in part out of the Net Revenues of the County's Public Utilities System subordinated in all respect to the pledge of the Net Revenues created by the Resolution. Presently, the County has no outstanding subordinate debt.

Additional Bonds

The County may issue from time to time additional bonds on a parity with the outstanding Prior Debt (herein, "Additional Bonds"), including the Series 2025A Bonds, subject to the following conditions:

(1) The County must be current in all deposits and payments required by the Resolution and in compliance with all covenants therein.

(2) The Net Revenues received during any 12 consecutive months of the 24 months immediately preceding the issuance of said Additional Bonds, as certified by the Clerk and as may be adjusted pursuant to the Resolution, equal 115% of the Maximum Annual Debt Service Requirement on (a) the outstanding Prior Debt, including the Series 2025A Bonds, and (b) the Additional Bonds then proposed to be issued.

(3) In the event any Additional Bonds are issued for the purpose of refunding any Prior Debt then outstanding, the condition of subparagraph (2) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the outstanding Prior Debt so refunded.

See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Issuance of Pari Passu Additional Bonds" attached hereto for a more complete discussion of the ability of the County to issue Additional Bonds and a description of adjustments which may be made to the test described above.

Application of Revenues

All Revenues derived from the operation of the Public Utilities System shall be deposited in the Revenue Fund and shall be disposed of only in the following manner:

(1) Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

(2) Revenues, if the Board determines it to be in the best interest of the County, shall next be used, in the manner and in the amounts provided below, for deposit into the Rate Stabilization Fund. Prior to any deposits to the Rate Stabilization Fund, the County shall make such deposits based on an estimate of the annual increase in Operating Expenses

by taking into account (i) known additions, extensions and improvements to the System which will or would expect to result in increased annual operating expenses, and (ii) a reasonable inflation factor. Moneys on deposit in the Rate Stabilization Fund may be withdrawn at such times as the County shall determine to be necessary to pay such increases to Operating Expenses which would otherwise be payable from increased rates. Pending such withdrawal, moneys on deposit therein may be invested in Permitted Investments. Moneys on deposit in the Rate Stabilization Fund may not be used to pay debt service on the Bonds.

(3) Revenues shall next be deposited into the Interest Account in the Sinking Fund on the 15th day of each month in such sums as shall be sufficient to pay 1/6th of the interest becoming due on all outstanding Bonds, including the Series 2025A Bonds, on the next Interest Payment Date. Monthly deposits for interest shall not be required to the extent money is on deposit therein. In the event the period to elapse between the date of delivery of the Series 2025A Bonds and the next Interest Payment Date will be less or more than six months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required interest amount maturing on the next Interest Payment Date.

(4) Revenues shall next be used:

(a) for deposit in the Principal Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the principal amount or Accreted Value of Serial Bonds which will mature and become due on the next annual maturity date. In the event the period to elapse between the date of delivery of the Series 2025A Bonds and the next principal payment date will be less or more than 12 months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the amount required for the payment of Term Bonds, until the amount on deposit therein is equal to the amount required to be paid on the next installment payment date.

(5) To the extent not funded from Bond proceeds or covered by the amounts on deposit in the Debt Service Reserve Accounts, Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the Sinking Fund on the 15th day of each month in each year, beginning with the 15th day of the first full calendar month following the date on which any or all of the Bonds of any Series are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to 1/12th of 20% of the Debt Service Reserve Requirement applicable for each Series of Bonds for which a Debt Service Reserve Account has been established. No further payments shall be required to be made in the Debt Service Reserve

Account whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series of Bonds.

(6) Revenues shall next be used, first, for the repayment of any obligations owed to the provider(s) of a Reserve Account Credit Facility Substitute (pro rata, if necessary), and second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the System in accordance with the proceedings authorizing such subordinated indebtedness, and third, deposits to the County's Landfill closure fund.

(7) Revenues shall next be used to make deposits into the Renewal and Replacement Fund. Moneys on deposit in the Renewal and Replacement Fund shall be used pay for (i) additions, extensions and improvements to the System, and (ii) the costs of replacement and renewal of capital assets of the System or extraordinary repairs thereto. There shall be no minimum or maximum amount required to be deposited into the Renewal and Replacement Fund. Such deposits shall be determined annually based on available Revenues and the County's annual budget.

(8) Thereafter, the balance of any Revenues remaining in the Revenue Fund shall be deposited in the General Reserve Fund and used by the County for any public works project legally permitted under applicable law (including the payment of debt service on bonds and other debt obligations issued by the County for such public works projects) in the manner and amount determined by subsequent proceedings of the Board; provided, however, that none of such Net Revenues shall ever be used for the purposes provided in this paragraph (8) unless all payments required in paragraphs (1) to (7) above, including any deficiencies for prior payments, have been made in full to the date of such use; provided further, however, that the moneys in the General Reserve Fund shall be used for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund whenever the moneys in the Revenue Fund are insufficient therefor. In addition to any public works project, moneys on deposit in the General Reserve Fund may be used for any other lawful purpose approved by a majority vote of the Board.

For the purposes of the next preceding sentence, the Resolution defines the term "public works" to mean capital projects for the acquisition, construction and/or rehabilitation of roads, highways, bridges and tunnels, and such other legally permissible capital projects relating thereto as shall be determined by ordinance of the County enacted by a majority vote of the Board.

[Remainder of page intentionally left blank]

ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the Series 2025A Bond proceeds and other legally available monies of the County allocated to pay debt service on the Refunded Bonds:

SOURCES OF FUNDS

Proceeds of Series 2025A Bonds	
[Plus/Less]: [Net] Original Issuance [Premium/Discount]	_____
Other Legally Available Monies of the County	_____
TOTAL SOURCES OF FUNDS	_____ \$

USES OF FUNDS

Payment of Refunded Bonds	\$
Deposit to 2025 Cost of Issuance Cost Center in the Acquisition/Construction Fund ⁽¹⁾	
Underwriters' Discount	_____
TOTAL USES OF FUNDS	_____ \$

⁽¹⁾ Includes legal and financial advisory fees, printer costs, rating agency fees and other miscellaneous expenses.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE FOR THE SERIES 2025A BONDS

The table below sets forth the annual debt service requirements with respect to the Series 2025A Bonds.

Period Ending October 1	Principal	Interest	Total Debt Service
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
TOTAL⁽¹⁾	=====	=====	=====

⁽¹⁾ Totals may not add due to rounding.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE FOR THE PRIOR DEBT AND SERIES 2025A BONDS

The table below sets forth the annual debt service requirements with respect to the Prior Debt and Series 2025A Bonds.⁽¹⁾

Bond Year Ending October 1	Series 2015 Bonds ⁽²⁾ Debt Service	Series 2017 Bonds Debt Service	Series 2018 Bonds Debt Service	Series 2023 Bonds Debt Service	Lease Purchase Agreement	Series 2025A Bond Debt Service	Total Debt Service
2025	\$4,688,050	\$5,128,400	\$4,363,613	\$11,787,950	\$ 6,007,123		
2026	4,782,800	5,129,150	4,361,613	11,790,450	6,007,123		
2027	4,903,800	5,127,150	4,360,113	11,789,950	6,007,123		
2028	5,019,300	5,132,150	4,363,863	11,791,200	6,007,123		
2029	5,154,050	5,133,400	4,364,963	11,788,700	6,007,123		
2030	5,281,550	5,135,650	4,362,163	11,792,200	6,007,123		
2031	5,425,550	5,128,400	4,363,763	11,790,950	6,007,123		
2032	5,569,300	5,131,650	4,360,325	11,789,700	6,007,123		
2033	5,728,550	5,129,400	4,361,675	11,787,950	6,007,123		
2034	5,881,800	5,132,000	4,362,300	11,790,200	6,007,123		
2035	6,057,200	5,127,200	4,361,825	11,790,700	6,007,123		
2036	11,669,400		4,363,200	11,788,950	6,007,123		
2037	11,670,400		4,361,250	11,789,450	6,007,123		
2038	11,670,400		4,360,975	11,791,450	6,007,123		
2039	11,668,800		4,363,494	11,789,200	6,007,123		
2040			4,362,025	11,787,200	6,007,123		
2041			4,361,569	11,789,700	6,007,123		
2042			4,361,069	11,790,700	6,007,123		
2043			4,361,544	11,789,450	6,007,123		
2044			4,362,819	11,790,200	6,007,123		
2045			4,364,719	11,791,600			
2046			4,362,069	11,790,200			
2047			4,364,969	11,790,600			
2048			4,362,613	11,792,200			
2049				11,789,400			
2050				11,791,800			
2051				11,788,600			
2052				11,789,400			
2053				11,788,400			
TOTAL⁽¹⁾	<u>\$105,170,950</u>	<u>\$56,434,550</u>	<u>\$104,698,531</u>	<u>\$341,908,450</u>	<u>\$120,142,460</u>		

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Only a portion will remain outstanding if not a refunding in whole.

THE WATER AND WASTEWATER DIVISION

General

In 1991, the County combined its existing Water and Wastewater Systems, Solid Waste System and Stormwater Management System into one public utility. This utility, known as the Manatee County Public Utilities System (the "System" or "Public Utility System"), was established to maximize the utilization of personnel and resources and to enhance the health and safety of County residents. At this time, no revenues are derived from the operation of the Stormwater Management System.

Recognizing that at some future time it might benefit the County to combine other utility operations or public works enterprises into the Public Utilities System, the County reserved the right to do so. To date, however, no other such consolidations have taken place.

Background

The water and wastewater facilities of the Public Utilities System are administered by the Water and Wastewater Divisions of the Manatee County Utilities Department ("MCUD"), a department of the County government. In 1965, the County commenced acquisition and construction of a County-wide system to provide water for all unincorporated areas and certain incorporated areas within the County and Sarasota County, as described below, and currently serves approximately 77% of the County population. During the Fiscal Year ended September 30, 2024, the Water Division provided water service in portions of the incorporated and unincorporated areas of the County to an estimated 194,840 Equivalent Residential Connections ("ERCs"), representing approximately 149,368 average annual accounts. An ERC relating to the Water Division's water service represents use of approximately 275 gallons of water per day ("GPD") per dwelling unit. The County also sells treated potable water on a wholesale basis to the cities of Bradenton and Palmetto, the Town of Longboat Key and Sarasota County.

The Wastewater Division's oldest wastewater treatment plant began operating in November 1974. The County's original wastewater collection system was completed in phases between 1974 and 1978. Prior thereto, wastewater treatment was provided by septic tanks and small, privately-owned treatment plants. All individual and privately-owned wastewater systems capable of being served by the Wastewater Division have been required to connect to the Wastewater Division's wastewater facilities. During the Fiscal Year ended September 30, 2024, the Wastewater Division provided wastewater collection and treatment services in most of the developed areas of the County (excluding parts of the City of Bradenton and the City of Palmetto) to an estimated 149,621 ERC's, representing approximately 157,055 average annual accounts. An ERC relating to the Wastewater Division's wastewater service represents use of approximately 240 gallons of wastewater

disposal per day per dwelling unit. The County also provides wastewater treatment service for the Town of Longboat Key and parts of the City of Bradenton. The County's wastewater system also includes the reclaimed water system consisting of approximately 260 miles of transmission mains, 33.75 million gallons ("mg") of tank storage and 1.2 billion gallons of pond storage serving approximately 14,000 retail and large user accounts.

**Historic Growth of Water and Wastewater Divisions Services
Number of Meters
(as of September 30)**

Year	Water	Percentage Growth	Wastewater	Percentage Growth
2024	147,298	2.0%	135,310	8.0%
2023	144,405	2.5	125,330	4.5
2022	140,897	4.2	119,888	3.9
2021	135,233	3.5	115,336	3.4
2020	130,674	3.1	111,555	2.9

Source: Manatee County, Florida.

Administration

The MCUD is managed by the County's Director of the Utilities Department, Mr. Patrick Shea, who was appointed to this position effective February 2024. Mr. Shea came to the County from Minnesota where he was the General Manager for St. Paul Regional Water Services. In that role, Patrick was responsible for a regional water system serving 452,000 residents, overseeing water treatment, supply, storage, and distribution. Mr. Shea graduated from St. Cloud University with a bachelor's degree in chemistry and has a master's degree in public administration from the University of South Dakota.

The Water and Wastewater Divisions' responsibilities for water supply and distribution, and wastewater collection and treatment, are managed separately by a water section manager and wastewater section manager.

Treatment Facilities are managed by Christian Collins, who holds the title of Utilities Deputy Director – Treatment Facilities. Mr. Collins received his bachelor's degree in management from the University of Phoenix and holds a Florida Department of Environmental Protection (FDEP) Operator Licenses in Water, Wastewater, and Water Distribution. Mr. Collins has over 30 years of experience in treatment plant management, operations, maintenance, and construction.

Wastewater Distribution and Collections are managed by Nick Wagner, who holds the title of Utilities Deputy Director – Distribution and Collections. Mr. Wagner was promoted to this position in December of 2024. Mr. Wagner holds a Bachelor of Science

degree in Business Administration from the University of South Florida and has 24 years of experience in operations, maintenance, and repair of water and wastewater infrastructure.

The Solid Waste Division is managed by Albert Rosenstein. Mr. Rosenstein was promoted to this position in January 2025. Mr. Rosenstein holds a bachelor's degree in civil engineering from Florida International University. He is a licensed engineer registered in the state of Florida and has worked for the MCUD as a Project Manager for Utility projects for over five years. His experience with MCUD is centered around treatment plants, instrumentation and controls, water, sewer, underground construction, and maintenance including regulatory requirements, engineering, procurement, and MCUD policies.

The Stormwater Management System is managed by two separate divisions - the Property Management Field Maintenance Division – Stormwater Operations Section and the Stormwater Engineering Division. The Stormwater Operations Section is managed by Carmine DeMilio. Mr. DeMilio holds a bachelor's degree in law and criminal justice from Rowan University and a master's degree in public administration from Columbia Southern University. Mr. DeMilio joined Manatee County in August of 2010 with over 22 years of experience in all aspects of parks and grounds maintenance, landscaping chemical applications, and green stormwater. The Stormwater Engineering Division is managed by Thomas Gerstenberger, P.E., the division manager. Mr. Gerstenberger holds a Bachelor of Science Degree in Civil Engineering from the University of South Florida and has over 22 years of service with Manatee County.

The Manatee County Utilities Business Operations are managed by Mr. Bob Vagnier, who holds the title of Business Operations Manager. The Business Operations Division includes Safety and Communications, Business Systems Support, Customer Service, the Utilities Warehouse, and the Utilities Record and Locates section. Mr. Vagnier holds an MBA from Indiana Wesleyan University and started with MCUD in November 2019.

Employees

As of September 30, 2024, the MCUD had 423 employees, of which 133 are involved in water service including treatment, distribution and meter services, 165 in wastewater treatment and disposal, 43 in solid waste operations including recycling and enforcement, 26 in operational support including utility records, underground, maintenance and warehouse, and 47 supporting customer service, billing and collections. The remaining 9 employees are senior management, project management, communications/safety, and administrative positions. The employees of the MCUD are not represented by a labor union. Labor relations between the MCUD and its employees have been amicable.

The employees of the MCUD are covered by the State of Florida Retirement System Pension Plan (the "FRS Plan"), which is administered by the State. The State Constitution prohibits increasing benefits without concurrently providing for funding the increase on a sound actuarial basis. See "PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Florida Retirement System" herein for further information regarding the FRS Plan and the County's contribution.

Water Supply and Treatment Facilities

In Fiscal Year 2024, the average daily demand on the Water Division's water production facilities was 47.76 million gallons per day (MGD) and the maximum daily demand was 61.416 MGD. To meet this demand, the Water Division's primary water supply is obtained from an 1,800-acre reservoir on the Manatee River called Lake Manatee. A 50-foot-high clay-core earthen dam impounds an 18,100 acre-feet (5.9 billion gallons) storage pool at an elevation of 40 feet. Under drought conditions occurring with a 20-year frequency, the reservoir is capable of delivering 34.9 MGD while maintaining a minimum storage level of 21 feet. The County's water use permits will allow 34.9 MGD and 46.068 MGD to be withdrawn for average day and maximum per month, respectively, from the reservoir.

In addition to the primary water source at Lake Manatee, the County currently operates wellfields and an aquifer storage and recharge recovery system. The East County Wellfield is the Water Division's wellfield and is permitted for 19.086 MGD average daily and 20.356 MGD maximum average per month withdrawal. On May 24, 2016, a modification of the consolidated water use permit by the Southwest Florida Water Management District added 3.1 MGD to the daily average (to 19.086) to increase withdrawal flexibility. This additional 3.1 MGD was earned through provision of reclaimed water and subsequent retirement of other groundwater withdrawals under the Southwest Florida Water Management District's "Net Benefit" program. The 3.1 MGD can currently be used to replace surface water withdrawals when needed, but a permit condition allows it to be added to the total quantities when water use demands show the need. In addition, an auxiliary wellfield owned by Mosaic Fertilizer, LLC is permitted to provide 1.96 MGD average daily and 1.96 MGD maximum average per month withdrawal to the County. These wellfields have been operational since 1993. The aquifer storage and recovery system (the "ASR") wells are used to inject treated drinking water into the Floridian Aquifer for storage during periods of low demand and high surface water flow. The ASR can supplement the plant if the surface water source is lost during maintenance work on the plant, periods of algae blooms, and/or dry periods. The County has a total of six ASR wells at the plant with a combined capacity of 10 MGD. The ASR is permitted to maintain up to 3 billion gallons in storage. This storage is allocated with 1.8 billion gallons for operational purposes and 1.2 billion gallons reserved for extended operation (prolonged drought or maintenance) or emergency use.

On October 22, 2024, the Southwest Florida Water Management District issued a modification to the September 24, 2012, 20-year consolidated water use permit (WUP). The modified WUP expires on September 25, 2032, and includes the annual average withdrawals of 34.9 MGD from Lake Manatee, 18.386 MGD from and the East County Wellfield, and 3.95 MGD from the planned Buffalo Creek Wellfield, located north of the Manatee River. The modified WUP includes a 2.4 MGD flex quantity for the East County Wellfield. If the County provides at least 4.0 MGD (annual average) to Schroeder-Manatee Ranch (SMR), the flex quantity can be increased to 4.75 MGD. The minimum flow of 4.0 MGD of RCW to SMR must be maintained, or else the flex quantity is reduced to 2.4 MGD. The County's potable water demand projections show that the planned Buffalo Creek Wellfield and RO WTP are scheduled to be online by the end of 2028. When constructed, it will further diversify water sources and provide a drought resistant supply source north of the Manatee River. The total permitted average annual withdrawal quantity on the modified permit is 54.836 MGD.

The total permitted withdrawal from all the above water sources is 56.80 MGD average daily and 72.336 MGD maximum average per month. There is no restriction placed on maximum daily withdrawal. With the additional 3.1 MGD from the East County Wellfield, which will be available when needed to meet demands, the current permit for these facilities is projected to meet the Water Division's needs through 2036. The County's Water Division has not been cited for a permit or regulatory violation during the last five years.

The Water Division's water treatment plant is located adjacent to the reservoir. The original plant was constructed in 1965, and in 1973 its capacity was expanded from 12 MGD to 30 MGD, to 54 MGD in 1982 and to 84 MGD in 1993. The plant treats both surface and ground water using pre-treatment facilities, sedimentation basins, high-rate filters and clearwells. The Water Division also has six elevated storage tanks and seven ground storage facilities with an aggregate capacity of 32 million gallons.

Water produced by the Water Division from its surface supply receives conventional treatment (e.g., coagulation, sedimentation, filtration and chlorination). The ground water from the wellfield is softened, filtered, treated and chlorinated. The water currently meets all federal and state regulatory requirements. The County regularly monitors water quality in its own laboratory and comprehensively tests water annually using independent laboratories.

[Remainder of page intentionally left blank]

The following tables represent historic and projected water production for the County.

Historic Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2024	17.56
2023	17.23
2022	16.45
2021	16.16
2020	16.06

Source: Manatee County, Florida.

Projected Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2029	18.67
2028	18.51
2027	18.90
2026	18.56
2025	18.54

Source: Manatee County, Florida.

In addition to the above projected water production through 2029, the Water Division is planning to ensure sufficient capacity to meet daily demands and all contractually obligated wholesale contracts, estimates the following average daily needed capacity through 2040.

Estimated Daily Water Demand
(through 2040)

<u>Fiscal Year</u>	<u>Estimated Daily Water Demand</u>
2040	65.7 MGD
2035	58.6 MGD
2030	52.3 MGD
2025	50.7 MGD

Source: Manatee County, Florida.

As demands exceeds available sources within the County, an allocation of regional water could be purchased from the Peace River Manasota Regional Water Supply Authority by 2038. This will likely require initial investments in regional water supply elements beginning some years prior to then. However, that date is distant enough to allow this plan to be revisited many times within the annual planning cycle to fine tune any potential regional water purchase to suit the County's needs. The County is required to provide the Peace River Manasota Regional Water Supply Authority with a 7-year notice if they intend to tie into their supply.

The County is also closely monitoring developments in the field of aquifer recharge whereby seasonally available surface water can be recharged into the aquifer at one location, thereby generating groundwater credits that can be used to withdraw water from the aquifer at other locations. During the rainy season, the Lake Manatee watershed has an abundance of available surface water and so this could fuel development of additional quantities from existing sources. Finally, the County routinely negotiates with developers to utilize reclaimed water for irrigation in new developments which offsets groundwater withdrawals. This is also a common tool used to bolster permitted withdrawal quantities.

Water Transmission and Distribution Facilities

The County's service area is approximately 35% of the geographic area of the County that is located west of Lake Manatee. The geographic area between I-75 and Uihlein Road has seen rapid growth over the past five years. The area east of Uihlein Road consists largely of rural agricultural lands that typically rely on private wells and septic systems. Two 36-inch, a 42/36-inch, and a 30-inch transmission main with accompanying pumping stations deliver water to the service area. Branching off from the 36-inch transmission mains are a 30-inch, a 20-inch, and a 12-inch main which each deliver water to Sarasota County. A 20-inch subaqueous transmission main across Sarasota Bay delivers water to Anna Maria Island and Longboat Key, and 16-inch, 24-inch and 30-inch transmissions main provide water service to the City of Palmetto and the service area north of the Manatee River. A 16-inch water line was constructed along Manatee Avenue which provides a secondary feed to the island communities of Anna Maria Island and Town of Longboat Key.

Within the retail service area, the transmission and distribution lines constructed by the County vary in size from 42-inches to a minimum of 2-inches. Most of these lines are ductile iron, ACP, PVC or cast-iron pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. Approximately 2,100 miles of pipe are recorded within the Water Division's water distribution facilities

On November 21, 2024, the County entered into an Equipment/Lease Purchase Agreement (the "Lease Purchase Obligation") for the lease/purchase of certain water metering infrastructure and equipment. Under the terms of the Lease Purchase Obligation,

the County immediately acquires title to this water metering infrastructure and equipment, and makes rental payments on a twice yearly basis through October 1, 2044.

Currently, the Water Division continues to expand its facilities as growth occurs. Developers normally construct distribution facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's water distribution facilities. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of water distribution lines owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Debt have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private water facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. While the County has not changed this practice (except in one instance), requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the outstanding Prior Debt, including the Series 2025A Bonds.

Water Supply Contracts

The County has contracted to supply treated water to Sarasota County, the Cities of Bradenton and Palmetto and the Town of Longboat Key. All moneys received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of these contracts:

The County signed a 24-year contract on February 6, 2007, with the Town of Longboat Key to supply all the treated potable water which the Town uses for resale to its residents (the "LBK Water Agreement"). The LBK Water Agreement includes a ten-year option to renew upon mutual written consent of the parties. The LBK Water Agreement provides that the County will reserve 2.50 MGD of capacity in the County's potable water system, which the Town of Longboat Key may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2024, the Town of Longboat Key utilized approximately 79% of its reserved water capacity on an average annual basis. The rate charged for water sold to the Town currently is \$2.35 per 1,000 gallons plus a monthly fixed charge of \$36,711. The County has the right to adjust rates annually under the LBK Water Agreement. In Fiscal Year 2024, the County received \$2,016,553 from the sale of water to the Town of Longboat Key.

On October 21, 2003, the County signed a contract to supply treated water to the Sarasota County Utility, acting through Sarasota County. This contract established a phase-out schedule, in which a quantity of 8.0 MGD is reduced every five years, until the agreement was originally set to expire on March 31, 2025, and Sarasota County no longer purchased potable water from Manatee County. On January 30, 2018, the "First Amendment to Interlocal Agreement" was signed adding two additional future meter locations, but not adjusting the quantity or timing of the phase-out schedule. On September 12, 2023, the "Second Amendment to Interlocal Agreement" was signed revising the phase schedule to extend the term of the contract through March 31, 2038. The phase-out schedule for reservation of water is as follows: (a) April 1, 2008 through March 31, 2015 - maximum daily reserve capacity of 8 MGD; (b) April 1, 2015 through March 31, 2020 - maximum daily reserve capacity of 6 MGD; (c) April 1, 2020 through March 31, 2025 - maximum daily reserve capacity of 5 MGD; (d) April 1, 2025 through March 31, 2026 - maximum daily reserve capacity of 4 MGD; (e) April 1, 2026 through March 31, 2028 - maximum daily reserve capacity of 3 MGD; and (f) April 1, 2028 through March 31, 2038 - maximum daily reserve capacity of 0.5 MGD. During the Fiscal Year 2024, Sarasota County Utility utilized approximately 76% (3.78 MGD) of its reserved water capacity on an average annual basis. The contract does not include specific rates, but references rates as established by the County pursuant to its rate resolutions. The rate currently charged is a monthly fixed charge of \$73,422, plus \$2.35 per 1,000 gallons for the water actually consumed up to 5.0 MGD. In Fiscal Year 2024, the County received \$3,884,645 from the sale of water to Sarasota County. The County and Sarasota County have engaged in informal discussions concerning a possible extension to the water supply contract, however the likelihood, level of interest and specific terms of any extension are uncertain. While a reduction in wholesale water revenue by Sarasota County would diminish the Net Revenues of the System, based on the current and projected financial strength of the County any loss in such revenues alone would not be expected to have a material impact on the County's ability to pay debt service on its Bonds includes its Prior Debt, Series 2025A Bonds and any Additional Bonds.

On December 11, 2012, the County entered into a contract with the City of Bradenton to supply potable water to specified areas of the City of Bradenton for a term of 20 years, with a ten-year option to renew exercisable by either party. During the Fiscal Year 2024, the City of Bradenton utilized approximately 0.223 MGD of water capacity on an average annual basis. This contract does not contain any provisions for reserve capacity. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$7,342, plus a volume charge of \$2.35 per 1,000 gallons. The contract may be terminated by either the City of Bradenton or the County upon payment of \$1,000,000 to the other party. In Fiscal Year 2024, the County received \$263,904 from the sale of water to the City of Bradenton.

On October 11, 2005, the County entered into a 14-year contract with the City of Palmetto (the "Palmetto Water Agreement") to provide potable water for the City of

Palmetto. The Palmetto Water Agreement was renewed on April 24, 2018, with a new expiration date of September 30, 2029. The Palmetto Water Agreement provides that the County will reserve 2.00 MGD of capacity in the County's potable water system, which the City of Palmetto may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2024, the City of Palmetto utilized approximately 67% of its reserved water capacity on an average annual basis. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$26,759, plus a volume charge of \$2.35 per 1,000 gallons. In Fiscal Year 2024, the County received \$1,405,198 from the sale of water to the City of Palmetto.

In addition to the aforementioned contracts, in 2011 and 2012 the County renewed the franchise agreements with the cities of Bradenton Beach, Anna Maria and Holmes Beach whereby the County received the exclusive right to supply water to the inhabitants of said cities. The franchise agreements, which have a remaining term of approximately 2 years, provide that the County shall bill the customers within such cities directly. At this time the County is not aware of any issue that would prevent the franchise agreements to be renewed prior to expiration.

Wastewater Treatment

In 1975, the County completed construction of its southwest water reclamation facility (the "Southwest Water Reclamation Facility"), which currently is permitted to process 15.0 MGD of wastewater. The Wastewater Division also includes two smaller subregional water reclamation facilities which serve the northern (the "North Regional Water Reclamation Facility" constructed in 1987), and southeastern (the "Southeast Water Reclamation Facility" constructed in 1985) areas of the County. These water reclamation facilities have permitted capacities of 7.5 MGD (NRWRF) and 11.0 MGD (SERWRF), respectively. These three water reclamation facilities employ a Modified Ludzack-Ettinger (MLE) process with advanced secondary treatment. Preliminary treatment involves screening, grit removal and odor control (wet scrub). Secondary treatment includes anoxic zone, aeration zone, and clarification. The wastewater plants' effluent is filtered and chlorinated then delivered to the reclaimed water distribution system or to storage ponds.

The County's reclaimed water system consists of reclaimed water storage lakes, three booster pump stations, one Class I deep injection well, one Class V recharge well and three additional injection wells that are currently undergoing operational testing. All these wells are used for disposal of excess flow during periods of heavy and extended rainfall. The reclaimed water service area is identical to the wastewater system service area. Agricultural irrigation and spray fields represent approximately 5% of the total usage while public access areas and landscape irrigation (golf course, residential and other public access areas) account for the remaining 95%.

In Fiscal Year 2024, the average daily flow to the Southwest Water Reclamation Facility site was 13.435 MGD. The average daily flow to the Southeast Water Reclamation Facility was 8.901 MGD and the average daily flow to the North Regional Water Reclamation Facility was 5.342 MGD.

Each of the County's water reclamation facilities is issued its own permit. The Southwest Water Reclamation Facility permit expires March 21, 2025. The Southeast Water Reclamation Facility permit expires November 15, 2025. The North Regional Water Reclamation Facility permit expires February 2, 2026. The MCUD is in the process of renewing the permits and has no reason to believe that each of its water reclamation facility operating permits will not be routinely renewed.

The Wastewater Division also operates a Biosolids Dryer facility that processes nearly 26,000 tons of wastewater residuals annually and produces nearly 5,000 tons of dried "Class AA" pellets. The residuals are by-products of the wastewater treatment processes and are treated to a Class AA standard, the highest quality achievable under the Florida Department of Environmental Protection and Environmental Protection Agency regulations. The pellets produced at the dryer are marketed for use as fertilizer in agricultural operations.

The County currently has a program to mitigate infiltration and inflow ("I/I") into the sewer collection system. The program includes extensive effort in the repair and replacement of deficient sewer pipe and the sealing of manholes throughout the system.

On March 20, 1979, the Board adopted an ordinance providing that no subdivision or commercial development can obtain a construction permit unless the County determines that there is sufficient capacity in the regional wastewater system to treat the additional wastewater flows from such subdivision or commercial development. The County's comprehensive plan, adopted in 1989, includes a similar requirement for new development in the County. If it is determined that sufficient capacity is not available in the regional wastewater system, then a subdivision or commercial development may construct an interim wastewater treatment plant. Any such interim wastewater treatment plant would be paid for by the developer and operated by the MCUD, and the interim wastewater treatment plant would be discontinued when sufficient capacity is available. New development may rely on septic systems only when (1) wastewater service is not "available" within the meaning of Florida Statute 381.0065, and (2) the property is exempted from connecting to the wastewater system under the limited circumstances allowed in the comprehensive plan. The County expects to meet all service needs from developers within its service area for the 2025-2029 capital improvement plan cycle. FDEP rules require the County to initiate a plant expansion if the five-year flow projection indicates a shortage of capacity. Master plans for all three water reclamation facilities were completed in April 2017 ("Master Plans") and for the three wastewater service areas in 2023 by the County's Engineer of Record. The Master Plans provide

information that is used to program capital improvement projects for up to twenty years in the future.

Wastewater Collection

Construction of most of the present wastewater collection facilities was completed in phases between 1974 and 1978. Subsequently, additional collection facilities were constructed through an EPA grant program, with construction taking place between 1983 through 1992.

Currently, the Wastewater Division continues to expand its facilities as growth occurs. Developers normally construct collection facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's wastewater collection facilities. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of wastewater collection lines and lift stations owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Debt have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private wastewater facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. The County does not initiate the takeover process unless it is aware of a concern relating to health and safety and such takeover is required by the FDEP or other regulatory agency. While the County has not changed this practice (except in one instance), requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the outstanding Bonds, including the Series 2025A Bonds.

All the force mains and interceptor lines constructed by the County are ductile iron or high-density polyethylene pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. All the collector lines are polyvinyl chloride, vitrified clay pipe or ductile iron, which also had an estimated useful life of 30 to 60 years when initially placed in service. The collection facilities include close to 650 wastewater lift stations of which all but 15 are considered satellite lift stations. The remaining 15 stations are master pump stations with above ground buildings to house electrical and wet well/dry type pumping equipment arrangement including high level alarm systems and emergency generators. The Wastewater Division's collection system continues to grow at a rapid pace and many improvements have been and are being made as part of the capital plan, including

enhanced remote monitoring of lift stations, a valve exercise program and a comprehensive evaluation of inflow and infiltration affected areas.

Wastewater Treatment Contracts

The County has contracted to treat and dispose of the wastewater of the Town of Longboat Key and a portion of the wastewater of the City of Bradenton, the City of Bradenton Beach, the City of Anna Maria Island and the City of Holmes Beach. All moneys received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of such contracts:

On November 17, 2009, the County entered into a 22-year contract with the Town of Longboat Key to treat all the Town's wastewater (the "LBK Wastewater Agreement"). The LBK Wastewater Agreement includes a 10-year option to renew by consent of both parties. The rate currently charged the Town of Longboat Key for wastewater treatment service consists of a monthly fixed charge of \$51,624, plus a volume charge of \$2.92 per 1,000 gallons for treated wastewater. The County has the right to adjust rates annually under the LBK Wastewater Agreement. In Fiscal Year 2024, the County received \$2,515,224 from the Town of Longboat Key for wastewater treatment.

On May 17, 1983, the County entered into a contract with the City of Bradenton whereby the City agreed to transmit County wastewater from Perico Island through its wastewater system and the County agreed to treat a portion of the City's wastewater. This contract expired May 17, 2013, and renewal/new contract was entered into on May 9, 2017. The County and the City have agreed to offset services provided to each other and to make net quarterly payments to the party which is owed money. The City, at its option, may also offset payments it is required to make to the County for its water supply to Perico Island against wastewater treatment it has supplied to the County.

In 2011 and 2012, the County entered into franchise agreements with the Cities of Bradenton Beach, Anna Maria Island and Holmes Beach whereby the County received the exclusive right to collect and treat wastewater in said cities. The franchise agreements, which have a remaining term of approximately 2 years, provide that the County shall bill the customers within the cities directly.

On January 30, 2018, the County entered into a contract to provide wholesale wastewater transmission and treatment for up to 30,000 gpd to a developing portion of Sarasota County, Florida. This agreement for temporary provision of service will expire on January 30, 2028, or earlier if Sarasota County, Florida extends its wastewater collection system to that developing area.

Mandatory Connections

The County has enacted an ordinance requiring mandatory connection to the Wastewater Division's wastewater facilities. A property owner is notified when wastewater service is available (within the meaning of Florida's public health regulations) and must connect within 120 days. The County also imposes restrictions on substances being discharged into the Wastewater Division's wastewater facilities through its federally mandated industrial pretreatment program. All industrial waste streams are characterized and those dischargers meeting criteria outlined in the County Sewer Use Ordinance are issued permits that regulate pollutant levels received into the wastewater system.

Water and Wastewater Rates

The County rates for water and wastewater are set by the Board by resolution. The Board adopted Resolution No. R-23-058 on March 28, 2023 (the "Utility Rate Resolution") which, among other things, increased the water and wastewater rates by 9.75% effective June 1, 2023 and June 1, 2024. The water and wastewater rates consist of a fixed service charge and a volumetric charge for water consumed. Pursuant to the Utility Rate Resolution, the rates, fees and charges of the water and wastewater rates are adjusted annually commencing on June 1, 2025 and on each June 1 thereafter by certain price index adjustments as further described in the Utility Rate Resolution.

The following table outlines the adopted and historical rates for residential consumption of 6,000 and 10,000 gallons per month.

<u>As of Date</u>	Historical Residential Rates ⁽¹⁾					
	<u>6,000 Water</u>	<u>10,000 Water</u>	<u>6,000 Wastewater</u>	<u>10,000 Wastewater</u>	<u>6,000 Total</u>	<u>10,000 Total</u>
September 2024	\$28.76	\$42.92	\$65.71	\$90.79	\$94.47	\$133.71
September 2023	26.21	39.13	59.85	82.69	86.06	121.82
September 2022	23.88	35.64	54.52	75.32	78.40	110.96
September 2021	23.13	34.53	52.72	72.84	75.85	107.37
September 2020	23.13	34.53	52.72	72.84	75.85	107.37
September 2019	23.13	34.53	52.72	72.84	75.85	107.37
September 2018	23.13	34.53	52.72	72.84	75.85	107.37

(1) Based on 6,000/10,000 gallons/month.
Source: Manatee County, Florida.

[Remainder of page intentionally left blank]

The following is a summary of certain existing Water Division rates of the County, all as contained in the Utility Rate Resolution.

Monthly Water Fixed Service Charge
Schedule of Monthly Water Division Rates for Service

Individual Meters:	<u>Existing</u>
Monthly Base Charges:	
Meter Size	
5/8"-3/4"	\$11.78
3/4"	15.92
1"	24.24
1-1/2"	45.05
2"	70.01
3"	128.24
4"	211.41
6"	419.40
8"	668.98
10"	960.14
12"	1,792.05
 Residential Master Meters:	
Single-Family Residential	\$8.86/unit
Condominium/Apartment/Hotel/Motel	\$6.33/unit
Mobile Home Park/Travel Trailer Park	\$4.84/unit
 Combined residential Potable Water Line/Fire Line:	
Monthly Base Charges:	
Meter Size	
3/4"	\$15.92
1"	\$24.24
 Large Users and Wholesale:	
Monthly Base Charges:	
Per 1,000,000 Gallons of Reserve Capacity	\$14,684.45

Source: Manatee County, Florida.

[Remainder of page intentionally left blank]

Monthly Wastewater Fixed Service Charge

The following is a summary of certain existing Wastewater Division rates of the County, all as contained in the Utility Rate Resolution.

Schedule of Monthly Wastewater Division Rates for Service

Individual Meters:	<u>Existing</u>
Monthly Base Charges:	
Meter Size	
5/8"-3/4"	\$28.09
3/4"	40.26
1"	64.49
1-1/2"	125.16
2"	197.93
3"	367.81
4"	610.45
6"	1,217.08
8"	1,945.06
10"	2,794.36
12"	5,220.88
Residential Master Meters:	
Single-Family Residential	\$25.35/unit
Condominium/Apartment/Hotel/Motel	\$16.96/unit
Mobile Home Park/Travel Trailer Park	\$13.57/unit
Large Users and Wholesale ⁽¹⁾:	
Monthly Base Charges:	
Per 1,000,000 Gallons of Reserved Capacity	\$22,842.62

Table continued on following page.

[Remainder of page intentionally left blank]

Schedule of Monthly Wastewater Division Rates for Service (continued)

Wastewater Temporary Use:	<u>Existing</u>
Base Charges (Quarterly):	
3/4"	\$122.44
3"	593.87
 Unmetered Customers:	
Monthly Base Charges:	
Single-Family Residential	\$65.74
Commercial	
Class 1 & Single-Family (Assumed 6,000 Gallons)	\$65.74
Class 2 (Assumed 6,000 - 10,000 Gallons)	90.81
Class 3 (Assumed 10,000 - 25,000 Gallons)	150.14
Class 4 (Assumed 25,000 - 75,000 Gallons)	354.19
Class 5 (Assumed Greater than 75,000 Gallons)	692.34
Class 6 - Mobile Home/Trailer (Assumed 3,600 Gallons)	36.16/Unit
Class 7 - Condo /Apartment (Assumed 4,500 Gallons)	45.21/Unit
 Monthly Retail Quantity Rates:	
Wastewater Rates Per 1,000 Gallons	
Individually Metered	\$6.27
Wastewater Only	\$6.27
 Wholesale ⁽¹⁾	
Up to Daily Reserve Capacity	\$2.92
Excess Over Daily Capacity	\$5.84

⁽¹⁾ The County currently provides wholesale wastewater service to the Town of Longboat Key with a reserved capacity of 2.26 Mgd.

Source: Manatee County, Florida.

[Remainder of page intentionally left blank]

The following table is a summary of certain existing and adopted reclaimed water rates (such rates being considered as a component of the Wastewater Division) of the County.

Monthly Retail Reclaimed Quantity Rates:	<u>Existing</u>
Reclaimed Water Rates Per 1,000 Gallons	
Agricultural Facilities	\$0.13
Large Recreational Facilities	0.25
Government Facilities	0.45
Large Commercial, Industrial and Utility Facilities (Over 500,000 Gallons Per Day)	0.45
Residential and Commercial Common Areas	0.45
Master Metered Residential and Commercial	0.45
Individually Metered Residential and Commercial and Industrial	1.11

Source: Manatee County, Florida.

The following table outlines the single-family residential water and wastewater bills in the County and surrounding areas.

**Single-Family Residential Water and Wastewater Bills
in County and Surrounding Areas
(as of September 30, 2024)⁽¹⁾**

	Water		Wastewater		Total	
	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>
Manatee County	\$28.76	\$42.92	\$65.71	\$90.79	\$94.47	\$133.71
Charlotte County	62.07	90.87	78.14	102.26	140.21	193.13
DeSoto County	68.00	101.16	61.30	85.30	129.30	186.46
Hillsborough County	40.07	61.59	49.08	59.86	89.15	121.45
Lee County	37.54	56.62	64.77	85.23	102.31	141.85
Pinellas County	40.75	75.51	62.66	91.34	103.41	166.85
Polk County	23.65	34.17	75.02	81.50	98.67	115.67
Sarasota County	39.34	59.58	84.95	127.07	124.29	186.65
City of Tampa	31.66	55.18	33.30	33.30	64.96	88.48

⁽¹⁾ Based on 6,000/10,000 gallons/month.

Source: Manatee County, Florida.

Water and Wastewater Connection Fees

The County has adopted the following connection fees for the initiation of water and wastewater service. The fees reflect the cost of a meter installation and the service connection (i.e., the connection or tap to the water main and the connection to the wastewater collection system). The monies collected through the water and wastewater connection-related fees represent an operating revenue to the Public Utilities System (and

are included as a component of Gross Revenue in the Resolution). Certain water and wastewater fees are summarized below.

Water Connection Fees		
Meter Size (in inches)	Minimum Cost	Minimum Cost
	Developer Installed	County Installed
5/8 - 3/4	\$300.00	\$675.00
3/4	340.00	715.00
1	360.00	735.00
1-1/2	485.00	860.00
2	590.00	965.00
Greater than 2	Actual Cost	Actual Cost

Wastewater Connection Fees (Developed Properties with Metered Potable Water Service)	
Meter Size (in inches)	Line Connection Fee
Residential	\$3,500.00 per dwelling unit
5/8-3/4	3,500.00 per meter
3/4	4,000.00 per meter
1	6,000.00 per meter
1-1/2	11,000.00 per meter
2	17,000.00 per meter
3	22,000.00 per meter
4	34,000.00 per meter
6	44,000.00 per meter
8	68,000.00 per meter
10	78,000.00 per meter

Source: Manatee County, Florida.

Facility Investment Fee

The County has adopted Facility Investment Fees for water and wastewater which are established for the purpose of paying for or reimbursing the equitable share of the capital costs relating to the construction, expansion or equipping of excess or unused capacity necessary to serve new users of the Water and Wastewater Divisions. However, at this time the Facility Investment Fees are not pledged as security for any Bonds issued under the Resolution and are not part of the Net Revenues under the Resolution. Facility Investment Fees are being used by the County to pay for the expansion components of

certain projects which includes the debt service component relating to expansion projects that have been financed or refinanced by Bonds. The County is currently in the process of updating its Facility Investment Fees to assure that they continue to provide sufficient funds to pay the capital cost of serving new users.

The table below summarizes certain County Facility Investment Fees.

Residential*

<u>Meter Size (inches)</u>	<u>Water</u>	<u>Wastewater</u>
5/8" x 3/4"	\$ 1,738	\$ 3,175
3/4"	2,607	4,762
1"	4,345	7,937
1 1/2"	8,690	15,875
2"	13,904	25,400
3"	27,808	50,800
4"	43,450	79,375
>6"	N/A	N/A

*No meters will be installed for individually-metered residential service greater than 4-inches in size.
Source: Manatee County, Florida

Commercial

<u>Meter Size (inches)</u>	<u>Water</u>	<u>Wastewater</u>
5/8" x 3/4"	\$ 1,998	\$ 3,651
3/4"	2,997	5,476
1"	4,995	9,127
1 1/2"	9,990	18,255
2"	15,984	29,208
3"	31,968	58,416
4"	49,950	91,275
>6"	\$6.9526 per gallon/day	\$17.162 per gallon/day

Source: Manatee County, Florida

Collection Practices; Delinquencies

The County bills the customers of the Water and Wastewater Divisions on a monthly basis. Water and wastewater service is billed jointly by the County. The entire billing process is computerized. For customers receiving water service, in the event of nonpayment of a bill by the next successive billing date, the policy of the County is to send written notice to water customers that water service will be terminated to the extent permitted by law unless payment is made within the next succeeding fifteen-day period. If payment is not forthcoming at the end of that period, water service to the delinquent

customer may be disconnected and the matter is subsequently given by the County to a collection agency. At the end of Fiscal Years 2023 and 2022, the over-60-day delinquent accounts receivable of the Water and Wastewater Divisions as a percentage of operating revenue was 1.8% and 2.2%, respectively. Historically, the County has collected over 90% of such delinquencies.

Regulation

The United States Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) promulgate various regulations which are applicable to the operation of the Water and Wastewater Divisions. Regulations deal primarily with the quality of effluent discharged from the Wastewater Division's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, the discharge of pollutants into the groundwater and the nature of waste material discharged into the collection facilities. Associated with the regulations are various monitoring and reporting requirements. In addition, EPA and FDEP have also promulgated regulations in regard to grant moneys that have been received by the County for the planning, design and construction of various projects. The grant-related regulations touch upon a wide variety of matters, including planning, methodologies, design criteria, construction activities, and the operation, maintenance and financing of facilities.

All the County's wastewater treatment plants are properly permitted. In October 2020, FDEP issued Consent Order OGC File No. 20-1244 (CO) relating to the discharge of untreated wastewater and reclaimed water due to contractor error, significant rainfall events, and a pipe failure. In lieu of imposing penalties, FDEP agreed to allow the County to complete a project consisting of improvements to the secondary effluent pump station at the Southwest Water Reclamation Facility (SWWRF). In February and August 2021, the Department assessed further penalties due to additional discharges of untreated and partially treated wastewater. Two additional projects were completed in lieu of penalties consisting of installing a monitoring system at six strategic manhole locations in the collection system and installation of a shut-off valve on a 16-inch reclaimed water line as well as connection of an existing 30-inch force main to a new 30-inch force main to create a redundant influent main to the SWWRF. All requirements of the CO were completed, and it was closed by FDEP on August 30, 2022. The County does not believe that the additional costs related to correcting these regulatory issues will materially affect the County's ability to pay debt service on the Series 2025A Bonds. The System is not subject to any other consent orders. The County is in compliance with all grant-related regulations and requirements.

In addition to regulation of the wastewater treatment facilities, EPA and FDEP regulate the quality of the Water Division's water. The County is currently in compliance with all applicable regulations relating to water quality. The consumptive use of water is administered by the Southwest Florida Water Management District (the "District") through a permitting system, pursuant to which water resources are divided among the permitted

consumers. At the present time, the County operates under a 20-year consolidated consumptive use permit issued by the District in 2012 which authorizes a combined average monthly withdrawal of 54.836 MGD and a maximum monthly withdrawal of 70.374 MGD for the reservoir, East County Wellfield and future Buffalo Creek Wellfield. Additionally, the County is permitted to withdraw 1.96 MGD average daily and 1.96 MGD maximum monthly from the Mosaic Fertilizer, LLC wellfield.

Current Five-Year Capital Improvement Program

The County's adopted five-year capital improvement program for water and wastewater calls for the expenditure of approximately \$1.3 billion through Fiscal Year 2029. Of this amount, approximately \$1.03 billion is estimated to be funded with future debt proceeds between 2025 and 2029. The remaining amount will be funded from Net Revenues and Facility Investment Fees on a "pay as you go" basis or from proceeds of additional debt if permitted under the Resolution. These improvements include line extensions, rehabilitation of existing facilities, three wastewater plant expansions, water supply and treatment expansion, construction of an RO WTP, a recharge well and other capacity improvements. The table below contains a summary of the adopted five-year capital improvement program for the System for Fiscal Years 2025-2029. Additional information about the specific projects for the solid waste and stormwater system are contained in the applicable sections herein.

Capital Improvement Program Fiscal Years 2025 – 2029 (\$Millions)

SOURCES:

	2025	2026	2027	2028	2029	TOTAL
Debt Proceeds ⁽¹⁾	\$118.2	\$148.2	\$317.4	\$140.7	\$305.7	\$1,030.2
Facility Investment Fees	25.3	6.6	37.3	38.3	5.1	112.6
Utility Rates	23.9	30.4	41.0	21.9	42.1	159.3
Solid Waste Rates	0.2	4.5	2.9	-	-	7.6
Stormwater Rate Funds	-	14.9	8.3	5.1	-	28.3
	\$167.6	\$204.6	\$406.9	\$206.0	\$352.9	\$1,338.0

USES:

	2025	2026	2027	2028	2029	TOTAL
Potable Water	\$72.3	\$67.2	\$149.3	\$147.3	\$89.8	\$525.9
Wastewater	95.1	118.0	246.4	53.6	263.1	776.2
Solid Waste	0.2	4.5	2.9	-	-	7.6
Stormwater	-	14.9	8.3	5.1	-	28.3
	\$167.6	\$204.6	\$406.9	\$206.0	\$352.9	\$1,338.0

⁽¹⁾ The need for the future debt issuance will be evaluated annually as the MCUD evaluates its results of operations and updates its long-term plan accordingly. The amount of debt needed, if any, and the timing are subject to change. At this time, the Board of County Commissioners has not approved any such future debt issuance.

Since the County's adoption of the above-described five-year capital improvement program, investigations conducted as part of the Phase 2 Dam Repair project have indicated a need for a more substantial rehabilitation. While the County is still evaluating the most cost-effective method of implementing such repairs, the County anticipates that the cost of such repairs will not have a material adverse effect on the financial condition of the Public Utilities System or affect its ability to pay debt service on the Prior Debt and Series 2025A Bonds.

The County is currently undergoing a rate study as a matter of course which may indicate that future rate increases may be required. There can be no assurance that the Board will accept any recommendation for additional rate increases; but in all events, the County must continue to comply with its rate covenant in the Resolution. See "SECURITY FOR THE SERIES 2025A BONDS - Rate Covenant" herein. Also, according to the County's adopted five-year capital improvement program, Additional Bonds are expected to be issued within such forecast period to complete the necessary funding sources for the capital improvement program. See "SECURITY FOR THE SERIES 2025A BONDS - Additional Bonds" herein for requirements that must be met for Additional Bonds to be issued.

THE SOLID WASTE DIVISION

Background

The County is authorized to own and operate a solid waste disposal facility in accordance with the provisions of Section 403.087, Florida Statutes. The planning, design, operation, and maintenance of solid waste disposal facilities within the County is the responsibility of the MCUD Solid Waste Division.

Administration and Employees

The Solid Waste Division, as an integral part of the overall Public Utilities System, is overseen by the County's Director of the MCUD.

The Solid Waste Division's responsibilities include curbside collection for all solid waste within unincorporated Manatee County, collection, promotion and education for all recyclables generated within the unincorporated area of the County and management of all landfill operations inclusive of recycling of all special waste generated within the entire County. Compliance with state statutes, permitting and environmental directives is also closely monitored to ensure that mandated requirements are constantly maintained. Responsibility for the planning and implementation of long-range solid waste management goals falls upon the MCUD Director, with the assistance of the Solid Waste Division Manager.

The Solid Waste Division is managed as an enterprise fund, self-supported through solid waste rate and fee revenues. The MCUD Business Operation Division oversees the data processing, billing, collection and other financial services for the Solid Waste Division. Bills are processed monthly, with receipts processed promptly. Solid waste charges are collected in the same manner as water and wastewater bills, via a combined invoice. Delinquent accounts are identified, and delinquency notices are mailed after 45 days. Inactive delinquent accounts are pursued by the MCUD collection department and by collection agents for the County.

Existing Facilities

The Lena Road Landfill (the "Landfill") property is located near the intersection of I-75 and State Road 64 on approximately 1,200 acres, of which 316 acres are permitted for actual landfill disposal. The remaining 914 acres was left in its natural state to provide a buffer for the landfill area. In 2008, existing facilities within the permitted disposal area were demolished. Construction of new facilities, including an administration building, operations building, equipment repair building and community drop-off center was completed the same year. In 2013, a public restroom facility was constructed for customer use. These new facilities are contiguous to the disposal area, reflecting a campus style design.

The County installed a methane gas burning 1.6-megawatt Caterpillar 3520C generator to offset electric power bills for the Southeast Regional Wastewater Reclamation Facility. This generator is powered by the methane gas collected from the well field located in the Lena Road Landfill. Construction started on April 29, 2013, and the generator went online producing power on December 15, 2013. The cost for this facility was approximately \$4,481,000. In June 2016, the waste disposal operations were moved from the Stage III area to the Stage II area (final stage) of the landfill. Prior to operating in the Stage II area of the landfill, stormwater, leachate, and soil management had to be designed, permitted and constructed. Additionally, to prepare for the transition, new perimeter fencing and pavement were installed around the Stage II area. The cost for the preparatory work for Stage II totaled approximately \$4,103,000 which were paid for by available moneys in the Public Utilities System.

The County has constructed a slurry wall around the 316-acre Landfill area which is used for leachate management. The slurry wall is a subsurface wall which follows the perimeter of the existing Landfill and extends downward to the aquiclude over the Floridian aquifer.

The County Landfill is being managed and operated in accordance with regulations established by the FDEP and consistent with the terms and conditions of FDEP operating and construction permits. The County also has outside contractors to manage special waste which is done primarily to divert the volume of material to be landfilled, thereby extending the life of the site.

The current operations permit for the landfill expires on March 24, 2036. There have been no citations, violations or consent orders regarding the operation of the landfill over the last five years.

The slurry walls, leachate collection system and stormwater management systems at the Landfill site are all relatively new and in good condition. The capacity of the landfill was estimated by the County's solid waste engineering consultant on June 1, 2022, to have a remaining capacity of 19.5 years.

Recycling

Part IV, Chapter 403, Florida Statutes, which is the Florida Resource Recovery and Management Act, among other things, requires the County, in the administration of its solid waste management and recycling programs, to provide reduction of the amount of solid waste generated within the County and the municipalities within its boundaries. The Florida Resource Recovery and Management Act establishes goals for the reduction of local government solid waste prior to the final disposal or incineration of such waste at a solid waste disposal facility.

The State of Florida has a recycling goal of 75% to be achieved by December 31, 2020. The goal was passed in the legislative session in 2010. The goal is to be achieved in increments, 40% by December 30, 2012, 50% by year end of 2014, 60% by year end 2016, 70% by year end 2018, and 75% at the end of 2020. Effective October 1, 2016, the County implemented single stream recycling collection. The County's recycling rate was 57% at the end of 2024. To the extent a particular recycling goal is not met, the County may not be eligible for certain state grants or loans. However, the County does not currently receive any state loans or grants contingent on the County meeting the certain recycling goals required by Part IV, Chapter 403, Florida Statutes.

Deposit to the Closure Trust Fund

Section 403.7125, Florida Statutes, requires the owner or operator of a landfill to ensure the availability of financial resources for the proper closure of a landfill. The County has established an escrow account into which have been and will be deposited sufficient moneys for closure of the Landfill in accordance with FDEP requirements. Although such closure reserves are treated as operating expenses for accounting purposes, pursuant to the Resolution they are specifically excluded from the definition of Operating Expenses of the Public Utilities System. Therefore, for purposes of the Resolution, transfers to this escrow account are made after the payment of debt service on the Series 2025A Bonds and outstanding Prior Debt. Interest generated by the escrow account is retained in the fund for use in closure operations. The Landfill is required, by State and federal law and regulations, to meet certain financial assurance requirements by making annual contributions and or meeting certain financial ratio tests. The Landfill was been in compliance with these requirements as of the end of Fiscal Years 2023 and 2024. At the

end of Fiscal Year 2024, the amount on deposit in such escrow account, including interest, amounted to \$41,475,099.

Current Five-Year Capital Improvement Program

The MCUD's current capital improvement program for solid waste calls for a total expenditure of approximately \$7.6 million over the five-year period ending Fiscal Year 2029, expected to be funded annually from Gross Revenues derived from the operation of the Public Utilities System. The budgeted projects include an Administration Building Expansion (\$3,307,000), Landfill Roadway Improvements (\$1,559,000), the construction of phase IV of the expansion of the gas electric facility (\$2,689,000).

Franchise Agreements

In 2008, Manatee County entered into two franchise agreements with waste haulers, Waste Management Inc. of Florida and Waste Pro of Florida, Inc. (each an "Authorized Collector"). Each Authorized Collector has a contract for one part of the County, which is split into two, roughly equal portions. The franchise agreements originally expired on September 30, 2016. However, the agreements provide for one additional term of seven years following a public hearing regarding such renewal by the Board which occurred on September 9, 2014, extending the franchise agreements to September 30, 2023. A two (2) year contract was executed that extended those franchise agreements to September 30, 2025. Following a public hearing by the Board which occurred on May 14, 2024, the County executed new franchise agreements with each Authorized Collector extending the franchise agreements to September 30, 2033.

The customer base of the Solid Waste Division consists of the population in the unincorporated areas of the County. Collection service is mandatory for both residential and commercial property.

Solid Waste Rates

The rates for solid waste collection and disposal services are set by the Board by Resolution (the "Solid Waste Rate Resolution"). The rates for solid waste collection service are based, in part, on the cost for solid waste collection service provided by the Authorized Collectors pursuant to the franchise agreement in the specified collection service area. With respect to the residential solid waste collection rates, the County bills the customer for the collection of trash and yard waste/recyclable materials (if an applicable service required by the customer), cost of disposal, and a franchise fee. The County remits to the Authorized Collector the cost of collection at a unit cost or amount as initially delineated in the franchise agreement (which is annually adjusted for certain inflationary allowances) and retains the remainder of the fee charged to fund the County's cost to administer and manage the solid waste management program. The County has initiated a review of the current solid waste collection and disposal rates and anticipates the need for

additional rate adjustments over the next several years to offset continued inflation of the cost of operations and maintenance, such as contracted collection expenses, operating supplies, utility and other expenses.

Hauling Fee and Other Revenues

Revenue sources for the Solid Waste Division include the tipping fee which is charged for all tonnage entering the Landfill that is not covered by the franchise agreements. This includes the island communities of Holmes Beach, Bradenton Beach, Anna Maria Island and Town of Longboat Key, the Cities of Bradenton and Palmetto, Trailer Estates and other local businesses that bring materials directly to the Landfill.

The customer base of the Landfill consists of the population in the unincorporated and incorporated areas of the County. Customer rate revenue is the largest revenue source. A portion of residential and commercial customer rates represent revenue to offset landfill and recycling costs, and billing and administrative costs.

The haulers rate is subject to an annual review, with adjustments made on that basis. The current hauling and tipping fee costs for a single-family customer with twice-a-week garbage service, including once-a-week separate collection of yard waste and recyclable materials is \$23.65 a month. The franchise agreements with the haulers will change from twice-a-week garbage service to once-a-week garbage service beginning October 1, 2025.

Tipping fees were suspended in the County following Hurricane Milton, from October 14 to November 21, 2024. The community was still cleaning up after Hurricane Helene when Hurricane Milton hit on October 9, 2024. In response, the County decided to suspend tipping fees starting Monday, October 14, 2024 through November 21, 2024, to assist with debris removal. The suspended tipping fees applied only to residential (not commercial) customers. The County estimated lost tipping fee revenue for that time period was approximately \$165,000.

Also, solid waste application, decal and tipping fees administrative fees are charged to the private haulers for the cost of billing and collection. Permit fees are charged to businesses that choose to haul their own refuse, such as lawn care businesses, within unincorporated County. In addition, interest is earned on fund balances.

[Remainder of page intentionally left blank]

The following presents historic tipping fee rates.

Historic Tipping Fee/Ton Rates

<u>Fiscal Year</u>	<u>Fee Portion</u>
2024	\$40.00
2023	40.00
2022	40.00
2021	40.00
2020	40.00

Source: Manatee County, Florida.

The table on the next page represents the Solid Waste Tipping Fee comparison.

[Remainder of page intentionally left blank]

**Manatee County
Solid Waste Tipping Fee Comparison
(as of September 30, 2024)**

LANDFILL TIPPING FEES

Manatee County		
Standard Waste		
Autos		\$5.00/Min.
All Other Vehicles		
In-County		\$40.00/Ton
Out-of-County		\$120.00/Ton
Const. & Demolition Debris		
In-County		\$61.00/Ton
Out-of-County		\$183.00/Ton
Tires		
In-County		\$86.00/Ton
Out-of-County		\$258.00/Ton
Lee County		
Standard Waste		
In-County		\$80.00/Ton
In-County Gate Fee		\$63.56/Ton
Out-of-County		N/A
Construction & Demolition Debris		
In-County		\$53.40/Ton
Out-of-County		N/A
Tires		\$225.00/Ton
Off Road Tires		\$250.00/Ton
Sarasota County		
Standard Waste		
In-County		\$59.08/Ton
Out-of-County		N/A
Construction & Demolition Debris		
In-County		\$59.91/Ton
Out-of-County		N/A
Tires		\$290.61/Ton
Charlotte County		
Standard Waste/Construction & Demolition Debris		
In-County		\$39.28/Ton
Out-of-County		\$78.54/Ton
Tires		
In-County		\$125.46/Ton
Out-of-County		\$141.82/Ton
DeSoto County		
Standard Waste/Construction & Demolition Debris		
In-County		\$42.00/Ton
Mixed Unsorted Loads		\$84.00/Ton
Tires		
In-County		\$200.00/Ton
Out-of-County		\$400.00/Ton

**Manatee County
Solid Waste Tipping Fee Comparison
(as of September 30, 2024)**

**LANDFILL TIPPING FEES
(Continued)**

Hillsborough County		
Standard Waste/Construction & Demolition Debris		
In-County		\$50.76-\$77.48/Ton
Out-of-County		N/A
Processable		\$87.86-104.60/Ton
Tires		\$186.25/Ton
Pinellas County		
Standard Waste/Construction & Demolition Debris		
Passenger Car		\$4.25 per load
Pickup Trucks		\$11.75 per load
In-County		\$51.00/Ton
Out-of-county		\$102.00/Ton
Tires		\$150.00/Ton
Polk County		
Standard Waste/Construction & Demolition Debris		
In-County		\$36.50/Ton
Out-of-County		N/A
Tires		
In-County		\$300.00/Ton
Out-of-County		N/A

Source: Manatee County, Florida.

[Remainder of page intentionally left blank]

THE STORMWATER MANAGEMENT SYSTEM

Currently, the County does not receive any fee revenues from the operation of its Stormwater Management System. The operation and maintenance expenses are charged against the Public Utilities System and funded by revenues from the Public Utilities System and the Transportation Trust Fund and Gas Taxes.

Background

The County has created a Stormwater Management System in order to meet current Federal and State regulations for stormwater discharge. Pursuant to its Comprehensive Plan, the County identified the need to reduce flooding and improve surface water quality in the County.

Administration

The Stormwater Management System is jointly managed by the Manatee County Public Works and the Parks and Property Management Departments.

Existing Facilities

The Stormwater Management System consists primarily of more than 850 miles of open ditches and canals, 460 miles of pipe, 22,000 inlets, and 795 acres of ponds. Maintenance is limited primarily to controlling vegetation and removing sediments. Off-road drainage ditches and canals are typically inspected on a monthly basis. Aquatic maintenance is scheduled a minimum of twice per year. In 2024, 153,047 linear feet of roadside ditches were maintained; 52,652 linear feet of off-road canals and ditches were maintained; 976.40 acres of ponds, ditches, and other drainage features were sprayed; 30,439 linear feet of vegetation was cleared; 1,710 inlets were cleared; and 152,583 linear feet of pipes were flushed.

Service Area

The County has the primary responsibility for stormwater management within the unincorporated areas of the County, with the various municipalities having responsibility for stormwater management within their corporate limits. The current capital improvement program for the County, as more fully described herein, calls for enhanced stormwater services in the unincorporated areas of the County.

The County is pursuing a basin-by-basin planning effort in recognition of requirements of the federal National Pollutant Discharge Elimination System ("NPDES") programs, rather than a more limited approach which deals only with drainage and flood control. Basin by basin planning addresses water quality, as well as drainage and flood control issues. Basin-by-basin planning also takes into account topographic and

hydrogeologic features of the area wherever possible, in order to restore or create wetlands, for both stormwater purposes and for the infiltration of such waters to recharge aquifers.

Regulations

Stormwater quality discharge is regulated by the EPA through its NPDES permit process, the DEP and the State Water Management Districts. The regulations establish NPDES permit application requirements for stormwater discharges from industrial activities and governmental storm wastewater systems serving populations of 100,000 or more. The County's current NPDES MS4 Intent to Issue permit was issued on January 1, 2013, and is valid for a period of five years from the date of issuance. The current MS4 permit remains in administrative effect until renewal permits are issued. The County is currently seeking renewal of this permit and is not aware of any reason why such permit would not be issued. The County has an approved Stormwater Monitoring Program for this permit and has fully implemented the Stormwater Management Program. There have been no violations or citations associated with this permit.

Comprehensive Plan

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regulation Act (the "Planning Act"). The Planning Act required all local governments to develop comprehensive plans designed to plan for and control the impact of growth. As applied to the County, the local plan includes the following elements: (i) future land use; (ii) transportation; (iii) utilities; (iv) economic development; (v) housing; (vi) historic preservation; (vii) conservation; (viii) recreation and open space; (ix) intergovernmental coordination; and (x) capital improvements (the "Comprehensive Plan").

Currently, the Water, Wastewater and Solid Waste Divisions are in compliance with adopted levels of service identified in the Comprehensive Plan. Therefore, future development should not be impeded. The Stormwater Management Division has some deficiencies in certain areas of the County, but the County anticipates that all deficiencies will be corrected in accordance with the Comprehensive Plan. New residential or commercial development within the County will only be allowed if the new development meets the stormwater level of service standards set forth in the Comprehensive Plan and does not impact existing, publicly maintained drainage systems.

Current Five-Year Capital Improvement Program

There are eight (8) capital improvement projects scheduled for Fiscal Years 2025 through 2029. The eight projects total \$28,385,935 and include: Cedar Drain Channel Improvements (\$3,207,072), Wade Canal Channel Improvements (\$1,642,920), Rattlesnake Slough Regional Storage (\$2,650,000) and Channel Improvements (\$1,142,851), Stormwater Operations Facility (\$1,620,000) and various Stormwater

Improvements – Countywide (\$18,123,092). In addition to the completed basin studies, there are a few basin studies in progress. The results of the basin studies have been utilized to reinforce the County's development regulation for new developments within the study area. The restricted development requirements, in conjunction with the County's proactive maintenance program has resulted in a significant reduction in flooding problems compared to flooding in mid-1990s.

The operating budget for the Stormwater fund is \$13,200,974 for Fiscal Year 2025. The Stormwater fund receives most of its revenues from the consolidated Public Utilities System.

Revenues and Expenses

The County does not currently charge a stormwater management fee to the residents and users of the County. The operation costs of the Stormwater Management System are payable from the Gross Revenues of the System.

[Remainder of page intentionally left blank]

HISTORIC OPERATING RESULTS OF SYSTEM

The table below sets forth a summary of the historic operating results of the County's Water, Wastewater, Solid Waste and Stormwater Management Divisions for each of the five Fiscal Years ended September 30, 2020 through September 30, 2024. Presently, the Stormwater Management Division does not generate revenues. The coverage ratios contained in the table are for general information purposes only.

Summary of Historical System Operating Results and Debt Coverage (dollars in \$000s)

Description	Historical Fiscal Year Ended September 30				
	2020	2021	2022	2023	2024
Charges for Services	\$197,332	\$198,825	\$217,115	\$233,946	\$286,319
Miscellaneous Revenues, Operating Grants / Contributions & Interest Income ⁽¹⁾	8,809	2,913	5,124	16,052	31,403
Federal Direct Payment	1,776	-	-	-	-
Total Gross Revenues	\$207,917	\$201,738	\$222,239	\$249,998	\$317,722
Total Operating Expenses⁽²⁾	\$142,564	\$158,870	\$156,452	\$192,524	\$215,869
Net Revenue	\$ 65,353	\$ 42,868	\$ 65,787	\$ 57,474	\$101,853
Net Revenue Ratio	31.43%	21.25%	29.60%	22.99%	32.06%
Annual Debt Service Requirement	\$ 22,728	\$ 18,044	\$ 15,906	\$ 19,631	\$22,845
Calculated Coverage	2.88	2.38	4.14	2.93	4.46
Required Coverage	1.15	1.15	1.15	1.15	1.15
Net Available for Other Required Transfers ⁽³⁾	\$ 42,625	\$ 24,824	\$ 49,881	\$ 37,843	\$79,008
Other Required Transfers:					
Debt Service Reserve Account ⁽⁴⁾	-	-	-	-	-
Net Available for Capital Improvement Fund Transfer ⁽⁵⁾	\$ 42,625	\$ 24,824	\$ 49,881	\$ 37,843	\$79,008
System Facility Investment Fees	26,167	36,734	39,165	36,371	44,916
Total Available for Other System Purposes	\$ 68,792	\$ 61,558	\$ 89,046	\$ 74,214	\$123,924

⁽¹⁾ Amounts shown do not include interest income earned on balances in the restricted construction or facility investment fee fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).

⁽²⁾ Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution.

⁽³⁾ Amount represents the available net revenue after the payment of the annual debt service requirement.

⁽⁴⁾ The debt service reserve account on the outstanding bonds is secured by a reserve account credit facility substitute equal to the applicable debt service reserve requirement for each series of outstanding bonds; therefore, no additional required transfers are reflected during the historical period.

⁽⁵⁾ Pursuant to the Resolution, all available revenue after payment of operating expenses, satisfies the annual debt service requirement on all bonds. Required transfers shall be deposited into the capital improvement fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System's debt and other funding obligations of the Public Utilities System.

Source: Manatee County, Florida Public Utilities System Annual Financial Report, Fiscal Years Ended September 30, 2024 and 2023.

INVESTMENT POLICY

The County's investments must conform to the provisions of Florida statutory law as amended from time to time. The Board establishes the overall investment policies, and has delegated to Angelina "Angel" Coloneso, Clerk of the Circuit Court and Comptroller, as Clerk to the Board of County Commissioners, acting in the capacity as the highest-level financial officer of the County, the responsibility of implementing such policies. The County has also established an investment advisory committee to (1) annually review the County's investment policy, (2) recommend changes to the County's investment policy where needed, (3) review the quarterly and annual investment reports, and (4) review general strategies and monitor results.

The County is permitted to invest in the Local Government Surplus Funds Trust Fund (State Pool); the Florida Counties Investment Trust; Local Government Investment Pools authorized by Florida Statutes, direct obligations of the United States Government; obligations guaranteed by the United States Government as to principal and interest; time deposits and savings accounts in banks and savings and loan associations, organized under the laws of Florida and/or the United States, doing business and situated in the State (all such deposits must be collateralized); obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation (participation certificates), the Federal Home Loan Bank or its banks, the Government National Mortgage Association (GNMA) (including Federal National Mortgage Association participation certificates which are guaranteed by GNMA); Bankers' acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better; commercial paper of United States corporations having a rating of at least two of the following ratings: A-1 (Standard & Poor's), P-1 (Moody's) and F-1 (Fitch); tax-exempt obligations of the State of Florida and its various local governments which are either insured or have a rating of A+ or better; securities of, or other interests in, any open-end or closed-end management type investment company or trust created pursuant to federal law, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or indirectly through an authorized custodian; or certain written repurchase agreements.

The County is not allowed to invest directly in any securities in which the value of that security is dependent on another security, an underlying security, or an index. These securities are generally referred to as "derivatives," and include collateralized mortgage obligations, interest-only securities, and principal-only securities. Notwithstanding this prohibition, the County can invest in the Local Government Surplus Funds Trust Fund, the Florida Counties Investment Trust, and authorized money market mutual funds which themselves contain derivatives.

The County's investment policy may be modified from time to time by the Board.

SELF INSURANCE

Except as herein noted, the County is self-insured. Article VII of Manatee County's Code of Ordinances, Self-Insurance Program, which codified County Ordinance No. 16-26, establishes a self-insurance program for the County, its officers and employees, provides liability coverage in accordance with Section 768.28, Florida Statutes, in the amount of \$200,000 per person and \$300,000 aggregate per occurrence, and for greater amounts in the event of a federal claim, or claims bill, not subject to the statutory limits. In addition, the County maintains select excess insurance policies designed to augment Article VII of the County's Code of Ordinances.

The County purchases excess insurance policies to protect against catastrophic financial loss.

The County has a total insured property value of \$1,477,562,551 and maintains a Property Insurance program with a total loss limit of \$250,000,000 for all perils, excluding named windstorm, which has a total loss limit of \$90,000,000. There are also various standard coverage sublimits within the property program. The deductible for all perils, excluding named windstorm, is \$100,000 per occurrence. The deductible for named windstorm is 5% per affected building with a minimum of \$250,000 and a maximum of \$20,000,000. The County maintains flood insurance through the National Flood Insurance Program (NFIP) for ten (10) high hazard locations.

The County maintains excess Auto Liability and General Liability Insurance with limits of \$2,000,000 per occurrence and \$4,000,000 annual aggregate with a self-insured retention of \$500,000; statutory Workers Compensation Insurance, in accordance with Chapter 440, Florida Statutes, with a self-insured retention of \$750,000; and Employers Liability with a limit of \$1,000,000 per occurrence.

In addition, the County also maintains: Boiler & Machinery, Crime, Cyber, Railroad General Liability, Marine, and Unmanned Aircraft Liability policies.

Historically, the Federal Emergency Management Agency has reimbursed most, if not all, of the costs incurred by local governments in the rebuilding of property damage due to a declared catastrophic event that either did not meet the property insurance deductible or exceeded available insurance coverage.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Florida Retirement System

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports available at: dms.myflorida.com and the Florida Comprehensive Annual Financial Reports available at: <https://www.myfloridacfo.com/Division/AA/Reports/default.htm>. No representation is made by the County as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

Substantially all full-time employees of the County are covered by the FRS Plan, a multiple-employer, cost-sharing, public retirement system administered by the Florida Department of Administration, Division of Retirement. Beginning in 2002, the FRS became one system with two primary plans; a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan") to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and deferred retirement option program participants. Benefits under the FRS are established by Chapter 121, Florida Statutes, and Chapter 605, Florida Administrative Code. As a general rule, membership in the FRS is compulsory for all employees working in a regular, established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State. Benefits are computed on the basis of age, average final compensation, and service credit. Employees are classified in either the regular service class or the senior management service class for members who fill senior-level management positions. In addition, the FRS administers a deferred retirement option program ("DROP") which allows eligible employees to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The most current FRS Annual Report stated that as of June 30, 2024, the market value of assets for the FRS Pension Plan was approximately \$198.23 billion. This reflects a 10.52% annualized investment return. The fiduciary net position as of June 30, 2024, was \$198.7 billion, a 6.60% increase over the previous year. As of July 1, 2024, the date of the last actuarial valuation, the FRS Pension Plan was 83.7% funded on a Governmental Accounting Standards Board Statement No. 67, reporting basis.

The County has no responsibility to the FRS other than to make the periodic payments required by Florida Statutes. Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida

Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature.

For the Fiscal Years ended September 30, 2024 and 2023 the County's actual contributions to the FRS totaled \$59,512,000 and \$48,477,000, respectively, which were equal to the required actuarially determined contributions for such Fiscal Years.

Prior to the spring 2011 legislative session, the FRS was noncontributory for members. However, as of July 1, 2011, Chapter 2011-68 of the Laws of Florida requires members of the FRS not enrolled in DROP to contribute 3% of their pre-tax salary to the FRS in order to reduce employers' required contributions. County employee contributions were \$7,977,000 and \$7,221,000 for the Fiscal Years ended September 30, 2024 and 2023, respectively.

The components of the collective net pension liability of the County for Fiscal Year 2024 and Fiscal Year 2023 are shown in the following table:

Net Pension Liability

<u>Fiscal Year</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2024	\$316,454,000	\$98,683,000	\$415,137,000
2023	\$309,566,000	\$103,433,000	\$412,999,000

At June 30, 2024, the County's proportion of the FRS net pension liability was 0.818034007%, which was an increase of 0.041145125% from its proportion measured as of June 30, 2023. At June 30, 2024, the County's proportion of the HIS net pension liability was 0.657844633%, which was an increase of 0.006546872% from its proportion measured as of June 30, 2023.

For the Fiscal Years ended September 30, 2024 and 2023, the County recognized pension expense of approximately \$57,809,000 and \$106,130,000, respectively. The County's pension expense is a function of the FRS figures. Fewer FRS contribution class rates changed in the Fiscal Year ended September 30, 2024 compared to the Fiscal Year ended September 30, 2023, but the primary reason for the pension expense difference is that the State's asset valuation had significantly higher investment earnings in the Fiscal Year ended September 30, 2024. Adjustments to the County annual pension expense are a function of the State FRS valuation and the liability increase or decrease. The net effect of such adjustments impacted the expense amounts the prior two Fiscal Years.

See Note 9 of the "AUDITED FINANCIAL STATEMENTS RELATING TO THE PUBLIC UTILITIES SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024" attached hereto as APPENDIX B for further information regarding the System's portion of the FRS and the retirement plans available to the employees of the System.

The State of Florida issues a publicly available financial report that includes financial statements, required supplementary information for the FRS and other information including historical data regarding funding progress and actuarial values and liabilities. The most recent available report for the plan year ended June 30, 2024 may be obtained by writing the Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by accessing their website at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Other Post-Employment Benefits

Of the total compensation offered to attract and retain qualified employees, some benefits, such as salaries and active employee health care, are received when the employees are in active service. Other elements of the compensation package are received after retirement from active service, when the employees' active services have ended. Many state and local governments, including the County, provide retirees with pension benefits and separate Other Post-Employment Benefits ("OPEB") such as medical and nominal life insurance.

The Board is the Plan Sponsor of the Manatee County Government's medical plan (the "Plan") which is applicable to employees and retirees of the Board. The Plan is also applicable to the Clerk of the Circuit Court, Manatee County Sheriff Office, Manatee Tax Collector, Manatee Supervisor of Elections, and Manatee Property Appraiser (the "Constitutional Officers").

In accordance with Section 112.0801, Florida Statutes, because the County provides a medical plan to employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this group employee health plan. Although not required by Florida law, the County has opted to pay a portion of the cost of such participation for eligible retired County employees. This post-retirement benefit plan provides healthcare benefits including medical coverage and prescription drug benefits to eligible retired employees and their dependents, and \$1,000 of life insurance to eligible retired employees.

Eligibility for retirees' participation in the Plan is limited to full time employees of the County and all Constitutional Officers who are active participants in the Plan at the time of retirement, and who retire and are either vested with the FRS, are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the Plan if eligibility criteria are met.

While Florida law requires that retirees be permitted to participate in the same health insurance plans as active employees, retirees can be required to pay a higher percentage (up to 100%) of the annual medical premium cost for active employees. Currently the County contributes monthly premium assistance, determined on an annual basis, for

employees retiring after ten years of service. Additional premium assistance is provided to participants aged 65 and over that enroll in Medicare Part B. Retirees and spouses over age 65 enrolled in Medicare Part A and B may elect to remain in the County's Plan, or enroll in a Medicare Supplement and Part D Prescription Drug program through an outside provider. The premium assistance amount can be changed by the County at any time, with 30 days written notice to participating retirees. Under the current Plan, for employees hired after September 30, 2005, participation by retirees and their dependents in the County Plan and subsidization of the premium rate for retirees will be limited to that required by law.

The County implemented compliance with the Governmental Accounting Standards Board's Statement No. 75 - Accounting and Financial Reporting for Post-Employment Benefit Plans other than Pension Plans ("GASB 75") in its Fiscal Year ending September 30, 2018. While GASB 75 requires recognition and disclosure of the total OPEB liability, there is no requirement that the liability of such plan be funded. The OPEB disclosure information provides information useful in assessing future cash flow requirements.

The actuarially determined components as of August 1, 2024 for the Fiscal Year ended September 30, 2024, of the County's total OPEB liability cost, the contributions to the Plan, and the changes in the total OPEB liability for the current Plan provisions were:

**Changes in the Total OPEB Liability
(amounts expressed in thousands)**

	Total OPEB Liability
Balance at October 1, 2023	\$30,732
Changes for the year:	
Service Cost	1,014
Interest	1,377
Change of benefit terms	699
Experience Losses/Gain	2,874
Changes of assumptions or other inputs	(1,178)
Benefit Payments	(2,079)
Net Changes	2,707
Balance at September 30, 2024	\$33,439

Source: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

As of September 30, 2024, the total OPEB liability was \$33 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was approximately \$256 million, and the ratio of the total OPEB liability to covered payroll was 13.04%. Even though the County has not authorized a qualifying trust or agency fund (as defined under GASB 75) to fund the liability, the County has been reserving funds in its annual budget, to accumulate and use to offset a portion of the liability. At September 30, 2024, this restricted cash totaled \$12.36 million, primarily from fund transfers, but also including related interest earnings. It is expected that recording of annual expenses and related cash flow will continue to be manageable.

INVESTMENT CONSIDERATIONS

The future financial condition of the Public Utilities System could be affected adversely by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, natural disasters, litigation and other events. This heading does not purport to summarize all risks that may be associated with purchasing or owning the Series 2025A Bonds and prospective purchasers are advised to read this Official Statement in its entirety for a more complete description of investment considerations relating to the Series 2025A Bonds.

Changes in Federal and State Law and Regulations

The Public Utilities System facilities are subject to regulation and control by numerous federal, state and local governmental agencies and are subject to change at any time. The County cannot predict future legislation or policies such agencies may adopt. Future changes could result in the County having to discontinue or change operations at certain facilities, make significant capital expenditures or reduce rates for certain classes of customers.

Climate Change

Many scientific studies regarding climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans, causing thermal expansion and increasing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas such as the County are at risk of substantial flood damage over time, affecting private development and public infrastructure including roads, utilities, emergency services, schools, and parks. As a result, the County could lose considerable tax revenues and other revenue sources and many residents, businesses, and governmental operations along the waterfront could be displaced. The occurrence of extreme weather events could damage local infrastructure that provides essential services to the Public Utility System. The economic impacts resulting from such extreme weather events could include a loss of

revenue, interruption of service, and escalated recovery costs. The County could be required to mitigate these effects at a potentially material cost. The County is unable to predict whether extreme weather events, sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether or not they would have a material adverse effect on the business operations or financial condition of the County. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a materially adverse effect on the operations and/or financial condition of the County.

The County was an original signing member (October 2018) of Tampa Bay Regional Planning Council's ("TBRPC") Resiliency Coalition (the "Coalition") Memorandum of Understanding. The goal of the Coalition is to provide a platform for its members to coordinate their efforts and enhance their abilities to prepare, adapt and mitigate for the effects of sea-level rise and climate change in their individual communities and throughout the entire Tampa Bay Region. The County staff are also members of the Tampa Bay Climate Science Advisory Council ("CSAP") which is a group of local scientists that review and interpret sea-level rise information and provide appropriate scenarios for the Tampa Bay region. Their recommendations established the foundation for a coordinated approach to address the effects of a changing climate.

To become a more resilient government and community, the County is actively researching the potential impacts of climate change and sea level rise. In March 2020, the County along with other counties were awarded a NREL Solar Energy Innovation Network Grant, which led to the creation of Project Clear Sky Tampa Bay. Energy, Innovative Technology, sustainability and Resiliency are continued efforts of the County. County staff and partners have also developed strategies to comply with the required State Peril of Flood legislation. In 2015, the Florida Legislature required coastal communities to develop policies that help address flooding from excessive rainfall, storm surge and sea-level rise. With a grant from FDEP" to TBRPC, the County held workshops to address needs and data gaps in order to help develop policies. An inundation tool was developed by County staff to evaluate the impacts of sea-level rise scenarios (from CSAP) on County infrastructure. This tool has also been used to evaluate potential impacts to the County's most recently approved capital improvement program projects.

The County maintains and routinely updates the Emergency Response and Hurricane Preparedness manual which addresses extreme weather risks. This includes a check list of actions 48 hours, 24 hours, and 6 hours prior to an event, as well as during the post events. The County also follows the FDEP Storm Preparation Guide. Where appropriate, the County provides back-up generators to ensure continuous operation and consistent delivery of services to its customers. As projects are implemented, the County routinely makes improvements to provide increased resilience such as the installation of

SCADA monitoring systems to monitor its facilities to mitigate against climate related risks and/or extreme weather events.

2024 Hurricanes

On October 9, 2024, Hurricane Milton made landfall near Siesta Key, Florida, approximately 30 miles south of the County, as a Category 3 hurricane with sustained winds of 120 miles per hour. Based on the most recently available information, the operating and capital repair expenses incurred by the County as a result of this hurricane were \$141 million. The cleanup and disposal costs are eligible for financial assistance and reimbursement by the Federal Emergency Management Agency (FEMA) at a reimbursement rate that varies from 75% to 100% of the actual cost incurred by the County. Based on current estimates the County anticipates receiving 100% of its reimbursement request of \$141 million. Accordingly, the County does not expect any adverse impact on its ability to pay debt service on any outstanding Prior Debt or on the Series 2025A Bonds.

Hurricane Helene, a category 4 hurricane when it made landfall, impacted Western Florida, including the County, on September 26, 2024. While Hurricane Helene stayed well offshore of the County, its tropical weather effects left significant damage and flooding across the County, with water supply for the City of Bradenton being compromised due to a saltwater storm surge. Based on the most recently available information, the operating and capital repair expenses incurred by the County as a result of this hurricane were \$36 million. The cleanup and disposal costs are eligible for financial assistance and reimbursement by the Federal Emergency Management Agency (FEMA) at a reimbursement rate that varies from 75% to 100% of the actual cost incurred by the County. Based on current estimates the County anticipates receiving 88% of its reimbursement request of \$36 million. Accordingly, the County does not expect any adverse impact on its ability to pay debt service on any outstanding Prior Debt or on the Series 2025A Bonds.

Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the County and the Public Utilities System. County systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit

in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the County's computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The potential disruptions, access, modification, disclosure or destruction of data could result in interruption of the efficiency of County commerce, initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and the loss of confidence in County operations, ultimately adversely affecting County revenues. The County's Information Technology Department monitors and protects electronic assets and sensitive data stored on and transmitted through the County's networks and servers. Preventative actions being taken by the County include diligent firewall monitoring, proactive security evaluation of new software prior to launching them on the County's networks and servers, institution and consistent application of PCI (Payment Card Industry) security standards, and annual cybersecurity training for County employees. Access to County systems ends upon termination of employment with the County, and County-owned electronic assets are obtained from the terminated employee at that time. All external emails are heavily screened to ensure the County's firewalls are not penetrated. HIPAA (Health Insurance Portability and Accountability Act) and PCI compliance are also areas of great concern with respect to the County's cybersecurity efforts. The County is in compliance with Florida's recent cybersecurity legislation that increased reporting and cybersecurity training requirements for local governments and prohibit the payment of, or compliance with, any ransomware demand. Despite the County's efforts in this area, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations or financial condition of the County.

Inflation and Economic Issues

Currently, the United States is experiencing high levels of inflation which is having an impact on the cost of goods and services, including construction materials and products and installations thereof needed by the County and the Public Utilities System, and could influence discretionary spending of consumers, including tourism. Additionally, the current supply chain crises may also negatively impact the delivery of goods and construction materials. As a result, the County may experience delays and increased costs that might be incurred due to inflation and such supply chain issues. Therefore, for new projects that have not yet started, the County is taking these factors into account in budgeting and scheduling.

In particular, portions of the County's capital improvement program cost projections are based in part on preliminary design estimates for work for which construction bids have not yet been received. Unforeseen events could result in modification to or increases in

construction costs, including delays in completion of construction. Increased costs could have an effect on the County's ability to complete construction within the projected cost budgets and the timing of project construction and completion may require the County to reduce the scope of the capital improvement program or delay implementation of certain projects. Depending on the type of capital project, any delays in completion or reducing the project scope of the capital improvement program could potentially affect the County's ability to provide necessary services if there continues to be material growth in the

LITIGATION

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025A Bonds or in any way contesting the validity of the Series 2025A Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of the Series 2025A Bonds or the pledge or application of the moneys provided for the payment of the Series 2025A Bonds which, if successful, would materially financially affect the County.

The County is a party to other routine litigation, claims and various legal proceedings including, but not limited to, developer-related land use and inverse condemnation claims. Individually these are not expected to have a material adverse effect on the County's operations or financial condition, but may, in the aggregate, have a material impact thereon. In the opinion of the County Attorney, however, the County will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the County or the County's ability to make payments on the Series 2025A Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to the Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond issued since December 31, 1975 which it believes would be considered material by a reasonable investor of the Bonds.

Although the County is not aware of any other defaults with respect to bonds or other debt obligations as to which it has served only as a conduit issuer, it has not undertaken an independent review or investigation of such bonds or other debt obligations for which it served only as a conduit issuer. To the extent any of such bonds or other debt obligations are in default as to principal and/or interest or otherwise, the obligation of the County thereunder is limited solely to payment from funds received by the party on whose behalf such bonds or other debt obligations were issued, and the County is not obligated to pay the principal of or interest on such bonds or other debt obligations from any funds of the County. The County in good faith believes the disclosure of such defaults or investigations would not be considered material by a reasonable investor in the Bonds.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2025A Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, whose form of approving opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the County by either Pamela J. D'Agostino, Esquire, County Attorney, or Christopher M. De Carlo, Deputy County Attorney and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel to the County.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the County Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the County Attorney assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2025A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Bond Counsel's opinion included herein is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the

Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the County must continue to meet after the issuance of the Series 2025A Bonds in order that the interest on the Series 2025A Bonds be and remain excludable from gross income for federal income tax purposes. The County's failure to meet these requirements may cause the interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025A Bonds. The County has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the County, and continuing compliance by the County with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2025A Bonds is excludable from gross income of the holders thereof for federal income tax purposes and, further, interest on the Series 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025A Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2025A Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors as to the status of interest on the Series 2025A Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2025A Bonds will be based on and will assume the accuracy of certain representations and certifications of the County, and compliance with certain covenants of the County to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2025A Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond

Counsel will express no opinion as to any other consequences regarding the Series 2025A Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2025A Bonds, or the ownership or disposition of the Series 2025A Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2025A Bonds, (iii) the inclusion of the interest on the Series 2025A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2025A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2025A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2025A Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium

Certain of the Series 2025A Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by

the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2025A Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one (1) or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2025A Bonds, adversely affect the market price or marketability of the Series 2025A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2025A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2025A Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computation of the adequacy of the maturing principal amounts of, and interest on, the Defeasance Obligations, together with any uninvested amounts, to be held in the Escrow Deposit Fund to pay principal and interest on a portion of the Refunded Bonds on the Escrow Redemption Date and will be verified for the County by Robert Thomas, CPA, LLC (the "Verification Agent"). Such verification will be based on certain information supplied to the Verification Agent by Public Resources Advisory Group, Inc. and will be relied upon by Bond Counsel in rendering its defeasance opinion.

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2025A Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2025A Bonds may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025A Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed

by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings have assigned underlying municipal bond ratings of "Aa1" (stable outlook) and "AAA" (stable outlook) respectively, to the Series 2025A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025A Bonds.

UNDERWRITING

The Series 2025A Bonds are being purchased by PNC Capital Markets LLC, on behalf of itself and Raymond James & Associates, Inc. (collectively, the "Underwriters"), at a purchase price of \$[] (which is the par amount thereof, [plus/less] [net] original issue [premium/discount] of \$[] and less Underwriters' discount of \$[]), at the initial offering prices and yields set forth on the inside cover page of this Official Statement, subject to certain terms and conditions precedent as set forth in a Purchase Contract between the County and the Underwriters, including the approval of certain legal matters by Bond Counsel and the existence of no material adverse change in the condition of the County from that set forth in this Official Statement. The Series 2025A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2025A Bonds into investment trusts) at prices lower than such public offering prices and such public offering prices may be changed from time to time by the Underwriters.

PNC Capital Markets LLC and PNC Bank, National Association are both wholly owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has or may have other banking and financial relationships with the County.

PNC Capital Markets LLC may offer to sell to its affiliate, PNC Investments, LLC ("PNCI"), securities in PNC Capital Markets LLC's inventory for resale to PNCI's customers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the County in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINGENT FEES

The County has retained Bond Counsel, Disclosure Counsel, the Financial Advisor, the Underwriters' (who in turn retained Underwriters' Counsel) and the Paying Agent and Registrar with respect to the authorization, sale, execution and delivery of the Series 2025A Bonds. Payment of the fees of such professionals and the Underwriters' fee to be paid by the County are each contingent upon the issuance of the Series 2025A Bonds.

CONTINUING DISCLOSURE

In accordance with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the County's Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2023 was not linked to the CUSIP numbers for a series of the County's bonds, although this annual financial report was otherwise available on EMMA. This annual financial report has now been properly linked to the appropriate CUSIPs. With respect to the Series 2025A Bonds, the County has agreed pursuant to the terms of the Bond Resolution as follows:

(1) The County undertakes and agrees to provide to the Municipal Services Rulemaking Board (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") and to the State of Florida information depository (herein, the "SID") if and when such a SID is created in EMMA compliant format (a) the County's Public Utilities System's financial statements consistent with the financial statements presented in APPENDIX B to this Official Statement relating to the Series 2025A Bonds, and (b) update the information in the Official Statement concerning the County's Public Utilities System set forth in the tables entitled "Historic Growth of Water and Wastewater Divisions Services," "Historic Water Production," and "Single-Family Residential Water and Wastewater Bills in County and Surrounding Areas" under the heading "THE WATER AND WASTEWATER DIVISION," the table entitled "Manatee County Solid Waste Tipping Fee Comparison" under the heading "THE SOLID WASTE DIVISION" and the table entitled "Summary of Historical System Operating Results and Debt Coverage" under the heading "HISTORIC OPERATING RESULTS OF SYSTEM" to the extent such information is not included in the County's Public Utilities System's purpose financial statements referred to in clause (a) above. The information referred to in clauses (a) and (b) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (a) of paragraph (1) above in audited form (for as long as the County provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2026 for the fiscal year ending on the preceding September 30, 2025. The Annual Information referred to in clause (a) of paragraph (1) above in unaudited form (if the audited financial statements are not available or if the County no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. Notwithstanding the foregoing, if the County is not able to deliver audited financial statements by March 31 of any year, such audited financial statements must be provided to the MSRB, through EMMA and the SID, if any, by June 1 of such year. The County also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2025A Bonds who request such information and pays to the County its costs and reproduction and transmission of such Annual Information. The County agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. As long as the County files the unaudited financials by March 31 of any year, if the audited financials are not available, and the audited financial statements by June 1 of that same year, no notice shall be required to be filed. Such notice shall also indicate the reason for such failure and when the County reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure.

(3) The Annual Information referred to in clause (a) of paragraph (1) above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in

effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by paragraph (6) below, the County's undertaking with respect to paragraph (1) above requires amending, the County undertakes and agrees that the Annual Information described in clause (a) of paragraph (1) above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in paragraph (3) above. The County agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The County undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)), notice of the occurrence of any of the following events with respect to the Series 2025A Bonds, if material or deemed material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on any Debt Service Reserve Account reflecting financial difficulties;*
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;*
- (e) substitution of credit or liquidity providers, or their failure to perform;*
- (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2025A Bonds;
- (g) modifications to rights of Bondholders;
- (h) Series 2025A Bond calls (other than scheduled mandatory sinking fund redemptions);

* Not applicable to the Series 2025A Bonds.

- (i) defeasances of the Series 2025A Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2025A Bonds;
- (k) rating changes;
- (l) any failure on the part of the County to comply with its undertaking;
- (m) tender offers;
- (n) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025A Bonds, or other material events affecting the tax status of the Series 2025A Bonds;
- (o) the incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material;
- (p) the default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties;
- (q) bankruptcy, insolvency, receivership or similar event of the County or obligated person;
- (r) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (s) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County agrees to provide or cause to be provided, in a timely manner to the MSRB through EMMA in EMMA Compliant Format, written notice of a failure by the County to provide the Annual Information described in clause (i) of subparagraph (1) above on or prior to the date such Annual Information is to be reported.

Notwithstanding anything in the Rule to the contrary, events described in clauses (a), (c)*, (d)*, (e)*, (f), (g), (h), (i), (k), (l), (m), (n) and (q) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2025A Bonds.

(6) Notwithstanding any other provision of the Series 2025A Resolution to the contrary regarding amendments or supplements, the County undertakes and agrees to amend and/or supplement its undertaking (including the amendments referred to in paragraph (4) above) only if:

(a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2025A Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule, or (iv) a change in the nature of the County's operations or the activities that generate the Net Revenues.

(b) The County's undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2025A Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2025A Bonds as determined by Bond Counsel or by a majority of the registered owners of the 2018 Bonds.

In the event of an amendment or supplement under the Series 2025A Resolution, the County shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) The County's undertaking set forth in the Series 2025A Resolution shall terminate if and when the Series 2025A Bonds are paid or deemed paid.

(8) The County acknowledges that its undertaking pursuant to the Rule set forth in the Series 2025A Resolution is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2025A Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement

* Not applicable to the Series 2025A Bonds.

of the County's obligations hereunder, and any failure by the County to comply with the provisions of this undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2025A Bonds under the Series 2025A Resolution.

(9) The County reserves the right to satisfy its obligations under the Series 2025A Resolution through agents; and the County may appoint such agents without the necessity of amending the Resolution. The County may also appoint one or more employees of the County to monitor and be responsible for the County's undertaking hereunder.

FINANCIAL STATEMENTS

The Audited Financial Statements relating to the Public Utilities System, for the Fiscal Year ended September 30, 2024 and the report of the Independent Certified Public Accountants relating thereto are attached hereto as APPENDIX B. The Series 2025A Bonds are payable solely from the Net Revenues of the County's Public Utilities System and the Series 2025A Bonds are not secured by, or payable from, the general revenues of the County. The financial statements attached hereto as APPENDIX B are presented for general informational purposes only.

FINANCIAL ADVISOR

The County has retained Public Resources Advisory Group, Inc., Tampa, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2025A Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Public Resources Advisory Group, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2025A Bonds, the security for and the source for repayment for the Series 2025A Bonds and the rights and obligations of the holders thereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Official Statement, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, except with regard to information provided by them.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

[Remainder of page intentionally left blank]

**AUTHORIZATION OF CERTIFICATION CONCERNING
OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the Board of County Commissioners of the County. At the time of delivery of the Series 2025A Bonds, the undersigned or other authorized officer will furnish a certificate to the effect that, to the best of his/her knowledge, this Official Statement (other than the information provided by DTC and the Underwriters) did not as of its date and does not as of the date of the delivery of the Series 2025A Bonds contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements herein, in light of the circumstances in which they were made, not misleading.

MANATEE COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

General Information

Manatee County (the "County"), founded in 1855, encompasses approximately 740 square miles and is located approximately half way down the west coast of Florida. The County is bounded on the north by Hillsborough County, on the south by Sarasota County, on the east by Hardee and DeSoto Counties, and on the west by the Gulf of America. The incorporated cities of Anna Maria, Bradenton, Bradenton Beach, Holmes Beach, Longboat Key and Palmetto are located within the County. The 2024 estimated population of the County is 455,356 persons.

There are approximately 150 miles of waterfront land in the County, including more than 14 miles of Gulf beaches. Temperatures range from an average of approximately 72 degrees (F.) in January to approximately 91 degrees (F.) in August. Other natural advantages include an abundance of, and numerous, mineral deposits and unique soils suitable for agriculture. These factors have allowed the County to maintain an even and steady economic growth rate through the years, and have enabled the County to develop a year-round tourist industry.

Interstate 75 is the primary north-south access road to the County. Interstate 275, State Road 64 and State Road 70 are the major east-west access roads to the County. Interstate 275 utilizes the Skyway Bridge to St. Petersburg and Tampa.

The Sarasota-Bradenton International Airport, located on the Manatee-Sarasota County line, provides air service for the County. The following international, domestic, commuter and charter airlines provide service through the Sarasota-Bradenton International Airport: Air Canada, Allegiant Air, American Airlines, Avelo Airlines, Breeze Airways, Delta, Frontier Airlines, JetBlue Airways, Southwest Airlines, Sun Country Airlines and United Airlines.

County Government

The County is governed by a seven-member Board of County Commissioners (the "Board"), one from each of five districts and two elected at large (County wide) for staggered terms of four years. In addition to the Members of the Board, there are five elected County Officials: Tax Collector, Property Appraiser, Supervisor of Elections, Clerk of the Circuit Court and Comptroller and Sheriff.

The County provides a variety of services characteristic of local multi-purpose governments, including transportation, building, planning and zoning, environmental protection, utilities, welfare, children's services, civil defense, veteran's services, traffic control and others. The Board provides and oversees expenditures of such operations. There were approximately 2,097 County employees as of September 30, 2024.

In 1978, the Board enacted an ordinance creating the position of County Administrator. The County Administrator is the chief administrative officer, and has the authority to hire all department heads, subject to the approval of the Board.

Angelina "Angel" Colonnese is the Clerk of the Circuit Court and Comptroller. The Clerk of the Circuit Court and Comptroller has received for the County the Certificate of Achievement for Excellence in Financial Reporting for each Fiscal Year since September 30, 1979 and each report generated is prepared in accordance with requirements of the Government Finance Officers Association ("GFOA"), the Governmental Accounting Standards Board (GASB) and the America Institute of Certified Public Accountants (AICPA). Fiscal Year 2023 was the 45th consecutive year that Manatee County has achieved this award and it is valid for a period of one year only. The County believes that the Fiscal Year 2024 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting requirements and it has been submitted to the GFOA to determine its eligibility for another certificate. The GFOA Awards for such program recognizes the most valuable contributions to the field of governmental finance, with particular focus upon the transferability, creativity, technical significance and overall value to the profession.

The GFOA presented a Distinguished Budget Award to the County for its annual budget, dated October 1, 2023. This was the 39th time that the County received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The budget document is prepared by Manatee County's Financial Management Department.

The Clerk has also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for Manatee County's Popular Report for the past 26 years. The award is given for those reports that conform to program standards of creativity, presentation, understandability and reader appeal. The County believes that the Fiscal Year 2024 Popular Report continues to meet the program's requirements and it has been submitted to the GFOA to determine eligibility for another certificate.

The GFOA awards a Triple Crown Award to governments that have achieved all three of the GFOA awards mentioned above. Manatee County Clerk of the Circuit Court and Comptroller and Manatee County Government were awarded their fourth consecutive Triple Crown Award by GFOA for 2023. Manatee County is one of only 280 governments nationwide to receive this honor.

Educational System

The County's public school system is governed by a separately elected School Board and operates 31 elementary schools, 9 middle schools, 7 high schools, 2 K-8 combination schools, 1 alternative education school, 1 ESE center, 1 post-secondary school (operated at two school sites), 2 virtual schools, 12 contract sites including 4 Department of Juvenile Justice sites, and authorized operating contracts with 14 charter schools that are component units of the Manatee County School District (the "District"). The District reported serving approximately 54,356 unweighted, full-time equivalent students for the 2023-2024 school year. In addition to the various educational programs offered to K-12 students, the District offers services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education from age 3 to 21; preschool programs for children from birth through five years; programs for eligible homeless or at risk of becoming homeless students; and voluntary pre-kindergarten services. The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English Language Learner (ELL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

Public School Enrollment (Grades K-12) Last Ten Fiscal Years

Fiscal Year	Unweighted Full-Time Equivalent Students
2014-2015	47,700
2015-2016	48,600
2016-2017	48,867
2017-2018	49,152
2018-2019	49,835
2019-2020	49,599
2020-2021	51,145
2021-2022	52,000
2022-2023	54,924
2023-2024	54,356

Sources: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

Additional postsecondary and community service programs are provided by the Manatee Technical College and State College of Florida. Manatee Technical College ("MTC") opened in 1963 and has continually expanded its physical plant and course offerings. MTC serves over 1,000 students across two campuses and offers specialized

instruction to meet the employment demands of new industry locating in the County. The State College of Florida, Manatee-Sarasota (the "College") is a fully-accredited, state-supported, associate and baccalaureate degree institution with two full-service campuses in Bradenton and Venice and a Center for Innovation and Technology at Lakewood Ranch. The College serves over 9,000 degree-seeking, credit students. Students may earn an associate in arts degree in preparation for transfer to a university or choose from among more than 20 associate in science degree programs that include programs in engineering, nursing and other health professions. Beginning in March 2009, the College began offering a Bachelor of Science in nursing, and has since added baccalaureate programs in Public Safety and Emergency Administration, Early Childhood Education, Elementary Education, Exceptional Student Education, Health Services Administration, and Supervision and Management. Broadening its continuum of education, the College opened a collegiate charter school in fall 2010. The school enables students to complete high school and receive their Associate in Arts degree simultaneously. Additionally, the University of South Florida's Sarasota-Manatee campus offers a variety of undergraduate and graduate degree programs.

Population

The County has experienced a very rapid population growth in recent years. The 2020 U.S. Census listed the County population at 399,710 persons. As shown in the following table, the population of the County has more than quadrupled since 1970.

	Manatee County	
	Population	% Increase
2020	399,710	23.8%
2010	322,833	22.3
2000	264,002	24.7
1990	211,707	42.6
1980	148,445	52.9
1970	97,115	40.4
1960	69,168	99.3
1950	34,704	-

Source:U.S. Census Bureau.

[Reminder of page left intentionally blank]

The 2020 Census also reported that of the 399,710 persons living in the County, 27.6% were age 65 and over. The population's median age is 49. The County population is projected to be 459,471 in the year 2025 based on the Florida Office of Economic and Demographic Research Database.

Age Group	Estimated 2025	2010	2000	Age Group	1990
0-4	23,409	18,322	14,902	0-14	34,686
5-17	59,749	47,961	39,745	15-24	20,644
18-24	32,125	22,833	17,203	25-44	55,035
25-54	142,172	113,528	97,640	45-59	28,168
55-64	65,341	45,080	28,865	60+	73,174
65-79	99,987	53,618	47,989		
80+	36,688	21,491	17,658		
Total	459,471	322,833	264,002		211,707

Sources: University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 193; University of Florida, Bureau of Economic and Business Research, Special Population Reports, Number 10; U.S. Census Bureau.

Economy

The County's industry base is diversified, with the three largest industry sectors being services, retail and manufacturing. The County also has a strong tourism and agricultural base. Tourism numbers have continued to increase with bed tax revenues topping \$31.0 million during the year which is slightly higher than the previous year, as the area continues to be popular with vacationers from the United States and abroad.

Tourism

The proximity of the Gulf beaches and the favorable climate in the County provide the basis for a year-round tourist industry. There are numerous motels and retail service establishments in the County to serve the tourist trade.

Employment

The civilian labor force in the County decreased to 192,140 as of November 2024, representing a 1.09% decrease in the labor force over the prior year. The County's unemployment rate in 2024 was 4.0% which is higher than the state unemployment rate of 3.4% but similar to the unemployment rate for the nation of 4.1%.

Source: Florida Department of Economic Opportunity.

**Manatee County, Florida
Principal Employers
September 30, 2024**

Employer	Employees	Rank	Percentage to Total County Employment
Manatee County School Board	5,804	1	3.11%
Publix	2,840	2	1.52
Manatee Healthcare System	2,344	3	1.26
Beall's Inc.	2,165	4	1.16
Manatee County Government	2,097	5	1.12
Blake Medical Center	1,471	6	0.79
Manatee County Sheriff's Department	1,150	7	0.62
IMG Academies	1,100	8	0.59
State College of Florida, Manatee-Sarasota	946	9	0.51
Tropicana Products, Inc.	500	10	0.27

Source: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

**North Port-Sarasota-Bradenton Metropolitan Statistical Area
Employment Status**

	2019	2020	2021	2022	2023
Civilian Labor Force	366,443	358,905	369,253	380,842	395,971
Total Employment	354,698	333,141	354,298	369,550	383,991
Total Unemployment	11,745	25,764	14,955	11,292	11,980
Unemployment Rate	3.2%	7.2%	4.1%	3.0%	3.0%

Source: Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research, Local Area Unemployment Statistics (LAUS).

[Reminder of page intentionally left blank]

The following table shows the distribution of the North Port-Sarasota-Bradenton Metropolitan Statistical Area total employment by industry and wage data as of 2024.

**North Port-Sarasota-Bradenton Metropolitan Statistical Area
Employment by Industry**

Industry Sectors	% of Total Employees	% of Total Wages	Average Annual Wage
Trade, Transportation and Utilities	21.16%	17.82%	\$ 50,411
Education and Health Services	19.84	20.67	62,347
Professional and Business Services	14.34	18.62	77,712
Leisure and Hospitality	16.26	9.56	35,214
Construction	10.23	11.09	64,917
Manufacturing	6.08	7.07	69,676
Financial Activities	5.61	8.81	93,980
Other Services	4.12	3.09	44,852
Natural Resources and Mining	0.88	0.56	38,249
Information	1.19	2.41	120,509
Unclassified	0.28	0.30	63,804

Source: Quarterly Census of Employment and Wages – Bureau of Labor Statistics, 2024 Annual Averages.

[Remainder of page intentionally left blank]

Construction

Total permit activity for Fiscal Year 2024 was 40,486. The table below shows the historical (residential only) building permit activity in the County for the last nine calendar years.

Residential Building Permit Activity Manatee County, Florida 2015-2024

Calendar Year	<u>Number of Buildings</u>		Total Valuation (000s)
	<u>Single Family</u>	<u>Multi- Family</u>	
2015	2,584	99	\$706,188
2016	2,728	110	758,775
2017	2,687	58	663,310
2018	932	29	291,776
2019	3,150	78	825,410
2020	4,280	95	1,005,174
2021	6,341	114	1,576,889
2022	5,954	80	1,797,724
2023	6,004	105	1,867,213

Sources: United States Census Bureau, Building Permits Survey; Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

Port Manatee

Port Manatee, one of the largest of sixteen Florida deepwater seaports, is located in the northwestern corner of the County where Tampa Bay meets the Gulf of America. It is the closest U.S. deepwater seaport to the Panama Canal, with ten deep-draft berths, proficiently fulfilling diverse demands of container, liquid and dry bulk, breakbulk, heavy lift, and project and general cargo customers. The self-sustaining port generates more than \$7.3 billion in annual economic impacts while providing for more than 42,000 direct and indirect jobs, all without the benefit of local property tax support. Governed by the seven-member Manatee County Port Authority, Port Manatee is our community's largest gateway to international trade and commerce. Located on over 1,100 acres with 5,000 acres of contiguous land available, Port Manatee is the hub for a wide variety of agricultural and industrial products. It hosts shipments of orange juice and other citrus juices and beverages, forestry products, bananas, melons, aluminum, steel, paper products, liner board, wood pulp, petroleum products, construction-grade aggregate, cement and fertilizer. In fiscal year 2024, Port Manatee's containerized cargo throughput reached a record of 168,897 twenty-foot-equivalent (TEU) container units, up 1 percent from 2023. For the 12-month period ended September 30, 2024, Port Manatee reported total cargo tonnage of

11,810,062 short tons, which was an all-time high. This was an increase of 7.2 percent from 2023. The Port Manatee facilities are operated by the Manatee County Port Authority, with daily operations supervised by a Port Director appointed by the Manatee County Port Authority. The governing body of Manatee County is also the governing body of the Manatee County Port Authority.

Source: Manatee County Port Authority Annual Comprehensive Financial Report for the Fiscal Years Ended September 30, 2024 and 2023.

[Remainder of page intentionally left blank]

**Manatee County, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Per Capita Personal Income (000s)	Personal Income (000s)	Median Age	School Enrollment	Unemployment Rate
2015	341,405	43.8	\$14,953,539	47	47,700	5.1%
2016	356,133	44.8	15,954,758	47	48,600	4.7
2017	368,782	45.9	16,927,094	48	48,867	3.3
2018	377,826	47.3	17,871,170	49	49,152	2.9
2019	387,414	48.3	18,712,096	49	49,835	3.0
2020	398,503	50.0	19,925,150	49	49,599	5.2
2021	411,209	54.5	22,410,891	49	51,145	3.7
2022	421,768	63.3	26,697,914	50	52,000	2.6
2023	439,566	62.1	27,297,048	50	54,924	3.4
2024	455,356	64.1	29,188,320	49	54,356	3.8

Source: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

[Remainder of page intentionally left blank]

Manatee County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(000s)

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy ⁽¹⁾⁽²⁾	
			Amount	Percentage of Levy
2015	2014	\$178,675	\$172,227	96.39%
2016	2015	194,056	187,607	96.68
2017	2016	210,057	202,699	96.50
2018	2017	229,285	221,227	96.49
2019	2018	247,832	239,272	96.55
2020	2019	267,473	258,065	96.48
2021	2020	286,906	276,284	96.30
2022	2021	307,018	295,714	96.32
2023	2022	353,497	340,178	96.23
2024	2023	414,831	399,676	96.35

⁽¹⁾ Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Collections received subsequent to the tax sales are remitted by the Tax Collector directly to the certificate holders.

⁽²⁾ Collections in subsequent years include delinquent taxes received, less refunds issued due to tax roll corrections.

Source: Manatee County Tax Collector and Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

[Remainder of page intentionally left blank]

**Manatee County, Florida
Principal Property Taxpayers
as of September 30, 2024
(000s)**

Taxpayer	Assessed Value	Percentage of Total Net Assessed Value ⁽¹⁾	Ranking ⁽²⁾
Florida Power and Light Company	\$1,705,096	2.75%	1
Tropicana Manufacturing Company Inc	373,505	0.60	2
Mosaic Fertilizer LLC	202,658	0.33	3
Acorn Acquireco LLC	168,944	0.27	4
Peace River Electric Co Op Inc	165,193	0.27	5
Manatee Memorial Hospital	156,208	0.25	6
Gulfstream Natural Gas	134,824	0.22	7
Publix Super Markets	122,817	0.20	8
93 FLRPT LLC	106,871	0.17	9
Verizon Florida Inc/Frontier Florida LLC ⁽³⁾	103,897	0.17	10
	<u>\$3,240,013</u>	<u>5.23%</u>	

⁽¹⁾ Percentage of total net assessed value is calculated using total net taxable assessed value on page 115 of the Annual Comprehensive Financial Report.

⁽²⁾ Prior to 2016, ranking was based on Gross Tax. Rankings in Fiscal Year 2016 and later are based on Assessed Value.

⁽³⁾ Verizon Florida, Inc. became Frontier Florida, LLC during Fiscal Year 2018.

Source: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

[Remainder of page intentionally left blank]

**MANATEE COUNTY, FLORIDA
DEBT STATEMENT
as of March 31, 2025**

COUNTY DIRECT DEBT	GENERAL OBLIGATION	SELF- SUPPORTING REVENUE DEBT
Public Utilities Revenue Refunding and Improvement Bonds, Series 2015		\$ 72,825,000
Public Utilities Revenue Refunding Bonds, Series 2017		43,715,000
Public Utilities Revenue Improvement Bonds, Series 2018		69,685,000
Public Utilities Revenue Improvement and Refunding Bonds, Series 2023		191,885,000
Public Utilities Capital Lease, 2024		82,200,000
Revenue Refunding and Improvement Bonds, Series 2013		13,755,000
Revenue Improvement Bonds, Series 2016		4,180,000
Revenue Improvement and Refunding Bonds, Series 2019		43,275,000
Revenue Refunding Bonds, Series 2019		6,720,000
Revenue Improvement and Refunding Bonds, Series 2022		208,305,000
Revenue Improvement Bonds, Series 2023		175,000,000
Limited General Obligation Bonds, Series 2023	\$35,000,000	
Revenue Improvement Note, Series 2024A		18,660,000
Revenue Improvement Note, Series 2024B		72,161,606
TOTAL COUNTY DIRECT DEBT	\$35,000,000	\$1,002,366,606
 UNDERLYING DEBT		
Port Authority Taxable Revenue Refunding Bonds, Series 2021		\$ 31,410,000
Port Authority Florida Department of Transportation State Infrastructure Bank Loan, Series 2007		413,000
State Infrastructure Bank Loan, Series 2017		2,513,000
TOTAL UNDERLYING DEBT	\$0.00	\$ 34,336,000
 TOTAL COUNTY DIRECT AND UNDERLYING DEBT	\$35,000,000	\$1,036,702,606

Source: Manatee County, Florida Finance Department.

[Remainder of page intentionally left blank]

DEBT RATIOS AND RELATED STATISTICAL INFORMATION

Manatee County, Florida Population for the Last Ten Fiscal Years

Date	Population	Increase/Decrease
2015	341,405	1.14%
2016	356,133	4.31
2017	368,782	3.55
2018	377,826	2.45
2019	387,414	2.54
2020	398,503	2.86
2021	411,209	3.19
2022	421,768	2.57
2023	430,439	2.06
2024	455,356	5.79

2024 County Total Estimated Actual Value	\$100,874,050,000
2024 County Net Taxable Assessed Valuation	\$ 61,943,860,000
2025 County Total Estimated Actual Value	\$106,929,529,648
2025 County Net Taxable Assessed Valuation	\$ 70,145,542,642

Sources: Manatee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024 and the 2024 Revised Recapitulation of the Ad Valorem Assessment Roll Value Data certified by the Manatee County Property Appraiser on October 7, 2024.

Debt Ratios as of March 31, 2025

Direct General Obligation Debt as a percent of:

Total Estimated Actual Value	0.00032%
Net Taxable Assessed Valuation	0.00049%

Direct General Obligation Debt per capita⁽¹⁾ \$76.17

⁽¹⁾ Estimated population 2025 of 459,500 used for this calculation
Source: Manatee County, Florida Finance Department.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
RELATING TO THE PUBLIC UTILITIES SYSTEM
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024**

[THIS PAGE INTENTIONALLY LEFT BLANK]



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.

1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

941.747.0500
941.746.0202 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Board of County Commissioners
Manatee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Manatee County, Florida, Public Utilities System (the "System"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2–6, the schedule of changes in total other post-employment benefits (OPEB) other than pension liability and other related ratios, the schedule of the System's proportionate share of net pension liability for the FRS and HIS pension plans, and the schedule of the System's contributions to the FRS and HIS pension plans on pages 29-31, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

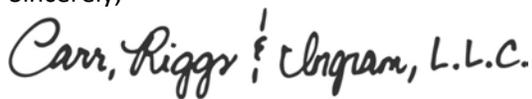
Management is responsible for the other information included in the annual report. The other information comprises the other information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basis financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, professional style.

Carr, Riggs, & Ingram, L.L.C.

Bradenton, Florida
March 7, 2025

Management's Discussion and Analysis

As Clerk of Circuit Court and Comptroller for the Manatee County Public Utilities System (the System), I offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the fiscal years ended September 30, 2024 and 2023. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The System's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at September 30, 2024 and 2023 by \$1,548,216 and \$1,354,091 (net position) respectively. Of these amounts, \$437,383 for 2024 and \$379,257 for 2023 (unrestricted net position) were available to meet the System's ongoing obligations.
- The System's total net position increased \$194,125 in fiscal year 2024 and \$86,155 in fiscal year 2023.
- Total bonded debt, at par, of the Public Utilities System amounts to \$378,110 at September 30, 2024, a decrease of \$6,245 from fiscal year 2023.
- Interest earning rates increased from 4.0007% in 2023 to 4.9172% in 2024, resulting in higher interest earnings for the System.
- Closure estimates of the County's Lena Road Landfill, approved by state and federal authorities, resulted in an increase to the closure liability of \$5,886 for fiscal year 2024 to \$60,902. The County now holds \$41,475 for these closure purposes, with the current estimated remaining landfill life of 16 years.

Overview of the Financial Statements

The Statements of Net Position provide the reader with detail about the assets plus deferred outflows of resources of the Public Utilities System as well as its outstanding liabilities and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. The net position presentation shows additional breakdowns, which may help the reader identify the available resources of the System versus those that are restricted. Changes in net position over time may be helpful in indicating an improving or a deteriorating financial position. The Statements of Net Position appear on page 7.

The Statements of Revenues, Expenses and Changes in Fund Net Position, provided on page 8, present the revenues and expenses of the current and previous fiscal years, which resulted from operations. The net of operating revenue less operating expense, when combined with other non-operating sources such as interest income, interest expense, issue costs, bond interest rebate, grants and contributions results in the net income the System generated for the fiscal year, which increased the net position presented on the Statements of Net Position. A review of this statement for both fiscal years 2024 and 2023 can indicate the ongoing health of a business operation.

The Public Utilities System's Statements of Cash Flows, presented on page 9, show those items which resulted in additions and subtractions to the Public Utilities System's cash balance for the fiscal year. A reconciliation of the cash change to the operating income of the Public Utilities System's Statements of Revenues, Expenses and Changes in Fund Net Position is included.

The Notes to the Financial Statements for the Public Utilities System provide background information that meets stringent governmental accounting reporting requirements and give the reader additional information that may not be readily seen on the actual statements. Examples of such information include: a breakdown of assets owned by the System, its contingent liabilities, debt requirements and retirement information. The notes can be found on pages 10 to 28 and are an integral part of the financial statements.

This report presents certain required supplementary information on pages 29 to 31 concerning progress in funding of Manatee County's obligation to provide other postemployment benefits to its employees as well as information related to the System's participation in the Florida Retirement System pension plans. Other information about the System, which may be of interest to the reader, is available beginning on page 32.

Analysis of Financial Statements

My discussion of the Public Utilities System's financial statements includes an analysis of major changes in the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for fiscal years 2024 and 2023 as well as a look at changes in revenues and expenses as presented in the accompanying statements.

	Net Position		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Current and other assets	\$ 750,124	\$ 691,271	\$ 538,668
Capital assets	<u>1,358,053</u>	<u>1,212,077</u>	<u>1,114,225</u>
Total assets	<u>2,108,177</u>	<u>1,903,348</u>	<u>1,652,893</u>
Deferred outflows of resources	<u>11,308</u>	<u>11,665</u>	<u>10,399</u>
Liabilities:			
Long-term liabilities	505,203	510,191	349,930
Other liabilities	<u>61,897</u>	<u>48,484</u>	<u>42,953</u>
Total liabilities	<u>567,100</u>	<u>558,675</u>	<u>392,883</u>
Deferred inflows of resources	<u>4,169</u>	<u>2,247</u>	<u>2,473</u>
Net position:			
Net investment in capital assets	1,096,016	967,146	882,891
Restricted for debt service	420	469	416
Restricted for construction projects	14,397	7,219	3,627
Unrestricted	<u>437,383</u>	<u>379,257</u>	<u>381,002</u>
Total net position	<u>\$ 1,548,216</u>	<u>\$ 1,354,091</u>	<u>\$ 1,267,936</u>

Net Position

As noted earlier in my discussion, changes in net position over time can be one of the best and most useful indicators of the System's financial position. The System's increase in net position for this fiscal year amounts to \$194,125. This increase is primarily due to capital grants and contributions as well as from rate increases. Capital grants and contributions increased \$62,118 from fiscal year 2023, largely as a result of an increase in donated assets. Solid waste rate increases went into effect on October 1, 2023, while water and sewer rate increases went into effect on June 1, 2023 and June 1, 2024. Customer growth continued in fiscal year 2024 and also contributed to the System's net position. Water and wastewater installations have increased from 2023 by 2.00% and 7.96%, respectively, as a result of continued growth in construction. The most notable increase in net position was in net investment in capital assets, which reflects the system's commitment to capacity upgrades.

Of the Public Utilities System's \$1,548,216 in net position, \$1,096,016 (70.79%) reflects its investment in capital assets, less any outstanding debt used to acquire those assets. The remaining balance of \$452,200 consists of \$437,383 (28.25%) in unrestricted net position that may be used to meet the System's ongoing obligations, as well as \$14,817 (0.96%) in restricted net position. In comparison to the System's \$1,354,091 in net position for fiscal year 2023, \$967,146 (71.42%) reflects its investment in capital assets, less any outstanding debt used to acquire those assets. The remaining balance of \$386,945 consists of \$379,257 (28.01%) in unrestricted net position that may be used to meet the System's ongoing obligations, as well as \$7,688 (0.57%) in restricted net position.

At the end of the current and prior fiscal years, the Public Utilities System is able to report positive balances in all categories of net position.

Cash and Accounts Receivable

The System's cash and cash equivalents as of September 30, 2024 amounted to \$698,403, an increase of \$42,827 from fiscal year 2023. At September 30, 2023, cash and cash equivalents totaled \$655,576, an increase of \$148,758 over fiscal year 2022. The overall 6.53% increase above fiscal year 2023 can be mostly attributed to improved net income in fiscal year 2024.

Accounts receivable for trade and unbilled revenues are \$26,536 net of a \$5,914 allowance for uncollectible accounts, representing an 48.59% increase from fiscal year 2023. This is primarily due to an increase in rates during fiscal years 2024 and 2023, resulting in a higher accounts receivable balance at September 30, 2024. There was a 60.36% increase in the allowance, which follows the increase in the accounts receivable and reflects a more conservative estimate of the collectability of these receivables.

Change in Net Position

The key elements of the System's increased net position are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Program revenues			
Charges for services	\$ 286,319	\$ 233,946	\$ 217,115
Operating grants and contributions	13,661	10	359
Capital grants and contributions	129,229	67,111	82,062
General revenues			
Interest income	39,836	27,695	(2,820)
Miscellaneous	516	2,348	2,685
Gain (loss) on disposition of assets	31	62	56
Total revenues	<u>469,592</u>	<u>331,172</u>	<u>299,457</u>
Expenses:			
Water and sewer operations	184,871	170,220	144,941
Solid waste operations	75,927	66,192	45,224
Stormwater operations	10,104	12,032	9,205
Total expenses	<u>270,902</u>	<u>248,444</u>	<u>199,370</u>
Increase in net position before transfers	198,690	82,728	100,087
Transfers (net)	<u>(4,565)</u>	<u>3,427</u>	<u>(3,206)</u>
Increase in net position	194,125	86,155	96,881
Net position - beginning	1,354,091	1,267,936	1,171,055
Net position - ending	<u>\$ 1,548,216</u>	<u>\$ 1,354,091</u>	<u>\$ 1,267,936</u>

Operations

Charges for services increased by \$52,373 during fiscal year 2024. This is \$35,542 more than the increase of \$16,831 experienced during fiscal year 2023. A significant portion for both years' increases is related to rate increases for water and sewer as well as for solid waste. The rate increase for solid waste went into effect on October 1, 2023 and had the most notable impact on revenues in fiscal year 2024, with solid waste charges for services increasing by \$33,786 year over year. The increases for water and sewer went into effect on June 1, 2023 and June 1, 2024 and had a significant impact on fiscal year 2024 and a moderate impact on fiscal year 2023. Operating revenues were also higher due to an increase in customers, with customers increasing by 2,893 in fiscal year 2024 and 3,508 in fiscal year 2023.

Total expenses for the System increased \$22,458 in fiscal year 2024. Monthly hauler costs increased by \$21,427 in fiscal year 2024 resulting from contracted cost increases. This was partially offset by a decrease of \$13,584 in debris hauler costs related to Hurricane Ian, as these costs were only incurred in fiscal year 2023. Water and sewer operations (\$8,802), water and sewer maintenance (\$4,993), and landfill closure (\$2,053) also contributed to the increase in expenses.

Capital Assets

As an enterprise operation, the System's continuing investment in capital assets can give the reader a strong indication of the System's ongoing expansion and increase in business. Capital assets for the System include such items as land, water and sewer treatment plants and lines, landfill improvements, drainage systems and all the requisite equipment and machinery needed to run and maintain such a large operation. Capital assets are not available for future spending needs and cannot be used to liquidate liabilities. Other resources will be needed to repay any associated debt. Capital assets are, therefore, separately presented in net position and are net of any accumulated depreciation and associated debt.

Major additions of assets in fiscal year 2024 included the following (in thousands):

- \$11,607 - Southeast Water Reclamation Facility Storage Lakes & Pump Back Station Improvements - Increase pump back capacity by making improvements to storage lakes, providing erosion control at existing pump stations, and installing new pump stations outside of berms.
- \$10,550 - Southeast Water Reclamation Facility Cloth Media Automatic Backwash Filters - Retrofit the existing automatic backwash filters #3 and #4 with cloth filters in order to increase filter capacity.
- \$6,777 - Force Main 12A Rehabilitation - Replacement of approximately 10,300 linear feet of 20-inch ductile iron pipe to 24-inch high density polyethylene (HDPE) force main.
- The System added \$65,659 in ongoing construction projects (CIP).

Major additions of assets in fiscal year 2023 included the following (in thousands):

- \$12,842 - North Water Reclamation Facility Deep Injection Well - Construction of a Class I Deep Injection Well system for the disposal of excess reclaimed water during wet weather seasons, and for brine concentrate from the future Reverse Osmosis facility.
- \$7,535 - Parrish Village Force Main and Master Lift Station - Construction of a new force main and master lift station to connect to the existing 16-inch force main on US 301 and Erie Road.
- \$7,533 - Force Main 1D Rehabilitation - Replacement of up to 12,000 linear feet of 20-inch ductile iron pipe force main with 24-inch and 27-inch high density polyethylene (HDPE) force main.
- \$4,570 - North Water Reclamation Facility Belt Filter Press & Belt Filter Press Rehabilitation - Install new equipment and rehabilitate existing equipment for water reclamation. Replace power, instrumentation and controls to facilitate automatic operations. Install cameras and include Supervisory Control and Data Acquisition (SCADA) programming for monitoring and control.
- The System added \$70,394 in ongoing construction projects (CIP).

Additional information related to the System's capital assets can be found in Note 6 on page 14 of this report.

Administration of Debt

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue bonds	\$ 378,110	\$ 384,355	\$ 199,805
Revenue note	-	-	46,676
Total	<u>\$ 378,110</u>	<u>\$ 384,355</u>	<u>\$ 246,481</u>

At September 30, 2024, the System had total bonded debt outstanding of \$378,110. During fiscal year 2024, the System's total debt decreased by \$6,245 due to the payment of principal maturing on October 1, 2024. No new debt was issued by the system in fiscal year 2024. During fiscal year 2023, the System's total debt increased by \$137,874 due to the issuance of the Public Utilities Revenue Improvement and Refunding Bonds, Series 2023, which was issued to refund the Public Utilities Revenue Improvement Note, Series 2021, and to fund Utilities construction projects. This increase was also partially offset by normal bond maturities. The Constitution of the State of Florida, Florida Statute 200.181 and Manatee County set no legal debt limit. Additional information on the System's long-term debt can be found in Notes 7 and 8 on pages 15 to 16 of this report.

Economic Factors and Year 2025 Budgets and Rates

Factors considered in preparing the System's budget for the 2024 fiscal year included:

- The Consumer Price Index increased 2.4% over the twelve months ended September 30, 2024. Although not specific to Manatee County, it does provide economic guidance for budgeting.
- The unemployment rate for Manatee County at September 2024 was 3.8%, an increase from the 3.4% rate reported in the previous fiscal year.
- Population increased by 3.59% from the fiscal year ending September 30, 2023 to 455,356.
- The number of construction permits issued (not rounded) in fiscal year 2024 was 40,486. This is a 934 or 2.36% increase over the previous year.
- Interest earnings rates increased in fiscal year 2024, resulting in an average portfolio yield of 4.92%. As in prior years, interest earnings continue to be budgeted on a conservative basis for revenue purposes.

Requests for Information:

This financial report is designed to provide a general overview of the System's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Clerk of Circuit Court and Comptroller, Manatee County, P.O. Box 25400, Bradenton, Florida 34206-5400. I also suggest you visit our web site, www.manateclerk.com for further financial information.

Manatee County Public Utilities System
Statements of Net Position
September 30, 2024 and 2023
(Amounts expressed in thousands)

<u>Assets</u>	<u>2024</u>	<u>2023</u>	<u>Liabilities</u>	<u>2024</u>	<u>2023</u>
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 465,965	\$ 417,124	Accounts payable	\$ 24,308	\$ 13,174
Accounts receivable:			Wages and benefits payable	2,679	2,417
Trade (net of allowance of \$5,914 and			Due to other governmental units	7	6
\$3,688 for 2024 and 2023, respectively)	26,536	17,859	Contracts and retainages payable	9,189	17,545
Unbilled revenue	12,175	9,666	Compensated absences	233	220
Interest receivable	2,018	614	Other postemployment benefits	189	-
Sewer assessments receivable	3	8	Deposits	403	217
Due from other governmental units	2,519	-	<u>Total current liabilities</u>	<u>37,008</u>	<u>33,579</u>
Prepaid items	1,123	1,039			
Inventory	5,128	4,769	Current liabilities (payable from restricted assets):		
Deposits	1,321	1,303	Accounts payable	1,812	636
<u>Total current assets</u>	<u>516,788</u>	<u>452,382</u>	Contracts and retainages payable	6,870	2,680
			Unearned revenue	3,567	298
Current restricted assets:			Customer deposits	12,640	11,291
Cash and cash equivalents	190,963	198,849	<u>Total current liabilities (payable from restricted assets)</u>	<u>24,889</u>	<u>14,905</u>
Interest receivable	707	242			
<u>Total current restricted assets</u>	<u>191,670</u>	<u>199,091</u>	Noncurrent liabilities:		
			Compensated absences	4,458	4,465
<u>Total current unrestricted and restricted assets</u>	<u>708,458</u>	<u>651,473</u>	Other postemployment benefits	2,402	2,952
			Net pension liability	39,878	42,244
Noncurrent assets:			Closure liability	60,902	55,016
Restricted cash and cash equivalents	41,475	39,603	Revenue bonds and note payable (net of premium)	397,563	405,514
Advances to other funds	185	185	<u>Total noncurrent liabilities</u>	<u>505,203</u>	<u>510,191</u>
Sewer assessments receivable	6	10	<u>Total liabilities</u>	<u>567,100</u>	<u>558,675</u>
Land and other nondepreciable assets	355,961	334,011			
Capital assets, net of accumulated depreciation	1,002,092	878,066	Deferred inflows of resources:		
<u>Total noncurrent assets</u>	<u>1,399,719</u>	<u>1,251,875</u>	Deferred other postemployment benefits inflows	856	1,108
<u>Total assets</u>	<u>2,108,177</u>	<u>1,903,348</u>	Deferred pension inflows	3,313	1,139
			<u>Total deferred inflows of resources</u>	<u>4,169</u>	<u>2,247</u>
Deferred outflows of resources:					
Deferred other postemployment benefits outflows	421	323	Net Position		
Deferred pension outflows	10,887	11,342	Net investment in capital assets	1,096,016	967,146
<u>Total deferred outflows of resources</u>	<u>\$ 11,308</u>	<u>\$ 11,665</u>	Restricted for debt service	420	469
			Restricted for construction projects	14,397	7,219
			Unrestricted	437,383	379,257
			<u>Total net position</u>	<u>\$ 1,548,216</u>	<u>\$ 1,354,091</u>

The notes to the financial statements are an integral part of these statements.

**Manatee County Public Utilities System
Statements of Revenues, Expenses and
Changes in Fund Net Position
For the Fiscal Years ended September 30, 2024 and 2023
(Amounts expressed in thousands)**

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Water sales	\$ 81,151	\$ 74,939
Wastewater treatment charges	116,053	103,678
Solid waste charges	89,115	55,329
Miscellaneous revenues	516	2,348
Total operating revenues	<u>286,835</u>	<u>236,294</u>
Operating expenses:		
Water and sewer:		
Personal services	39,071	41,646
General and administrative	41,346	34,292
Water treatment and distribution	20,341	19,417
Wastewater collection and treatment	32,111	29,250
Solid waste:		
Personal services	4,738	4,971
Landfill operation	7,377	7,554
Closure	5,887	3,834
Garbage collection	55,081	47,110
Stormwater:		
Personal services	4,180	5,636
General and administrative	5,291	5,824
Depreciation	40,585	37,171
Total operating expenses	<u>256,008</u>	<u>236,705</u>
Operating income	<u>30,827</u>	<u>(411)</u>
Nonoperating revenues (expenses):		
Operating grants	13,661	10
Interest income	39,836	27,695
Interest expense	(14,894)	(10,517)
Bond issue cost	-	(1,222)
Gain (loss) on disposition of assets	31	62
Total nonoperating revenues (expenses)	<u>38,634</u>	<u>16,028</u>
Income before contributions and transfers	69,461	15,617
Capital grants and contributions	129,229	67,111
Transfers from other funds	-	6,579
Transfers to other funds	(4,565)	(3,152)
Change in net position	<u>194,125</u>	<u>86,155</u>
Total net position - beginning	<u>1,354,091</u>	<u>1,267,936</u>
Total net position - ending	<u>\$ 1,548,216</u>	<u>\$ 1,354,091</u>

The notes to the financial statements are an integral part of these statements.

**Manatee County Public Utilities System
Statements of Cash Flows
For the Fiscal Years Ended September 30, 2024 and 2023
(Amounts expressed in thousands)**

	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
Cash flows from operating activities:			Reconciliation of operating income to net cash provided by operating activities:		
Cash received from customers	\$ 277,186	\$ 234,286	Operating income	\$ 30,827	\$ (411)
Cash payments to vendors for goods and services	(119,728)	(105,915)	Adjustments to reconcile operating income to net cash provided by operating activities:		
Cash payments to employees for services	(41,334)	(38,245)	Depreciation	40,585	37,171
Cash payments to other funds	(46,771)	(44,602)	Provision for uncollectibles	2,820	912
Net cash provided by operating activities	<u>69,353</u>	<u>45,524</u>	Changes in assets and liabilities:		
			(Increase) decrease in:		
Cash flows from noncapital financing activities:			Accounts receivable	(14,006)	(3,545)
Operating grants	11,150	13	Prepaid items	(84)	(184)
Transfers in (out)	(4,565)	3,427	Inventory	(359)	(304)
Net cash provided (used) by noncapital financing activities	<u>6,585</u>	<u>3,440</u>	Deferred other postemployment benefits outflows	(98)	55
			Deferred pension outflows	455	(1,342)
Cash flows from capital and related financing activities:			Increase (decrease) in:		
Acquisition and construction of capital assets	(88,477)	(93,547)	Accounts payable	2,328	(141)
Deposits paid on construction agreements	-	(880)	Wages and benefits payable	262	402
Principal payments on debt	(6,245)	(54,012)	Due to other governmental units	1	1
Interest payments on debt	(16,600)	(12,296)	Customer deposits	1,535	625
Debt issuing expenses	-	(1,222)	Compensated absences	6	153
Debt proceeds	-	203,565	Other postemployment benefits	(361)	(32)
Receipt of contributed capital	40,226	31,189	Net pension liability	(2,366)	8,556
Proceeds from sale of assets	55	66	Closure liability	5,886	3,834
Net cash provided by capital and related financing activities	<u>(71,041)</u>	<u>72,863</u>	Deferred other postemployment benefits inflows	(252)	(100)
			Deferred pension inflows	2,174	(126)
Cash flows from investing activities:			Total adjustments	<u>38,526</u>	<u>45,935</u>
Interest on investments	37,930	26,931	Net cash provided by operating activities	<u>\$ 69,353</u>	<u>\$ 45,524</u>
Net cash provided (used) by investing activities	<u>37,930</u>	<u>26,931</u>	Non-cash investing, capital, and financing activities:		
			Acquisition of contributed assets	\$ 92,273	\$ 36,233
Net increase in cash and cash equivalents	42,827	148,758			
Cash and cash equivalents, October 1	655,576	506,818			
Cash and cash equivalents, September 30	<u>\$ 698,403</u>	<u>\$ 655,576</u>			
Classified as:					
Current assets	\$ 465,965	\$ 417,124			
Restricted assets	232,438	238,452			
Cash and cash equivalents, September 30	<u>\$ 698,403</u>	<u>\$ 655,576</u>			

The notes to the financial statements are an integral part of these statements.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 1 Summary of Significant Accounting Policies

The accounting policies and the presentation of the financial report of the Manatee County Public Utilities System (the "Public Utilities System" or the "System") have been designed to conform to generally accepted accounting principles as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB).

The following is a summary of the significant accounting policies:

Reporting Entity - In January 1991, the "Public Utilities System Revenue Bond Resolution" was passed which established the Manatee County Public Utilities System. The Public Utilities System is the combination of the Water and Sewer, Solid Waste, and Stormwater Enterprise Funds, which are included in the Annual Comprehensive Financial Report of Manatee County for the fiscal years ended September 30, 2024 and 2023. The Public Utilities System accounts for the operation of the County's potable water, wastewater, and reclaimed water services, as well as the operations of solid waste collection, disposal and recycling. It also includes the operations of the stormwater (surface water) management system.

Basis of Accounting - Governmental proprietary operations are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues generally result from providing goods and services such as water, sewage and solid waste collections. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

Investments - County investments are valued in accordance with GASB 31, 72 and 79. Certain investments are stated at fair value while County investments in external investment pools are stated at amortized cost when the pool has qualified and made this election.

Inventories - Inventory quantities are determined by physical count and stated at cost using the first-in-first-out cost basis for chemicals and at a moving average for spare parts.

Capital Assets and Right-to-Use Assets - Property, plant and equipment are stated at cost when purchased or constructed. Donated property, plant and equipment are recorded at acquisition value on the date received.

The County maintains a \$5,000 threshold (this and the following threshold amounts are not expressed in thousands) for most additions to equipment, with the following exceptions: generators and saws, \$2,000 threshold; laptops, printers, and tablets, \$1,500 threshold; and grant-funded equipment, \$1,000 threshold. Buildings are capitalized when the value is \$15,000 or greater. System infrastructure assets represent major expenditures for such items as water and sewer treatment plants and lines, landfill improvements and drainage systems. Additions and improvements for System infrastructure are capitalized when the cost amounts to a minimum of \$250,000. Software purchases and internally generated additions to software are capitalized as intangible assets when their cost equals or exceeds \$75,000 and are amortized over 7 years. Expenses for plant maintenance and repair are charged to operating expense as incurred.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Life - Years</u>
Buildings	15 - 75
Equipment	5 - 10
Autos, trucks and buses	3 - 12
System infrastructure	20 - 40
Public Domain Infrastructure	20 - 50
Improvements	7 - 15

Amortization of Premium on Bonds - Amortization of the premium on bonds is determined by using the outstanding principal method and is recorded as an adjustment to interest expense each year over the life of the debt.

Recognition of Income on Cycle-Billed Accounts - Water, sewer and solid waste charges are billed at various dates each month on a cycle billing method. Unbilled service revenues are accrued at the end of the fiscal year by prorating actual billings.

Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)

Note 1 Summary of Significant Accounting Policies – Continued

Compensated Absences and Other Postemployment Benefits - The Public Utilities System participates in Manatee County's policies related to the accumulation of annual and sick leave and other postemployment benefits other than pensions. A liability and expense has been recognized for these future benefits.

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Two types of items qualify for reporting in this category. The first type of item consists of the differences between the expected and actual experience measurement in other postemployment benefits with regard to economic or demographic factors. The second type is related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program valuations, and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year.

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources. This represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Two items qualify for reporting in this category. The first is the deferred pension which is comprised of various actuarial assumption changes and valuations related to the System's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available. The second type consists of the differences between the expected and actual experience measurement in postemployment benefits with regard to economic or demographic factors.

Pensions - Manatee County Public Utilities System participates in the Florida Retirement System's pension plans. For purposes of measuring the System's net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information is included from the *Florida Retirement System Pension Plan and Other State Administered Systems' Annual Comprehensive Financial Reports* about the System's proportion of the fiduciary net position of the Florida Retirement System's pension plans, which include the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) plans. Additions to and deductions from the FRS' and HIS' fiduciary net positions have been determined on the same basis as they are reported by the State. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. The FRS and HIS plans report investments in accordance with GASB Codification Section 150, Investments.

Implementation of Governmental Accounting Standards Statements - The County implemented the following GASB statements during the fiscal year September 30, 2024:

- 1) Statement No. 100, "Accounting Changes and Error Corrections." This Statement enhances accounting and financial reporting requirements to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and accessing accountability.

The County implemented the following GASB Statements during the fiscal year ended September 30, 2023:

- 2) Statement No. 91, "Conduit Debt Obligations." This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.
- 3) Statement No. 94, "Public-Private and Public-Private Partnerships and Availability Payment Arrangements." This Statement addresses issues related to the public-private and public-public partnerships arrangements (PPPs).
- 4) Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments.
- 5) Statement No. 99, "Omnibus 2022." This statement addresses a variety of topics including issues related to LIBOR, leases, SBITAs, and Public-Private and Public-Public Partnerships.

Note 2 Cash and Cash Equivalents

Cash and cash equivalents are cash on hand as well as demand deposits, investments and certificates of deposit included in pooled cash with original maturities of three months or less. Investments include certificates of deposit and investments with original maturities of three months or greater.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 3 Investments

The Board of County Commissioners uses the Pooled Cash method of accounting for investments. All temporary excess cash of the governmental and proprietary funds and certain external (non-county) agencies, are grouped together to be invested in a variety of investments, in accordance with Florida State Statute 218 and the County's Investment Policy, as approved by the Board of County Commissioners. The total of the investments and cash in the bank equates to the total pooled cash of all of the respective funds, and is referred to as the Investment Pool (the "Pool"). There is not a one to one relationship between any individual investment and any one fund that participates in the Pool. The Public Utilities System participates in the Pool.

The Public Utilities System held \$698,403 at September 30, 2024, which represents 32.32% of the County's pooled investments. At September 30, 2023, the Public Utilities System held \$655,576 which represents 37.15% of the County's pooled investments. Detailed information on the statement of financial position of the Pool, the composition of the County's pooled and non-pooled investment portfolio stated at fair value in accordance with GASB 31, 72 and 79, and disclosure of custodial credit risk, credit quality risk, concentration of credit risk and interest rate risk is detailed in Note 3 of the Manatee County Annual Comprehensive Financial Report (ACFR), for the fiscal years ended September 30, 2024 and 2023, available at www.manateeclerk.com.

The portfolio composition at the County level September 30, 2024 and 2023 was:

<u>Type and Number of Investments</u>	<u>Fair Value Method</u>	<u>Fair Value Hierarchy</u>	<u>9/30/2024 Value</u>
Cash (3)	Cost/Amortized Cost	-	\$ 36,178
Certificate of Deposit (1)	Amortized Cost	-	16,000
External Government Investment Pools (3)	Amortized Cost/Current NAV Share Value	-	1,230,010
Commercial Paper (12)	Quoted Market	-	64,236
US Treasury Notes (44)	Quoted Market	Level 2	482,201
Government Sponsored Enterprises (42)	Quoted Market	Level 2	132,467
Total (105)			<u>\$ 1,961,092</u>

<u>Type and Number of Investments</u>	<u>Fair Value Method</u>	<u>Fair Value Hierarchy</u>	<u>9/30/2023 Value</u>
Cash (3)	Cost/Amortized Cost	-	\$ 12,762
External Government Investment Pools (3)	Amortized Cost/Current NAV Share Value	-	1,288,835
Commercial Paper (6)	Quoted Market	-	151,587
US Treasury Notes (17)	Quoted Market	Level 2	47,236
Government Sponsored Enterprises (36)	Quoted Market	Level 2	264,379
Total (65)			<u>\$ 1,764,799</u>

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 4 Net Investment in Capital Assets

On the Statement of Net Position, net position is presented in three components. These include net investment in capital assets, restricted and unrestricted. Net investment in capital assets at September 30, 2024 and 2023 is calculated in the following manner:

Capital-related items used to determine net investments in capital assets	2024	2023
Unspent debt proceeds	\$ 160,653	\$ 179,814
Construction in progress and capital assets, net of accumulated depreciation	1,358,053	1,212,077
Deferred outflows of resources, deferred charge on refunding	-	-
Vouchers, contracts and retainages payable	(28,070)	(22,218)
Bonds, notes and loans payable	(375,288)	(381,497)
Unamortized bond premiums	(19,332)	(21,030)
Net investment in capital assets	<u>\$ 1,096,016</u>	<u>\$ 967,146</u>

Note 5 Restricted Assets

Restricted assets, as provided for by resolutions adopted by the County Commission for the issuance of the revenue bonds and the landfill closure escrow account required by state and federal laws and regulations, are as follows:

September 30, 2024			
	Cash and Cash Equivalents	Interest Receivable	Total
Debt service funds	\$ 380	\$ 40	\$ 420
Customer deposits	12,640	-	12,640
Construction funds	177,943	667	178,610
Landfill closure escrow	41,475	-	41,475
Total	<u>\$ 232,438</u>	<u>\$ 707</u>	<u>\$ 233,145</u>
September 30, 2023			
	Cash and Cash Equivalents	Interest Receivable	Total
Debt service funds	\$ 454	\$ 15	\$ 469
Customer deposits	11,291	-	11,291
Construction funds	187,104	227	187,331
Landfill closure escrow	39,603	-	39,603
Total	<u>\$ 238,452</u>	<u>\$ 242</u>	<u>\$ 238,694</u>

Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)

Note 6 Capital Assets

	<u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30</u>
As of September 30, 2023				
Capital assets not depreciated:				
Land	\$ 65,281	\$ 16	\$ -	\$ 65,297
Construction in progress	<u>226,265</u>	<u>97,667</u>	<u>55,218</u>	<u>268,714</u>
Total assets not depreciated	<u>291,546</u>	<u>97,683</u>	<u>55,218</u>	<u>334,011</u>
Capital assets depreciated:				
Buildings	38,993	-	-	38,993
System infrastructure	1,415,689	91,063	-	1,506,752
Machinery and equipment	<u>28,182</u>	<u>1,498</u>	<u>2,195</u>	<u>27,485</u>
Total assets depreciated	<u>1,482,864</u>	<u>92,561</u>	<u>2,195</u>	<u>1,573,230</u>
Less accumulated depreciation:				
Buildings	14,696	879	-	15,575
System infrastructure	623,898	35,086	-	658,984
Machinery and equipment	<u>21,591</u>	<u>1,206</u>	<u>2,192</u>	<u>20,605</u>
Total accumulated depreciation	<u>660,185</u>	<u>37,171</u>	<u>2,192</u>	<u>695,164</u>
Total depreciable capital assets, net	<u>822,679</u>	<u>55,390</u>	<u>3</u>	<u>878,066</u>
Total capital assets, net	<u>\$ 1,114,225</u>	<u>\$ 153,073</u>	<u>\$ 55,221</u>	<u>\$ 1,212,077</u>
As of September 30, 2024				
Capital assets not depreciated:				
Land	\$ 65,297	\$ -	\$ -	\$ 65,297
Construction in progress	<u>268,714</u>	<u>93,481</u>	<u>71,531</u>	<u>290,664</u>
Total assets not depreciated	<u>334,011</u>	<u>93,481</u>	<u>71,531</u>	<u>355,961</u>
Capital assets depreciated:				
Buildings	38,993	-	-	38,993
System infrastructure	1,506,752	158,557	-	1,665,309
Machinery and equipment	<u>27,485</u>	<u>6,078</u>	<u>828</u>	<u>32,735</u>
Total assets depreciated	<u>1,573,230</u>	<u>164,635</u>	<u>828</u>	<u>1,737,037</u>
Less accumulated depreciation:				
Buildings	15,575	834	-	16,409
System infrastructure	658,984	37,873	-	696,857
Machinery and equipment	<u>20,605</u>	<u>1,878</u>	<u>804</u>	<u>21,679</u>
Total accumulated depreciation	<u>695,164</u>	<u>40,585</u>	<u>804</u>	<u>734,945</u>
Total depreciable capital assets, net	<u>878,066</u>	<u>124,050</u>	<u>24</u>	<u>1,002,092</u>
Total capital assets, net	<u>\$ 1,212,077</u>	<u>\$ 217,531</u>	<u>\$ 71,555</u>	<u>\$ 1,358,053</u>

Depreciation expense was \$40,585 and \$37,171 for fiscal years ending September 30, 2024 and 2023, respectively.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 7 Long-Term Liabilities

The following is long-term liability activity for the fiscal years 2023 and 2024:

	<u>Revenue Bonds</u>	<u>Note Payable</u>	<u>Compensated Absences</u>	<u>OPEB Liability</u>	<u>Closure Liability</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance at:							
October 1, 2022	\$ 199,805	46,676	4,532	2,984	51,182	33,688	338,867
Additions	191,885	-	2,497	224	3,834	23,121	221,561
Deductions	<u>7,335</u>	<u>46,676</u>	<u>2,344</u>	<u>256</u>	-	<u>14,565</u>	<u>71,176</u>
September 30, 2023	384,355	-	4,685	2,952	55,016	42,244	489,252
Additions	-	-	2,548	463	5,886	16,792	25,689
Deductions	<u>6,245</u>	-	<u>2,542</u>	<u>824</u>	-	<u>19,158</u>	<u>28,769</u>
September 30, 2024	<u>\$ 378,110</u>	<u>\$ -</u>	<u>\$ 4,691</u>	<u>\$ 2,591</u>	<u>\$ 60,902</u>	<u>\$ 39,878</u>	<u>\$ 486,172</u>
Due within one year at:							
September 30, 2023	\$ -	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ 220
September 30, 2024	\$ -	\$ -	\$ 233	\$ 189	\$ -	\$ -	\$ 422

Revenue bonds payable consisted of the following at September 30:

	<u>2024</u>	<u>2023</u>
\$91,485 Public Utilities Revenue Refunding & Improvement Bonds, Series 2015, plus unamortized premium of \$4,297 and \$3,926 for 2023 and 2024, respectively.	72,825	74,275
\$55,075 Public Utilities Revenue Refunding Bonds, Series 2017, plus unamortized premium of \$4,913 and \$4,216 for 2023 and 2024, respectively.	43,715	46,760
\$74,695 Public Utilities Revenue Improvement Bonds, Series 2018, plus unamortized premium of \$850 and \$793 for 2023 and 2024, respectively.	69,685	71,435
\$191,885 Public Utilities Revenue Improvement and Refunding Bond, Series 2023, plus unamortized premium of \$11,099 and \$10,518 for 2023 and 2024, respectively.	191,885	191,885
Total	<u>\$ 378,110</u>	<u>\$ 384,355</u>

\$91,485 Public Utilities Revenue Refunding & Improvement Bonds, Series 2015 - These bonds are dated April 22, 2015, with interest rates varying from 3.00% to 5.00% and amounts ranging from \$1,605 of principal due October 1, 2025 to \$11,220 due October 1, 2039. Interest is payable semi-annually on April 1 and October 1 of each year until final maturity in 2039.

\$55,075 Public Utilities Revenue Refunding Bonds, Series 2017 - These bonds are dated December 28, 2017, with interest rates varying from 4.00% to 5.00% and amounts ranging from \$3,085 of principal due October 1, 2025 to \$4,930 due October 1, 2035. Interest is payable semi-annually on April 1 and October 1 of each year until final maturity in 2035.

\$74,695 Public Utilities Revenue Improvement Bonds, Series 2018 - These bonds are dated September 20, 2018, with interest rates varying from 3.00% to 5.00% and amounts ranging from \$1,840 of principal due October 1, 2025 to \$4,210 due October 1, 2048. Interest is payable semi-annually on April 1 and October 1 of each year until final maturity in 2048.

\$191,885 Public Utilities Revenue Improvement and Refunding Bond, Series 2023 - These bonds are dated May 25, 2023, with interest rates varying from 4.00% to 5.00%, and amounts ranging from, \$3,150 of principal due October 1, 2025, to \$11,335 due October 1, 2053. Interest is payable semi-annually, on April 1 and October 1, of each year, until final maturity in 2053.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 7 Long-Term Liabilities - Continued

The total annual debt service requirements as of September 30 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	8,144	8,144
2026	9,680	16,047	25,727
2027	10,260	15,548	25,808
2028	10,890	15,019	25,909
2029	11,560	14,479	26,039
2030-2034	68,480	63,534	132,014
2035-2039	89,755	46,316	136,071
2040-2044	62,210	28,835	91,045
2045-2049	62,790	16,767	79,557
2050-2054	52,485	5,413	57,898
Total	\$ <u>378,110</u>	\$ <u>230,102</u>	\$ <u>608,212</u>

Although principal payments are due on October 1, the Public Utilities System makes its payments on September 30. Accordingly, the principal and one-half of the interest amounts on this schedule are not due until the first day following the fiscal year indicated and no amount is reported as the current portion of revenue bonds payable on the Statements of Net Position.

The Public Utilities Revenue Improvement Bonds, Series 2018 and 2023, and Public Utilities Revenue Refunding Bonds, Series 2015 and 2017, are payable solely from and secured by a first lien upon and a pledge of the net revenues of the Public Utilities System. The Public Utilities System consists of the County's Water and Sewer System, Solid Waste System and Stormwater Management System. The pledge of the net revenues by the County from the operations of the Public Utilities System does not constitute a lien upon the Public Utilities System or any other property of the County. The covenants of the resolution authorizing the Public Utilities Revenue Bonds include, among other things, an obligation of the County to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its Public Utilities System. In addition, to revise the same from time to time whenever necessary, as will always provide in each year net revenues, as defined in the resolution authorizing the revenue bonds which shall be adequate to pay at least one hundred fifteen percent (115%) of the annual debt service requirements for the Public Utilities System. The Public Utilities System was in compliance with these covenants for the years ended September 30, 2024 and 2023. Unamortized revenue bond premiums amounted to \$19,453 and \$21,159 in 2024 and 2023 respectively.

Note 8 Refunding of Outstanding Debt

In prior years, the Public Utilities System defeased certain revenue bonds by placing the proceeds of new bonds with an escrow agent in irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Public Utilities System's financial statements. At September 30, 2024, there is no outstanding principal on the prior year refunded bonds.

During fiscal year 2023, the Public Utilities System refunded the Public Utilities Revenue Improvement Note, Series 2021 with the Public Utilities Revenue Improvement and Refunding Bonds, Series 2023 with a principal amount of \$191,885. A total of \$46,676 of these bond proceeds were used to fully refund the Public Utilities Revenue Improvement Note, Series 2021 principal on the date of delivery of the Series 2023 Bonds. Interest due on the Public Utilities Revenue Improvement Note, Series 2021 was paid from non-bond sources on the date of delivery of the Series 2023 Bonds. The Public Utilities Revenue Improvement Note, Series 2021 was considered defeased effective May 25, 2023, at the time of delivery of the 2023 Bonds. At September 30, 2024, there is no outstanding principal on this refunded note. The refunding resulted in an economic gain of \$0. At the time of the defeasance, the difference in debt service between the refunding debt and the refunded debt is \$0, as this transaction was for repayment of an interest-only line of credit.

Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)

Note 9 Retirement Plan

The Public Utilities System is a participant under Manatee County in the Florida Retirement System Pension Plan (“FRS Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS”), both of which are cost-sharing multiple employer defined benefit plans managed by the State of Florida, Department of Management Services, Division of Retirement. The System also participates under Manatee County in the Florida Retirement System Investment Plan (“FRS Investment Plan”), a defined contribution plan administered by the State Board of Administration. All full-time Public Utilities System employees are required to participate in the Florida Retirement System, as part of either the FRS Pension Plan or the FRS Investment Plan.

The Florida Retirement System (“FRS”) was established under the authority of the Florida Legislature in 1970. Statutory authority for plan structure, benefit levels and contribution rates for the state-administered retirement funds is detailed in Chapters 112 and 121, Florida Statutes, and plan changes or changes in benefit terms must be made by the Legislature. At September 30, 2024 and 2023, FRS covered over 659,000 and over 646,000 full-time employees, respectively, of various governmental units within the State of Florida.

The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the Florida Retirement System Pension Plan and Other State-Administered Systems. The report may be obtained through the Florida Retirement website: www.frs.myflorida.com or by writing to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000.

Plan General Information:

A. FRS Pension Plan

The FRS Pension Plan is a defined benefit plan with retirement benefits based upon age, average compensation, and years-of-service credit. Vesting of benefits is based upon date of hire. Employees hired before July 1, 2011 are vested after six years of creditable service. For those hired on or after July 1, 2011 vesting of benefits occurs after the completion of eight years of creditable service. Normal retirement benefits are available for employees hired before July 1, 2011 who retire at age 62 with six years of service or after 30 years if under age 62. Normal retirement benefits are available at age 65 with eight years of service for employees hired on or after July 1, 2011, or after 33 years, if under age 65. Early retirement is available for those vested within 20 years of normal retirement age, with a 5% reduction of benefits for each year prior to the normal retirement age. Compensation is computed as the average of an individual's five highest years of earnings for employees hired before July 1, 2011 or eight highest years of earnings for employees hired on or after July 1, 2011. In addition, the Deferred Retirement Option Program (“DROP”) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 96 months. All FRS members, excluding DROP participants, are required to contribute 3% of their salaries to the FRS on a pre-tax basis.

B. FRS Investment Plan

The Public Employee Optional Retirement Program (the “FRS Investment Plan”) is a defined contribution alternative that is open to regular FRS Pension Plan members in lieu of participation in the FRS Pension Plan, except for those who are in the DROP Program. Related employer contributions are made to the FRS Investment Plan, which holds the contributions in individual investment accounts for each participating employee. As with the FRS Pension Plan, participants are required to contribute 3% of their pre-tax salaries. Participants direct their own investments, utilizing the various investment options available through the Plan. These investment accounts vest to the employee after one year of service and members are immediately vested in their own contributions. Investment Plan funds may be withdrawn by the employee three full calendar months after termination or retirement from a participating employer in the FRS. Alternately, the funds may remain in the investment account until the employee reaches normal retirement age or some earlier date, at the employee's choosing. Service retirement benefits are based solely upon the value of the member's account upon retirement. Costs of administering the plan are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members as of September 30, 2024 and 2023. The System's pension expense for the FRS Investment Plan totaled \$1,149 and \$877 for the years ended September 30, 2024 and 2023 respectively.

C. Retiree Health Insurance Subsidy

The Florida Retirement System Health Insurance Subsidy is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist eligible retirees and beneficiaries of state-administered retirement systems in paying their health insurance costs. Through June 30, 2023 all eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month. As of July 1, 2023 all eligible retirees and beneficiaries receive a monthly HIS program payment equal to the number of years of credible services at the time of retirement multiplied by \$7.50. The payments are at least \$45 but not more than \$225. To be eligible

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan – Continued

Plan General Information – Continued

C. Retiree Health Insurance Subsidy – Continued

to receive the HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. The HIS plan is funded by required contributions from FRS participating employers, as set by the Legislature. Pursuant to Section 112.363 of the Florida Statutes, required employer contributions are a percentage of gross compensation for specified employees. The HIS availability is based on the guidelines set forth by the Legislature on an annual basis. HIS contributions are deposited in a separate trust fund, from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

D. Cost of Living Adjustments

FRS Pension Plan benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment each year. The cost-of-living adjustment for those retired or in DROP prior to August 1, 2011, is 3% per year. For retirees with an effective retirement date or DROP begin date on or after August 1, 2011, the cost-of-living adjustment is a percentage: the sum of the pre-July 2011 service credit divided by the total service credit at retirement, multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

E. Contributions

Participating employer contributions for both the FRS Pension Plan and Investment Plan are based upon statewide rates established by the Legislature of the State of Florida.

	<u>2024</u>		<u>2023</u>	
	<u>10/1 - 6/30</u>	<u>7/1 - 9/30</u>	<u>10/1 - 6/30</u>	<u>7/1 - 9/30</u>
Regular	13.57%	13.63%	11.91%	13.57%
Special Risk	32.67%	32.79%	27.83%	32.67%
Senior Management	34.52%	34.52%	31.57%	34.52%
Elected Officials	58.68%	58.68%	57.00%	58.68%
DROP	21.13%	21.13%	18.60%	21.13%

These contribution rates include 2.00% HIS Plan subsidy contributions for the same periods. The System's contributions made during the year ended September 30, 2024 and 2023 were \$4,794 and \$4,141, respectively, equal to the actuarially determined contribution requirements for the year. The employee contributions were \$958 and \$881 for fiscal years 2024 and 2023, respectively.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

Plan General Information - Continued

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined by the Florida Retirement System using a forward-looking capital market economic model. This model is applicable for valuation of both the FRS Pension Plan and the HIS Plan, unless otherwise noted. The table below shows assumptions for each of the asset classes in which the plan was invested based upon the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below for year ending September 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	3.30%	3.30%
Fixed Income	29.00%	5.70%	5.60%
Global equity	45.00%	8.60%	7.00%
Real estate (property)	12.00%	8.10%	6.80%
Private equity	11.00%	12.40%	8.80%
Strategic investments	2.00%	6.60%	6.20%
Assumed Inflation - Mean			2.40%

(1) As outlined in the Plan's investment policy

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below for year ending September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	2.90%	2.90%
Fixed Income	19.80%	4.50%	4.40%
Global equity	54.00%	8.70%	7.10%
Real estate (property)	10.30%	7.60%	6.60%
Private equity	11.10%	11.90%	8.80%
Strategic investments	3.80%	6.30%	6.10%
Assumed Inflation - Mean			2.40%

(1) As outlined in the Plan's investment policy

FRS Pension Plan

1) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the System reported a liability of \$28,166 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The System's proportion of the net pension liability was actuarially determined, based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units. At June 30, 2024, the System's proportion was 0.072809200%, which was a decrease of 0.001086404% from its proportion measured as of June 30, 2023.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

FRS Pension Plan – Continued

1) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended September 30, 2024, the System recognized pension expense of \$5,038. At September 30, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,845	\$ -
Changes of assumptions	3,860	-
Net difference between projected and actual earnings on pension plan investments	-	(1,872)
Changes in proportion and differences between System contributions and proportionate share of contributions	1,816	-
System contributions subsequent to the measurement date	1,001	-
Total	<u>\$ 9,522</u>	<u>\$ (1,872)</u>

At September 30, 2023, the System reported a liability of \$29,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The System’s proportion of the net pension liability was actuarially determined, based on a projection of the System’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units. At June 30, 2023, the System’s proportion was 0.073895604%, which was an increase of 0.004707912% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the System recognized pension expense of \$6,915. At September 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,765	\$ -
Changes of assumptions	1,919	-
Net difference between projected and actual earnings on pension plan investments	1,230	-
Changes in proportion and differences between System contributions and proportionate share of contributions	2,577	-
System contributions subsequent to the measurement date	942	-
Total	<u>\$ 9,433</u>	<u>\$ -</u>

Of the total reported as the deferred outflows of resources related to pensions, \$1,001 resulted from the System’s contributions subsequent to the measurement date and will be recognized as reduction of the net pension liability in the year ending September 30, 2025. \$942 reported as deferred outflows of resources related to pensions resulting from the System’s contributions subsequent to the measurement date was recognized as reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30:	2024	2023
2024	\$ -	\$ 2,168
2025	1,817	2,126
2026	1,677	1,983
2027	1,473	1,775
2028	1,211	439
2029	471	-
Thereafter	-	-

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

FRS Pension Plan - Continued

2) Other Key Actuarial Assumptions for the FRS Pension Plan

As of September 30, 2024 the actuarial assumptions that determined the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023. The valuation date is July 1, 2024, and the measurement date is June 30, 2024. Key assumptions include an inflation rate of 2.40%, salary increases including inflation of 3.50%, and an investment rate of return of 6.70 %, net of pension plan investment expense, including inflation. The mortality rates are based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021, and the actuarial cost method used is the Individual Entry Age method.

As of September 30, 2023 the actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The valuation date is July 1, 2023, and the measurement date is June 30, 2023. Key assumptions include an inflation rate of 2.40%, salary increases including inflation of 3.25%, and an investment rate of return of 6.70 %, net of pension plan investment expense, including inflation. The mortality rates are based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018, and the actuarial cost method used is the Individual Entry Age method.

3) Discount Rate

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. At September 30, 2024, the related discount rate used to measure the total pension liability was 6.70%, equal to the prior measurement date. At September 30, 2023, the related discount rate used to measure the total pension liability was 6.70%, equal to the prior measurement date.

4) Sensitivity Analysis

The following presents the System's proportionate share of the net pension liability of the FRS Pension Plan as of September 30, 2024 and 2023, calculated using the discount rate of 6.70% for 2024 and 2023, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Fiscal year ending September 30:	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
2024	\$ 49,543	\$ 28,166	\$ 10,258
Fiscal year ending September 30:	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
2023	\$ 50,298	\$ 29,445	\$ 11,999

Retiree Health Insurance Subsidy

1) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the System reported a liability of \$11,712 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The System's proportion of the net pension liability was actuarially determined, based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units. At June 30, 2024, the System's proportion was 0.078074929%, which was a decrease of 0.002519575% from its proportion measured as of June 30, 2023.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

Retiree Health Insurance Subsidy - Continued

1) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended September 30, 2024, the System recognized pension expense of \$780. At September 30, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 113	\$ (22)
Changes of assumptions	207	(1,387)
Net difference between projected and actual earnings on pension plan investments	-	(4)
Changes in proportion and differences between System contributions and proportionate share of contributions	885	(28)
System contributions subsequent to the measurement date	<u>160</u>	<u>-</u>
Total	<u>\$ 1,365</u>	<u>\$ (1,441)</u>

At September 30, 2023, the System reported a liability of \$12,799 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The System's proportion of the net pension liability was actuarially determined, based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units. At June 30, 2023, the System's proportion was 0.080594504%, which was an increase of 0.005585656% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the System recognized pension expense of \$5,148. At September 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 187	\$ (30)
Changes of assumptions	336	(1,109)
Net difference between projected and actual earnings on pension plan investments	7	-
Changes in proportion and differences between System contributions and proportionate share of contributions	1,229	-
System contributions subsequent to the measurement date	<u>150</u>	<u>-</u>
Total	<u>\$ 1,909</u>	<u>\$ (1,139)</u>

Of the total reported as deferred outflows of resources, \$160 related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ending September 30, 2025. \$150 related to pensions resulting from the System's contributions subsequent to the measurement date was recognized as reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ending September 30:</u>	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 203
2025	63	168
2026	30	135
2027	5	73
2028	(102)	33
2029	(169)	8
Thereafter	(63)	-

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

Retiree Health Insurance Subsidy - Continued

2) Other Key Actuarial Assumptions

As of September 30, 2024 the actuarial assumptions that determined the total pension liability for the HIS program as of June 30, 2024 were based on certain results of the most recent experience study for the FRS plan, which was for the period July 1, 2018 through June 30, 2023. Because the HIS program is funded on a pay-as-you-go basis, no separate experience study has been completed by FRS for that plan. The HIS program valuation is updated biannually, and the most recent valuation date is July 1, 2024. This valuation is updated by FRS for GASB reporting in the year that a valuation is not performed. Key assumptions include an inflation rate of 2.40%, salary increases including inflation of 3.50%, and a discount rate of 3.93% (municipal bond rate). The asset valuation method is fair market value. The mortality rates are based on the Generational PUB-2010 with Projection Scale MP-2021, and the actuarial cost method used is the Individual Entry Age method.

As of September 30, 2023 the actuarial assumptions that determined the total pension liability for the HIS program as of June 30, 2023 were based on certain results of the most recent experience study for the FRS plan, which was for the period July 1, 2013 through June 30, 2018. Because the HIS program is funded on a pay-as-you-go basis, no separate experience study has been completed by FRS for that plan. The HIS program valuation is updated biannually, and the most recent valuation date is July 1, 2022. This valuation is updated by FRS for GASB reporting in the year that a valuation is not performed. Key assumptions include an inflation rate of 2.40%, salary increases including inflation of 3.25%, and a discount rate of 3.65% (municipal bond rate). The asset valuation method is fair market value. The mortality rates are based on the Generational PUB-2010 with Projection Scale MP-2018, and the actuarial cost method used is the Individual Entry Age method.

3) Discount Rate

In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The related discount rate used to measure the total pension liability was 3.93% (Bond Buyer General Obligation 20-Bond Municipal Bond Index), as of September 30, 2024, an increase of 0.28% from the prior measurement date. The related discount rate used to measure the total pension liability was 3.65% (Bond Buyer General Obligation 20-Bond Municipal Bond Index), as of September 30, 2023, an increase of 0.11% from the prior measurement date.

4) Sensitivity Analysis

The following presents the System's proportionate share of the net pension liability of the HIS as of September 30, 2024 and 2023, calculated using the discount rate of 3.93% for 2024 and 3.65% for 2023, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Fiscal year ending <u>September 30:</u>	1% Decrease <u>2.93%</u>	Current Discount Rate <u>3.93%</u>	1% Increase <u>4.93%</u>
2024	\$ 13,333	\$ 11,712	\$ 10,367
Fiscal year ending <u>September 30:</u>	1% Decrease <u>2.65%</u>	Current Discount Rate <u>3.65%</u>	1% Increase <u>4.65%</u>
2023	\$ 14,602	\$ 12,799	\$ 11,305

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 9 Retirement Plan - Continued

Summary of Retirement Plans

Net pension liabilities are liquidated in the specific fund to which the liability is directly associated. This fiscal year the System's aggregate amount of net pension liability is \$39,878; deferred outflows of resources for pension is \$10,887; deferred inflows of resources for pension is \$3,313; and pension expense is \$5,818. For fiscal year 2023, the System's aggregate amount of net pension liability was \$42,244; deferred outflows of resources for pension was \$11,342; deferred inflows of resources for pension was \$1,139; and pension expense was \$12,063.

Note 10 Postemployment Benefits Other Than Pension

The Public Utilities System participates in the Manatee County Board of County Commissioners' single-employer defined benefit healthcare plan (the "plan"). The System has recognized an other postemployment benefits (OPEB) liability of \$2,591 and \$2,952, deferred outflows of \$421 and \$323 and deferred inflows of \$856 and \$1,108 related to its participation in the plan as of September 30, 2024 and 2023, respectively. For full disclosure of the plan description and funding status, as well as actuarial methods and assumptions, refer to Note 19 in the Manatee County's ACFR for the fiscal year ended September 30, 2024.

Total OPEB Liability

The System's total OPEB liability was measured as of September 30, 2024 and September 30, 2023 was determined by an actuarial valuation as of October 1, 2024 using the entry age normal cost method. The liabilities are rolled forward from the actuarial valuation date to the corresponding measurement dates. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>	
	<u>2024</u>	<u>2023</u>
Beginning Balance, October 1	\$ 2,952	\$ 2,984
Changes for the year:		
Service cost	79	97
Interest	107	127
Change of benefit terms	54	-
Experience losses/(gains)	223	-
Changes of assumptions or other inputs	(663)	(57)
Benefit payments	(161)	(199)
Net changes	<u>(361)</u>	<u>(32)</u>
Ending Balance, September 30	<u>\$ 2,591</u>	<u>\$ 2,952</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 4.40 percent in 2022 to 4.63 percent in 2023 to 3.88 percent in 2024.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the System using the discount rate of 3.88% for fiscal year 2024 and 4.63% for fiscal year 2023, as well as what the System's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 10 Postemployment Benefits Other Than Pension - Continued

Changes in the Total OPEB Liability - Continued

Fiscal Year Ending September 30:	1% Decrease <u>2.88%</u>	Current Discount Rate <u>3.88%</u>	1% Increase <u>4.88%</u>
2024	\$ 2,814	\$ 2,591	\$ 2,385
		Current Discount Rate <u>4.63%</u>	1% Increase <u>5.63%</u>
2023	\$ 3,210	\$ 2,952	\$ 2,718

Sensitivity of the total OPEB liability to changes in the medical cost trend rates – The following presents the total OPEB liability of the System using the medical cost trend rate of 4.04% for fiscal year 2024 and 3.94% for fiscal year 2023, as well as what the System’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current discount rate.

Fiscal Year Ending September 30:	1% Decrease <u>3.04%</u>	Current Medical Cost Trend Rate <u>4.04%</u>	1% Increase <u>5.04%</u>
2024	\$ 2,308	\$ 2,591	\$ 2,931
		Current Medical Cost Trend Rate <u>3.94%</u>	1% Increase <u>4.94%</u>
2023	\$ 2,610	\$ 2,952	\$ 3,364

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the System recognized OPEB expense of \$(869). At September 30, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 255	\$ (117)
Changes of assumptions or other inputs	<u>166</u>	<u>(739)</u>
Total	<u><u>\$ 421</u></u>	<u><u>\$ (856)</u></u>

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 10 Postemployment Benefits Other Than Pension - Continued

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year Ending September 30:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
2025	\$ 65	\$ (135)	\$ (70)
2026	65	(135)	(70)
2027	64	(135)	(71)
2028	64	(103)	(39)
2029	32	(103)	(71)
Thereafter	<u>131</u>	<u>(245)</u>	<u>(114)</u>
	<u>\$ 421</u>	<u>\$ (856)</u>	<u>\$ (435)</u>

For the year ended September 30, 2023, the System recognized OPEB expense of \$(277). At September 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 72	\$ (181)
Changes of assumptions or other inputs	251	(927)
Total	<u>\$ 323</u>	<u>\$ (1,108)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year Ending September 30:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
2024	\$ 55	\$ (157)	\$ (102)
2025	54	(157)	(103)
2026	54	(157)	(103)
2027	54	(156)	(102)
2028	54	(116)	(62)
Thereafter	<u>52</u>	<u>(365)</u>	<u>(313)</u>
	<u>\$ 323</u>	<u>\$ (1,108)</u>	<u>\$ (785)</u>

Note 11 Commitments and Contingencies

Litigation - Manatee County Public Utilities System is involved in certain litigation, as a defendant or plaintiff, arising in the ordinary course of operations. In the opinion of management and legal counsel the range of potential recoveries or liabilities will not materially affect the financial position of the System.

Grant Programs - Manatee County Public Utilities System participates in a number of federal and state grant programs for capital projects. This funding is subject to financial and compliance audits by the grantors or their representatives.

Contract Commitments - Open construction contracts totaled approximately \$230,367 and \$99,829 at September 30, 2024 and 2023, respectively.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 11 Commitments and Contingencies - Continued

Federal and State Disaster Assistance - On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. ARPA provides additional relief from the federal government in response to the COVID-19 pandemic. ARPA includes local fiscal recovery funds to further supplement local governments in the public health response and economic recovery from COVID-19. As of September 30, 2023, Manatee County has received the full award and any expenses related to the ARPA Act are paid out of Manatee County's Federal and State Grants Fund. During fiscal year 2024, Manatee County appropriated \$3,547 in aid to the Public Utilities System for eligible construction costs. As of September 30, 2024, costs of \$286 have been submitted for federal assistance by Manatee County on behalf of the Public Utilities System. Aid in the amount of \$3,559 has been deferred to fund eligible costs incurred after September 30, 2024.

Note 12 Recognition of Closure and Post Closure Cost

State and federal laws require final cover and closure as well as post closure care of Manatee County's Lena Road Landfill. Estimates include final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs subsequent to closing. Closure cost estimates are subject to regulatory review.

The following schedule reflects the activity on Landfill closure as of September 30:

	<u>2024</u>	<u>2023</u>
Closure Costs (286 acres)	\$ 69,295	\$ 64,762
Post Closure Costs (316 acres)	<u>22,948</u>	<u>21,446</u>
Current Closure Cost Estimate	<u>\$ 92,243</u>	<u>\$ 86,208</u>
Remaining Life	16	18
Landfill Capacity Used (%)	65.20%	62.94%
Closure/Post Closure Liability	\$ 60,902	\$ 55,016
Current Year Closure/Post Closure Cost	\$ 5,887	\$ 3,834
Landfill Cash Escrow Account	\$ 41,475	\$ 39,603

The closure/post closure liability for the landfill capacity that has been used is net, for both years reported above, of closure payments paid in prior years. Closure costs of a permanently closed 30-acre section of Lena Road amounting to \$2,132 are not reflected in any of the above totals.

The landfill is required, by state and federal law and regulations, to meet certain financial assurance requirements by making annual contributions and or meeting certain financial ratio tests. The landfill is in compliance with these requirements at September 30, 2024 and 2023, with cash and investments of \$41,475 and \$39,603 respectively, held for these purposes. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology or additional closure/post closure care requirements, these costs may need to be covered by charges to future landfill users.

Note 13 Loss Contingency

On August 5, 2010, Manatee County entered into a project participation agreement with the Department of the Army Corps of Engineers (ACOE) for construction of the Cedar Hammock (Wares Creek) flood damage reduction project. Upon final closeout of this project by the ACOE, there is a probable liability of \$0 to \$3,700 related to the valuation of the land acquisition used by the County for a portion of its local share of the project costs. At September 30, 2024, no amount was accrued as it could not be reasonably estimated.

Note 14 Subsequent Events

On October 9, 2024, Hurricane Milton made landfall as a Category 3 hurricane between Sarasota County and Manatee County. It passed through Manatee County causing destruction and property damage to businesses and buildings throughout the area that was already hit by previous hurricanes earlier in the season. Some county infrastructure had damage. At the time of issuance of these financial statements, the full impact of the damages and their effects on the County's financial statements have not been determined.

**Manatee County Public Utilities System
Notes to Financial Statements
September 30, 2024 and 2023
(Amounts expressed in thousands)**

Note 14 Subsequent Events - Continued

On November 12, 2024, the Board of County Commissioners adopted resolution R-24-212 authorizing financing related to the Public Utilities Capital Lease purchase agreement in the amount of \$82.2 million for the purpose of financing certain advance metering infrastructure relating to the County's Public Utilities System. The lease was issued on November 19, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Manatee County Public Utilities System
Required Supplementary Information for the Current Year and Preceding Six Years
Schedule of Changes in Total Other Post Employment Benefits (OPEB) Other Than Pension Liability
and Other Related Ratios
(Amounts expressed in thousands)

Total OPEB Liability	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u> ⁽¹⁾
Service cost	\$ 79	\$ 97	\$ 151	\$ 165	\$ 167	\$ 82	\$ 90
Interest	107	127	75	94	123	96	96
Changes of benefit terms	54	-	-	-	-	-	-
Difference between expected and actual experience	223	-	88	-	(163)	-	(174)
Changes of assumptions or other inputs	(663)	(57)	(1,271)	84	1,156	299	(127)
Benefit payments	(161)	(199)	(178)	(218)	(207)	(131)	(1,138)
Net change in total OPEB liability	\$ (361)	\$ (32)	\$ (1,135)	\$ 125	\$ 1,076	\$ 346	\$ (1,253)
Total OPEB liability - beginning	<u>2,952</u>	<u>2,984</u>	<u>4,119</u>	<u>3,994</u>	<u>2,918</u>	<u>2,572</u>	<u>3,825</u>
Total OPEB liability - ending	<u>\$ 2,591</u>	<u>\$ 2,952</u>	<u>\$ 2,984</u>	<u>\$ 4,119</u>	<u>\$ 3,994</u>	<u>\$ 2,918</u>	<u>\$ 2,572</u>
Covered-employee payroll	\$ 22,248	\$ 20,384	\$ 18,618	\$ 21,724	\$ 18,299	\$ 16,660	\$ 16,144
Total OPEB liability as a percentage of covered-employee payroll	11.65%	14.48%	16.03%	18.96%	21.83%	17.52%	15.93%

(1) Initial year of plan disclosure due to the implementation of GASB 75. No prior data available.

Notes to Schedule:

Benefit changes. In fiscal year 2024, FRS changed the retirement eligibility for the Tier II Special Risk Class, which was effective July 1, 2023.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	3.88%
2023	4.63%
2022	4.40%
2021	2.19%
2020	2.41%
2019	2.75%
2018	3.83%
2017	3.50%

In fiscal year 2020, the medical trend rate was updated to the latest model released by the SOA and excludes the impact of the Cadillac Tax and the decrement assumptions were updated based on FRS 2019 experience study.

In fiscal year 2022, the mortality improvement scale was updated to MP-2021.

In fiscal year 2024, the healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA. The decrement and salary scale assumption were updated based on those used in the July 1, 2023 FRS valuation. Also, the spousal election rate was decreased so that only 25% of future retirees who are currently covering a spouse are assumed to elect spousal coverage at retirement.

Trust. The defined benefit OPEB plan provided is not administered through a trust that meets the criteria of GASB Statement 75, paragraph 4.

**Manatee County Public Utilities System
Required Supplementary Information for the Last Ten Fiscal Years
Schedule of the System's Proportionate Share of The Net Pension Liability
for the FRS and HIS Pension Plans
(Amounts expressed in thousands)**

	June 30,									
FRS Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
System's proportion of the net pension liability (asset)	0.072809200%	0.073895604%	0.069187692%	0.068749440%	0.065019110%	0.063985726%	0.065965130%	0.655907980%	0.065555013%	0.064867039%
System's proportionate share of the net pension liability (asset)	\$ 28,166	\$ 29,445	\$ 25,743	\$ 5,193	\$ 28,181	\$ 22,036	\$ 19,869	\$ 19,401	\$ 16,553	\$ 8,379
System's covered payroll ⁽¹⁾	\$ 25,122	\$ 24,642	\$ 22,017	\$ 22,444	\$ 21,326	\$ 20,084	\$ 20,011	\$ 19,342	\$ 18,800	\$ 18,093
System's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	112.12%	119.49%	116.92%	23.14%	132.14%	109.72%	99.29%	100.31%	88.05%	46.31%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
	June 30,									
HIS Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
System's proportion of the net pension liability (asset)	0.078074929%	0.080594504%	0.075008848%	0.074305770%	0.072541763%	0.070967357%	0.071286433%	0.070409248%	0.070631591%	0.068945189%
System's proportionate share of the net pension liability (asset)	\$ 11,712	\$ 12,799	\$ 7,945	\$ 9,115	\$ 8,857	\$ 7,940	\$ 7,545	\$ 7,529	\$ 8,232	\$ 7,031
System's covered payroll ⁽¹⁾	\$ 33,063	\$ 31,953	\$ 27,351	\$ 26,287	\$ 25,190	\$ 23,658	\$ 23,157	\$ 22,110	\$ 21,335	\$ 20,330
System's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.42%	40.06%	29.05%	34.67%	35.16%	33.56%	32.58%	34.05%	38.58%	34.58%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

(1) Covered payroll for the FRS pension plan and the HIS pension plan may differ for Investment plan participant employees.

(2) The discount rates used for the FRS Plan for fiscal years 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 are 6.70%, 6.70%, 6.70%, 6.80%, 6.80%, 6.90%, 7.00%, 7.10%, 7.60%, and 7.65%, respectively.

The discount rates used for the HIS Program for fiscal years 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 are 3.93%, 3.65%, 3.54%, 2.16%, 2.21%, 3.50%, 3.87%, 3.58%, 2.85%, and 3.80%, respectively.

(3) The investment rate of return used for the FRS Plan for fiscal years 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 are 6.70%, 6.70%, 6.70%, 6.80%, 6.80%, 6.90%, 7.00%, 7.10%, 7.60%, and 7.65%, respectively.

The investment rate of return used for the HIS Program for fiscal years 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 are 3.93%, 3.65%, 3.54%, 2.16%, 2.21%, 3.50%, 3.87%, 3.58%, 2.85%, and 3.80%, respectively.

Manatee County Public Utilities System
Required Supplementary Information for the Last Ten Fiscal Years
Schedule of the System's Contributions to the FRS and HIS Pension Plans
(Amounts expressed in thousands)

FRS Pension Plan	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 4,205	\$ 3,602	\$ 3,065	\$ 2,690	\$ 2,292	\$ 2,027	\$ 1,896	\$ 1,726	\$ 1,724	\$ 1,583
Contributions in relation to the contractually required contribution	<u>(4,205)</u>	<u>(3,602)</u>	<u>(3,065)</u>	<u>(2,690)</u>	<u>(2,292)</u>	<u>(2,027)</u>	<u>(1,896)</u>	<u>(1,726)</u>	<u>(1,724)</u>	<u>(1,583)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
System's covered payroll ⁽¹⁾	\$ 25,493	\$ 24,186	\$ 22,125	\$ 22,438	\$ 21,772	\$ 20,361	\$ 19,859	\$ 19,659	\$ 19,663	\$ 18,231
Contributions as a percentage of covered payroll	16.49%	14.89%	13.85%	11.99%	10.53%	9.96%	9.55%	8.78%	8.77%	8.68%
 HIS Pension Plan	 Fiscal Year 2024	 Fiscal Year 2023	 Fiscal Year 2022	 Fiscal Year 2021	 Fiscal Year 2020	 Fiscal Year 2019	 Fiscal Year 2018	 Fiscal Year 2017	 Fiscal Year 2016	 Fiscal Year 2015
Contractually required contribution	\$ 676	\$ 547	\$ 466	\$ 437	\$ 426	\$ 400	\$ 387	\$ 379	\$ 378	\$ 286
Contributions in relation to the contractually required contribution	<u>(676)</u>	<u>(547)</u>	<u>(466)</u>	<u>(437)</u>	<u>(426)</u>	<u>(400)</u>	<u>(387)</u>	<u>(379)</u>	<u>(378)</u>	<u>(286)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
System's covered payroll ⁽¹⁾	\$ 33,782	\$ 31,441	\$ 28,113	\$ 26,288	\$ 25,688	\$ 24,052	\$ 23,109	\$ 22,514	\$ 22,383	\$ 20,516
Contributions as a percentage of covered payroll	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.67%	1.68%	1.69%	1.39%

(1) Covered payroll for the FRS pension plan and the HIS pension plan may differ for Investment plan participant employees.

OTHER INFORMATION

**Manatee County Public Utilities System
Revenue Bond Issues - Description
September 30, 2024
(Amounts expressed in thousands)**

	Revenue Refunding & Improvement <u>Series 2015</u>	Revenue Refunding <u>Series 2017</u>	Revenue Improvement <u>Series 2018</u>	Revenue Improvement & Refunding <u>Series 2023</u>
Original authorization	\$ 91,485	\$ 55,075	\$ 74,695	\$ 191,885
Unissued	-	-	-	-
Issued	<u>91,485</u>	<u>55,075</u>	<u>74,695</u>	<u>191,885</u>
Retirements	<u>18,660</u>	<u>11,360</u>	<u>5,010</u>	<u>-</u>
Balance outstanding	<u>\$ 72,825</u>	<u>\$ 43,715</u>	<u>\$ 69,685</u>	<u>\$ 191,885</u>
Date of issue	April 22, 2015	December 28, 2017	September 20, 2018	May 25, 2023
Principal payment date	October 1	October 1	October 1	October 1
Interest payment dates	April-October	April-October	April-October	April-October
Denominations (amounts not rounded)	\$5,000	\$5,000	\$5,000	\$5,000
Interest rates	5.00% Maturity 2025-2030 3.00% Maturity 2031 5.00% Maturity 2032-2034 4.00% Maturity 2035-2040	5.00% Maturity 2025-2033 4.00% Maturity 2034-2036	5.00% Maturity 2025-2028 3.00% Maturity 2029 4.00% Maturity 2030 3.00% Maturity 2031 3.125% Maturity 2032 3.250% Maturity 2033 3.375% Maturity 2034 3.50% Maturity 2035-2038 3.625% Maturity 2039-2041 3.50% Maturity 2042-2046 3.625% Maturity 2047-2049	5.00% Maturity 2025-2044 4.00% Maturity 2045-2054
Effective interest cost rate	3.1149%	2.4327%	3.4945%	3.9235%
Call feature	2025-Maturity 100	2027-Maturity 100	2028-Maturity 100	Maturing Oct 1 2033 to Oct 1 2043 2034-Maturity 100
Paying agent	Hancock Whitney Bank Orlando, FL	US Bank New York, NY	Hancock Whitney Bank Baton Rouge, LA	Hancock Whitney Bank Mississippi

**Manatee County Public Utilities System
Schedule of Debt Service Requirements
September 30, 2024
(Amounts expressed in thousands)**

Public Utilities System Revenue Refunding & Improvement Bonds

Public Utilities System Revenue Refunding Bonds

Fiscal Year	\$91,485 Series 2015 Bonds			\$55,075 Series 2017 Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 1,541	\$ 1,541	\$ -	\$ 1,022	\$ 1,022
2026	1,605	3,043	4,648	3,085	1,967	5,052
2027	1,780	2,958	4,738	3,240	1,808	5,048
2028	1,990	2,864	4,854	3,400	1,642	5,042
2029	2,205	2,759	4,964	3,575	1,468	5,043
2030	2,450	2,643	5,093	3,755	1,284	5,039
2031	2,700	2,541	5,241	3,945	1,092	5,037
2032	2,925	2,427	5,352	4,135	890	5,025
2033	3,215	2,274	5,489	4,345	678	5,023
2034	3,535	2,105	5,640	4,560	478	5,038
2035	3,865	1,940	5,805	4,745	292	5,037
2036	4,195	1,778	5,973	4,930	99	5,029
2037	9,975	1,495	11,470	-	-	-
2038	10,375	1,088	11,463	-	-	-
2039	10,790	665	11,455	-	-	-
2040	11,220	224	11,444	-	-	-
	<u>\$ 72,825</u>	<u>\$ 32,345</u>	<u>\$ 105,170</u>	<u>\$ 43,715</u>	<u>\$ 12,720</u>	<u>\$ 56,435</u>

**Manatee County Public Utilities System
Schedule of Debt Service Requirements
September 30, 2024
(Amounts expressed in thousands)**

Public Utilities System Revenue Improvement Bonds

**\$74,695
Series 2018 Bonds**

Public Utilities System Revenue Improvement & Refunding Bonds

**\$191,885
Series 2023 Bonds**

Fiscal Year	Series 2018 Bonds			Series 2023 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ -	\$ 1,262	\$ 1,262	\$ -	\$ 4,319	\$ 4,319
2026	1,840	2,478	4,318	3,150	8,559	11,709
2027	1,930	2,384	4,314	3,310	8,398	11,708
2028	2,025	2,285	4,310	3,475	8,228	11,703
2029	2,130	2,202	4,332	3,650	8,050	11,700
2030	2,195	2,126	4,321	3,830	7,863	11,693
2031	2,280	2,048	4,328	4,025	7,667	11,692
2032	2,350	1,977	4,327	4,225	7,460	11,685
2033	2,420	1,901	4,321	4,435	7,244	11,679
2034	2,500	1,820	4,320	4,655	7,016	11,671
2035	2,585	1,732	4,317	4,890	6,778	11,668
2036	2,675	1,640	4,315	5,135	6,527	11,662
2037	2,770	1,545	4,315	5,390	6,264	11,654
2038	2,865	1,446	4,311	5,660	5,988	11,648
2039	2,965	1,341	4,306	5,945	5,698	11,643
2040	3,075	1,233	4,308	6,240	5,393	11,633
2041	3,185	1,119	4,304	6,550	5,073	11,623
2042	3,300	1,004	4,304	6,880	4,738	11,618
2043	3,415	886	4,301	7,225	4,385	11,610
2044	3,535	765	4,300	7,585	4,015	11,600
2045	3,660	638	4,298	7,965	3,666	11,631
2046	3,790	508	4,298	8,285	3,341	11,626
2047	3,920	371	4,291	8,615	3,003	11,618
2048	4,065	226	4,291	8,960	2,652	11,612
2049	4,210	76	4,286	9,320	2,286	11,606
2050	-	-	-	9,690	1,906	11,596
2051	-	-	-	10,080	1,510	11,590
2052	-	-	-	10,480	1,099	11,579
2053	-	-	-	10,900	671	11,571
2054	-	-	-	11,335	227	11,562
	<u>\$ 69,685</u>	<u>\$ 35,013</u>	<u>\$ 104,698</u>	<u>\$ 191,885</u>	<u>\$ 150,024</u>	<u>\$ 341,909</u>

**Manatee County Public Utilities System
Schedules of Debt Service Coverage
September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Water and sewer	\$ 197,488	\$ 180,273
Stormwater	138	104
Solid waste	89,209	55,917
Interest earned:		
Water and sewer	30,907	20,516
Stormwater	827	665
Solid waste	2,596	2,484
Less interest not considered revenue for debt coverage:		
Interest earned on construction trust funds	(8,833)	(3,987)
Add revenue available for debt service coverage not included as operating revenues in financial statements:		
Operating grants	<u>13,661</u>	<u>10</u>
Total revenues available for debt service coverage	325,993	255,982
Less operating expenses (excluding depreciation and amortization)	<u>(215,869)</u>	<u>(192,524)</u>
Net revenues available for debt service	\$ 110,124	\$ 63,458
Debt service requirement	\$ 22,845	\$ 19,631
Debt service coverage	4.82x	3.23x

Manatee County Public Utilities System
Five-Year Summary of Historic Operating Data
(Amounts expressed in thousands)

	Fiscal Year Ended September 30				
	<u>2024</u>	<u>2023</u> ⁽³⁾	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues:					
Water sales	\$ 81,151	\$ 74,939	\$ 68,951	\$ 62,673	\$ 61,555
Wastewater treatment charges	116,053	103,678	95,799	87,304	87,825
Solid waste charges	89,115	55,329	52,365	48,848	47,952
Miscellaneous	14,177	2,358	3,044	1,862	3,104
Federal direct payment (FDP)	-	-	-	-	1,776
Interest income ⁽¹⁾	25,497	19,678	2,971	1,389	7,052
Total operating revenues	<u>325,993</u>	<u>255,982</u>	<u>223,130</u>	<u>202,076</u>	<u>209,264</u>
Operating Expenses:					
Water operations	51,599	46,454	39,034	33,493	35,769
Sewer operations	81,482	72,700	66,125	62,311	61,513
Solid waste operations	73,379	62,468	42,545	56,154	38,042
Stormwater operations	9,409	10,902	8,748	6,912	7,240
Total operating expenses	<u>215,869</u>	<u>192,524</u>	<u>156,452</u>	<u>158,870</u>	<u>142,564</u>
Net revenue available for debt service	<u>\$ 110,124</u>	<u>\$ 63,458</u>	<u>\$ 66,678</u>	<u>\$ 43,206</u>	<u>\$ 66,700</u>
Debt service requirement ⁽²⁾	\$ 22,845	\$ 19,631	\$ 15,906	\$ 18,044	\$ 22,728
Coverage ratio of debt service requirement	4.82x	3.23x	4.19x	2.39x	2.93x

(1) Does not include interest income not available for debt service.

(2) For fiscal years ended September 30, 2024 and September 30, 2023, the debt service requirements are based on the annual debt service for the Series 2011, 2015, 2017, 2018, and 2023 Public Utilities Bonds and the Series 2021 Public Utilities Systems Note. For fiscal year ended September 30, 2022, the debt service requirements are based on the annual debt service for the Series 2011, 2015, 2017, and 2018 Public Utilities Systems Bonds and the Series 2021 Public Utilities Systems Note. For fiscal year ended September 30, 2021, the debt service requirements are based on the annual debt service for the Series 2011, 2015, 2017, and 2018 Public Utilities Systems Bonds. For fiscal year ended September 30, 2020, the debt service requirements are based on the annual debt service for the Series 2010A, 2010B, 2011, 2015, 2017 and 2018 Public Utilities Systems Bonds.

(3) Starting in fiscal year 2023, the 2015 Springing Amendments became effective. These amendments change the definition of "Operating Expenses" in the debt coverage ratio to exclude pension costs and other post-employment benefits (OPEB) costs.

**Manatee County Public Utilities System
Solid Waste Tipping Fee Comparison
(as of September 30, 2024)**

Landfill Tipping Fees

Manatee County

Standard Waste	
Autos	\$ 5.00/min
All other vehicles	
In-county	\$ 40.00/ton
Out-of-county	\$ 120.00/ton
Construction & Demolition Debris	
In-county	\$ 61.00/ton
Out-of-county	\$ 183.00/ton
Tires	
In-county	\$ 86.00/ton
Out-of-county	\$ 258.00/ton

Lee County

Standard Waste	
In-county	\$ 80.00/ton
In-county gate fee	\$ 63.56/ton
Out-of-county	N/A
Construction & Demolition Debris	
In-county	\$ 53.40/ton
Out-of-county	N/A
Tires	\$ 225.00/ton
Off Road Tires	\$ 250.00/ton

Sarasota County

Standard Waste	
In-county	\$ 59.08/ton
Out-of-county	N/A
Construction & Demolition Debris	
In-county	\$ 59.91/ton
Out-of-county	N/A
Tires	\$ 290.61/ton

Charlotte County

Standard Waste/Construction & Demolition Debris	
In-county	\$ 39.28/ton
Out-of-county	\$ 78.54/ton
Tires	
In-county	\$ 125.46/ton
Out-of-county	\$ 141.82/ton

DeSoto County

Standard Waste/Construction & Demolition Debris	
In-county	\$ 42.00/ton
Mixed Unsorted Loads	\$ 84.00/ton
Out-of-county	\$ 84.00/ton
Tires	
In-county	\$ 200.00/ton
Out-of-county	\$ 400.00/ton

Hillsborough County

Standard Waste/Construction & Demolition Debris	
In-county	\$ 50.76-77.48/ton
Out-of-county	N/A
Processable	\$ 87.86-104.60/ton
Tires	\$ 186.25/ton

Pinellas County

Standard Waste/Construction & Demolition Debris	
Passenger Car	\$ 4.25 per load
Pickup Trucks	\$ 11.75 per load
In-county	\$ 51.00/ton
Out-of-county	\$ 102.00/ton
Tires	\$ 150.00/ton

Polk County

Standard Waste/Construction & Demolition Debris	
In-county	\$ 36.50/ton
Out-of-county	N/A
Tires	
In-county	\$ 300.00/ton
Out-of-county	N/A

**Manatee County Public Utilities System
Historic Growth of Water and Wastewater Divisions Services
Number of Meters
(as of September 30, 2024)**

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
2024	147,298	135,310
2023	144,405	125,330
2022	140,897	119,888
2021	135,233	115,336
2020	130,674	111,555

**Single-Family Residential Water and Wastewater Bills
in Manatee County and Surrounding Areas
(as of September 30, 2024) ⁽¹⁾**

	<u>Water</u>		<u>Wastewater</u>		<u>Total</u>	
	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>
Manatee County	\$ 28.76	\$ 42.92	\$ 65.71	\$ 90.79	\$ 94.47	\$ 133.71
Charlotte County	62.07	90.87	78.14	102.26	140.21	193.13
DeSoto County	68.00	101.16	61.30	85.30	129.30	186.46
Hillsborough County	40.07	61.59	49.08	59.86	89.15	121.45
Lee County	37.54	56.62	64.77	85.23	102.31	141.85
Pinellas County	40.75	75.51	62.66	91.34	103.41	166.85
Polk County	23.65	34.17	75.02	81.50	98.67	115.67
Sarasota County	39.34	59.58	84.95	127.07	124.29	186.65
City of Tampa	31.66	55.18	33.30	33.30	64.96	88.48

Sources: Manatee County

(1) Based on 6,000/10,000 gallons/month

**Manatee County Public Utilities System
Historical Operating Results of System**
(amounts expressed in thousands)

Summary of Historical System Operating Results and Debt Coverage

Description	Historical Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Charges for Services	\$ 286,319	\$ 233,946	\$ 217,115	\$ 198,825	\$ 197,332
Miscellaneous Revenues & Interest Income ⁽¹⁾	31,403	16,052	5,124	2,913	8,809
Federal Direct Payments	-	-	-	-	1,776
Total Gross Revenues	317,722	249,998	222,239	201,738	207,917
Total Operating Expenses ⁽²⁾	215,869	192,524	156,452	158,870	142,564
Net Revenue	101,853	57,474	65,787	42,868	65,353
Net Revenue Ratio	32.06%	22.99%	29.60%	21.25%	31.43%
Outstanding Bonds:					
Annual Debt Service Requirement	22,845	19,631	15,906	18,044	22,728
Calculated Coverage	4.46	2.93	4.14	2.38	2.88
Required Coverage	1.15	1.15	1.15	1.15	1.15
Net Available for Other Required Transfers ⁽³⁾	79,008	37,843	49,881	24,824	42,625
Other Required Transfers:					
Debt Service Reserve Account ⁽⁴⁾	-	-	-	-	-
Net Available for Capital Improvement Fund Transfer ⁽⁵⁾	79,008	37,843	49,881	24,824	42,625
System Facility Investment Fees	44,916	36,371	39,165	36,734	26,167
Total Available for Other System Purposes	\$ 123,924	\$ 74,214	\$ 89,046	\$ 61,558	\$ 68,792

- (1) Amounts shown do not include interest income earned on balances in the restricted construction or facility investment fee fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).
- (2) Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution. Starting in fiscal year 2023, the 2015 Springing Amendments became effective. These amendments change the definition of "Operating Expenses" in the debt coverage ratio to exclude pension costs and other post-employment benefits (OPEB) costs in addition to depreciation and amortization.
- (3) Amount represents the available net revenue after the payment of the annual debt service requirement.
- (4) The debt service reserve account on the outstanding bonds is secured by a reserve account credit facility substitute equal to the applicable debt service reserve requirement for each series of outstanding bonds; therefore, no additional required transfers are reflected during the historical period.
- (5) Pursuant to the Resolution, all available revenue after payment of operating expenses, satisfies the annual debt service requirement on all bonds. Required transfers shall be deposited into the capital improvement fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System's debt and other funding obligations of the Public Utilities System.



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.

1001 3rd Avenue West
Suite 500
Bradenton, FL 34205

941.747.0500
941.746.0202 (fax)
CRIadv.com

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the
Board of County Commissioners
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Manatee County, Florida Public Utilities System (the “System”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the System’s financial statements, and have issued our report thereon dated March 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control. Accordingly, we do not express an opinion on the effectiveness of the System’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the System’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

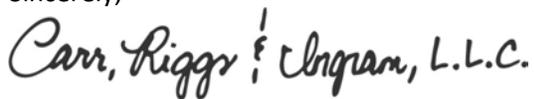
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

Carr, Riggs, & Ingram, L.L.C.

Bradenton, Florida
March 7, 2025

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a general summary of provisions of the Resolution No. R-91-21 adopted by the Board of County Commissioners of Manatee County, Florida, on January 15, 1991, as amended and supplemented to date (the "Original Resolution"). The summary is not to be considered a complete statement of the Original Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. A copy of the Original Resolution as supplemented may be obtained from the County upon request.

Definitions

For purposes of this summary, the capitalized terms herein shall have the following respective meanings:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation Bond plus, with respect to matters related to the payment upon redemption or other payment of such Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months.

"Act" shall mean the Florida Constitution; Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented; Chapter 197, Florida Statutes, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; Ordinance No. 85-11, enacted by the Board on April 23, 1985, Ordinances No. 91-25, No. 91-26 and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time; and other applicable provisions of law.

"Annual Debt Service Requirement" shall mean, at any time, the amount required to be deposited in the then current Fiscal Year into the Interest Account, Principal Account, and Bond Redemption Account, as provided in the Resolution; provided, however, that such amount shall be reduced by any earnings or investment income in the then current Fiscal Year on moneys and investments on deposit in any fund or account created and established under Part II of the Resolution and transferred to the Interest Account, as provided in Part II of the Resolution; and provided further, however, that in computing such Annual Debt Service Requirement for any future period (other than in connection with determining the Debt Service Reserve Requirement), any Variable Rate Bonds shall be deemed to bear interest at all times to the maturity thereof at a constant rate of interest equal to 110% of the greater of (a) the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation,

or such shorter period that such Bonds shall have been Outstanding, or (b) the rate of interest on such Variable Rate Bonds on the date of calculation.

“Appreciated Value” shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bonds up to the Interest Commencement Date set forth in subsequent proceedings of the Board providing for the issuance of such Bonds, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation and Income Bonds plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Bonds” shall mean any bonds, notes or other evidences of indebtedness (other than subordinated debt issued under the terms and provisions of the Resolution unless the context clearly requires otherwise), as the case may be, issued, authenticated and delivered under and pursuant to the Resolution, together with any pari passu additional bonds hereafter issued in the manner provided in the Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States to the extent applicable to any Series of Bonds issued pursuant to the Resolution. Each reference to a section of the Code in the Resolution shall be deemed to include, if applicable, final, temporary or proposed regulations, revenue rulings and procedures issued or amended with respect thereto, and any final, temporary or proposed regulations and revenue rulings and procedures, as promulgated under the Internal Revenue Code of 1954, as amended, by the Treasury Department or Internal Revenue Service of the United States.

“Connection Charges” shall mean, where applicable, the charges imposed on those connecting to the System for the cost of physically connecting to the System, including but not limited to the cost of excavating, plumbing, installation of meters, and landscaping.

“Consultant” shall mean the engineering firm or qualified engineer or other appropriate specialist retained by the County to perform the acts and carry out the duties provided for such Consultant in the Resolution.

“Credit Facility” of “Credit Facilities” shall mean either individually or collectively, as appropriate, any Bond Insurance Policy, surety bond, Letter of credit, line of credit, guaranty, or such other instrument or instruments that would enhance the credit of the Bonds. The term Credit Facility shall not mean a Reserve Account Credit Facility Substitute.

“Credit Facility Issuer” shall mean the provider of a Credit Facility.

“Debt Service Reserve Requirement” shall mean, if applicable to a Series shall not exceed an amount equal to (i) the maximum amount of principal of and interest on such Series of Bonds

becoming due in any succeeding Fiscal Year, or (ii) one hundred twenty-five percent (125%) of the average annual amount of principal of and interest on a Series of Bonds becoming due in any succeeding Fiscal Year, or (iii) ten percent (10%) of the net proceeds (as such term is defined under the Code for such purpose) of a Series of Bonds, whichever is the lesser. All or a portion of such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Account Credit Facility with the requisite coverage. The Debt Service Reserve Requirement, if any, for any Series of Bonds shall be determined by subsequent proceedings of the Board.

“Defeasance Obligations” shall mean to the extent permitted by law and (other than with respect to the obligations described in clause (a) below) acceptable to the Credit Facility Issuer if the principal of and interest on the defeased Bonds is secured by a Credit Facility and such Credit Facility Issuer is not in default under such Credit Facility or, if not so secured by a Credit Facility, acceptable to the Rating Agency or Agencies then rating the defeased Bonds:

(a) U. S. Obligations which are not redeemable prior to maturity except by the holder thereof;

(b) 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 prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof 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 redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) 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 clause (b), as appropriate; and

(c) Evidences of ownership of proportionate interests in future interest and/or principal payments on obligations described in (a) held by a bank or trust company as custodian.

“Facilities” shall mean all the facilities of the System, and all parts thereof, including the Landfill, and any facilities which may hereafter be a part of the System, by any additions, betterments, extensions, improvements thereto, or property of any kind or nature, real or personal, tangible or intangible, hereafter constructed or acquired by the County.

“Fiscal Year” shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law as the Fiscal Year of the County.

“Landfill” shall mean the landfill site and other properties relating thereto owned by the County for the purpose of collecting and disposing of all solid waste generated in the County.

“Maximum Annual Debt Service Requirement” shall mean, at any time, the maximum amount required to be deposited in the then current or any succeeding Fiscal Year into the Interest Account, Principal Account and Bond Redemption Account, as provided in Part II of the Resolution; provided, however, that such amount shall be reduced by any estimated earnings or investment income from investments in any of the funds or accounts created and established under Part II of the Resolution, which are required to be deposited in the Interest Account, Principal Account and Bond Redemption Account by the terms of the Resolution. The amount of Term Bonds maturing in any Fiscal Year which were subject to mandatory redemption, in part, prior to their stated date of maturity by operation of the Bond Redemption Account shall not be included in determining the Maximum Annual Debt Service Requirement in their final Fiscal Year of maturity.

“Maximum Interest Rate” shall mean, with respect to any particular Series of Variable Rate Bonds issued pursuant to the terms and provisions of the Resolution, the maximum rate of interest such Bonds may bear at any particular time, which rate shall not exceed the rate of interest allowed under Florida law.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Net Revenues” shall mean the Gross Revenues remaining after deduction of Operating Expenses and deposits, if any, into the Rate Stabilization Fund.

“Operating Expenses” shall mean the expenses of operation, maintenance and ordinary repairs of the System and its Facilities and shall include, without limiting the generality of the foregoing, insurance premiums, if any, administrative general expenses of the County relating to the System, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, taxes, payments in-lieu-of-taxes and/or franchise fees and such other reasonable expenses as shall be in accordance with generally accepted accounting principles and properly allocable to the System. “Operating Expenses” shall not include required payments to pension and health insurance costs that are related to relevant Governmental Accounting Standards Board pronouncements regarding other post-employment benefit costs and cost-sharing multi-employer pension plan reporting requirements which would require the System to report its share of liability but which no resources have been set aside, any allowance for depreciation, any extraordinary items arising from the early extinguishment of debt and interest, amortization or any costs and expenses for new construction. In addition, escrowed Landfill closure expenses shall not be treated as an Operating Expense for purposes of the rate covenant and additional bonds test.

“Outstanding” shall mean, when used with reference to the Bonds authorized under the Resolution, as of any particular date, all Bonds theretofore, or thereupon being, authenticated and

delivered by the Registrar under the Resolution, except (i) Bonds theretofore or thereupon cancelled by the Registrar or surrendered to the Registrar for cancellation; (ii) Bonds with respect to which all liability of the County shall have been discharged in accordance with the terms and provisions of the Resolution; (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to any provision of the Resolution; (iv) Bonds cancelled after purchase in the open market or because of payment at redemption prior to maturity; and (v) Bonds held or purchased by the County.

“Permitted Investments” shall mean (i) to the extent permitted by law U.S. Obligations and (ii) all other investments permitted under the laws of Florida and acceptable to the Credit Facility Issuer, if any.

“Project” shall mean the cost of the construction and acquisition of additions, extensions and improvements to the System; funding of all or part of the Debt Service Reserve Account, if any, established for a Series of Bonds issued to finance the Project, or, in lieu thereof, payment of the premiums for a Reserve Account Credit Facility Substitute; interest on the Bonds properly allocable to such Project prior to, during and for one (1) year after completion of such Project; engineering costs, and legal and financing fees and expenses; the costs of issuance of the Bonds; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys, administrative expenses relating to such construction and acquisition; the premium or fees for the Credit Facility, if any; and such other costs and expenses necessary, or incidental to the financing of such Projects authorized by the Resolution and for the payment of any temporary obligations issued for the purposes provided in the Resolution.

“Rating Agency” or “Agencies” shall mean Moody’s and/or S&P, and/or such other nationally recognized securities rating agency, whichever shall have a rating then in effect with respect to the Bonds.

“Revenues” or “Gross Revenues” shall mean all rates, fees, charges, including Connection Charges, capital contributions and Special Assessments (if so pledged by subsequent proceedings of the County or any other income received by the County from the operation of the System or from any agency thereof in control of the management and operation of the System, and all parts thereof, and shall also include the earnings and investment income derived from the investment of moneys on deposit in the various funds and accounts and established under the Resolution, which by the terms and provisions of Part II of the Resolution are required to be deposited in the Interest Account or the Revenue Fund created and established under the Resolution; provided, however, that Revenues shall not include (1) revenues received from any County utility systems or public works enterprise constructed and/or acquired from the proceeds of Special Purpose Bonds, and (2) moneys received by the County from Federal, State or local governments for capital improvements to the System.

“S&P” shall mean Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State of its successors and their assigns, and, if such corporation dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Series” shall mean all of the Bonds authenticated, issued and delivered at one time under and pursuant to the terms of the Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the terms and provisions of the Resolution, regardless of variations in maturity, interest rate or other provisions.

“Special Assessments” shall mean, as determined by subsequent proceedings of the County, all proceeds derived by the County from the special assessments levied against the real property specially benefited by the acquisition and construction of a Project financed by such Series of Bonds, or levied against real property in relation to each such property’s benefit derived from the services performed by the System, including interest collected on such Assessments and any penalties or moneys received upon foreclosure of the liens of such Special Assessments.

“Special Purpose Bonds” shall mean the Bonds issued by the County for the purposes of providing financing for the construction and/or acquisition of Special Purpose Facilities as provided for in Part II of the Resolution.

“System” shall mean the Manatee County Public Utilities System consisting of the combined Water and Sewer System, which shall include the complete waterworks plant and transmission system, and complete sanitary sewer collection, treatment and transmission system, now owned and/or operated or hereafter owned and/or operated by the County, including all additions, extensions and improvements heretofore or hereafter constructed or acquired, together with all lands or interest therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned, used or operated by the County in connection therewith; the Solid Waste System, which shall include the unified solid waste collection, disposal and recycling system now owned and/or operated or hereafter owned and/or operated by the County, including any plant, equipment, facility, the Landfill and any other landfill site or property (real, personal and intangible), necessary or used in connection with the collection, treatment or disposal of solid waste, heretofore or hereafter acquired or constructed by the County; and the Stormwater Management System, which shall include, but not be limited to, storm sewers, drains, culverts, retention systems, detention basins, drainage wells, conduits and appurtenant features, catch basins, desilting facilities, recharging basins, outfall structures and all appurtenances, whether man-made or natural, now owned and/or operated or hereafter owned and/or operated by the County, together with all properties (real, personal and intangible) now or in the future owned or leased or under the control of the County, Facilities, franchises, management agreements and operational systems relating thereto, any facilities which may hereafter be a part thereof, by any additions, betterments, extensions or improvements thereto, all appurtenances whether man-made or natural, which is necessary, useful or convenient for the System. Notwithstanding any of the foregoing to the contrary, the term “System” shall not include any interest or rights the County may have now or in the future in any of the, assets (whether real, personal or intangible) of the Peace River/Manasota Regional Water Supply Authority, of which the County is a member. Pursuant to the terms and provisions of the Resolution, the System shall also include, if determined by subsequent proceedings of the Board to be in the best interest of the County after the Consultant certifies in writing to the Board that the combining of such additional utility system or public works enterprise shall not have an adverse effect upon the existing System and is reasonably related to the type, management and operation of the System, any other County utility system or public works enterprise now or in the future

owned or operated by the County. Notwithstanding the foregoing, the County may issue Special Purpose Bonds for any Special Purpose Facilities (as defined in the Resolution) pursuant to the terms, provisions and conditions of the Resolution and the resolution authorizing such Special Purpose Bonds, and the facilities constructed and/or acquired from the proceeds thereof shall not constitute a part of the System for the purposes of operation and maintenance and the collection of Revenues in the manner provided in the Resolution but shall be separate and apart therefrom and the revenues derived therefrom shall not be pledged to the payment of the Bonds.

“Tax Certificate” shall mean the applicable Tax Certificate as to Arbitrage and Instructions as to Compliance with provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended, executed by the County on the date of initial issuance and delivery of any Series of Bonds, as such Tax Certificate may be amended from time to time, and which serves as a source of guidance for achieving compliance with the Code.

“Variable Rate Bonds” shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

Negotiability, Registration and Cancellation

At the option of the registered holder thereof and upon surrender thereof at the principal corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney and upon payment by such holder of any charges which the Registrar may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same Series, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the holder thereof in person or by his attorney duly authorized in writing only upon the books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name the transferee a new Bond or Bonds. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (i) to transfer or exchange Bonds for a period of 15 days next preceding an Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (ii) to transfer or exchange any Bonds called for redemption.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Bond shall become mutilated, destroyed, stolen or lost, the County may execute and the Registrar shall authenticate and deliver a new Bond of like date, maturity, denomination and interest rate as the Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the County and the Registrar

evidence of such loss, theft, or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or have been called for redemption, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County and the Registrar may charge the Holder of such Bond their reasonable fees and expenses in connection with this transaction.

Rate Covenant

The County has covenanted in the Resolution that in each Fiscal Year it will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of its System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the Resolution which include, but are not limited to, all obligations owed to the issuer of a Reserve Account Credit Facility Substitute.

Establishment of Funds and Accounts; Disposition of Revenues

The following Funds and Accounts have been created and established by the Resolution:

Revenue Fund;

Rate Stabilization Fund;

Sinking Fund, which shall consist of an Interest Account, Principal Account, a Bond Redemption Account, and a Debt Service Reserve Account for an applicable Series of Bonds (in the Resolution, the County has reserved the right but has not covenanted to establish additional separate Debt Service Reserve Accounts in the Sinking Fund for any other Series of Bonds hereafter issued pursuant to the Resolution);

Renewal and Replacement Fund; and

General Reserve Fund.

The Revenues shall be disposed of only in the following manner:

1. Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

2. Revenues, if the Board determines it to be in the best interest of the County, shall next be used, in the manner and in the amounts provided below, for deposit into the Rate Stabilization Fund. Prior to any deposits to the Rate Stabilization Fund, the County shall make such deposits based on an estimate of annual increase in Operating Expenses by taking into account (i) known additions, extensions and improvements to the System which will or would expect to result in increased annual operating expenses, and (ii) a reasonable inflation factor. Moneys on deposit in the Rate Stabilization Fund may be withdrawn at such times as the County shall determine to be necessary to pay such increases to Operating Expenses which would otherwise be

payable from increased rates. Pending such withdrawal, moneys on deposit therein may be invested in Permitted Investments. Moneys on deposit in the Rate Stabilization Fund may not be used to pay debt service on the Bonds.

3. Revenues shall next be used, to the full extent necessary, for deposit into the Interest Account in the Sinking Fund, on the fifteenth (15th) day of each month, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds are delivered to the purchaser thereof, such sums as shall be sufficient to pay one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that such monthly deposits for interest shall not be required to be made into the Interest Account to the extent that money is on deposit therein or moneys are allocated thereto under any capitalized interest cost centers in the Acquisition/Construction Fund (created and established under the Resolution) for such purpose, and provided further, that in the event the County has issued pari passu additional Variable Rate Bonds pursuant to the provisions of this Resolution, Net Revenues shall be deposited at such other or additional times and amounts as necessary to pay the interest becoming due on the Bonds on the next Interest Payment Date, all in the manner provided in the supplemental resolution authorizing such pari passu additional Variable Rate Bonds.

The income and investment earnings derived from the moneys and investments on deposit in the Interest Account shall be retained therein and the moneys and investment earning on deposit in the Principal Account, the Bond Redemption Account and the Debt Service Reserve Account shall be deposited in the Interest Account.

In the event that the period to elapse between the date of the delivery of the Bonds and the next semiannual Interest Payment Date will be less or more than six (6) months, then such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required semiannual interest amount maturing on the next Interest Payment Date.

4. Revenues shall next be used, to the full extent necessary,

(a) for deposit in the Principal Account in the Sinking Fund, on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the principal amount or Accreted Value of the Serial Bonds which will mature and become due on the next annual maturity date, as shall be determined by subsequent proceedings of the Board. In the event the period to elapse between the date of delivery of the Bonds and the next principal payment date will be less or more than twelve (12) months, then such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board), on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the Amount required for the payment of the Term Bonds, as shall hereafter be determined by subsequent proceedings of the Board, until the amount on deposit therein is equal to the amount required to be paid on the net installment payment date.

The moneys in the Bond Redemption Account (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board) shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The County may purchase any of the Term Bonds at prices not greater than par and accrued interest and may purchase Capital Appreciation Bonds and/or Capital Appreciation and Income Bonds (if such Capital Appreciation Bonds or Capital Appreciation and Income Bonds are Term Bonds) at prices not greater than the Accreted Value or Appreciated Value, as the case may be, as of the date of purchase. If, by the application of moneys in the Bond Redemption Account or the General Reserve Fund, as hereinafter provided, the County shall purchase or call for redemption in any year Term Bonds in excess of the installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall at the option of the County either be credited on a pro rata basis over the remaining installment payment dates or credited against the following year's installment requirement.

The County shall, to the extent any moneys are on deposit/available in the Bond Redemption Account (or such special account created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board), be mandatorily obligated to use such moneys for the redemption prior to maturity of Term Bonds in such manner and at such times as shall hereafter be determined by subsequent proceedings of the Board.

No distinction or preference shall exist in the use of moneys on deposit in the Revenue Fund for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund, such accounts being on a parity with each other.

5. To the extent not funded from Bond proceeds or covered by Reserve Account Credit Facility Substitutes, Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the Sinking Fund, on the fifteenth (15th) day of each month in each year, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds issued under the Resolution are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to one-twelfth of twenty percent ($1/12^{\text{th}}$ of 20%) of the Debt Service Reserve Requirement applicable for each Series of Bonds; provided, however, that no payments shall be required to be made into the Debt Service Reserve Accounts whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such series of Bonds; provided further, however, that if Revenues are insufficient to make the required deposits into the applicable Debt Service Reserve Accounts, such Revenues, which are available, will be deposited therein on a pro rata basis.

Notwithstanding the foregoing provisions, in lieu of the deposits of Net Revenues into any of the Debt Service Reserve Accounts created and established under Part II of this Resolution, the County may cause to be deposited into any of the Debt Service Reserve Accounts a surety bond, an unconditional direct pay letter of credit issued by a bank, a reserve account line of credit or a municipal bond insurance policy issued by a reputable and recognized municipal bond insurer for the benefit of the Owners of the applicable Series of Bonds for which such Debt Service Reserve Account has been created (sometimes referred to herein as a "Reserve Account Credit Facility Substitute") in an amount equal to the difference between the Debt Service Reserve Requirement for such Series of Bonds and the sums then on deposit in the applicable Debt Service Reserve

Account, if any, which Reserve Account Credit Facility Substitute shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which a deficiency exists which cannot be cured by funds in any other account held pursuant to the Resolution and available for such purpose under the terms and order of priority as established by the Resolution. In addition, the County, at any time by subsequent proceedings of the Board, may substitute a Reserve Account Credit Facility Substitute for all or part of the moneys on deposit in any of the Debt Service Reserve Accounts. Under such circumstances, the principal amount of Reserve Account Credit Facility Substitute and the moneys on deposit in such Debt Service Reserve Account shall be in an amount equal to the Debt Service Reserve Requirement for such Series of Bonds for which such Debt Service Reserve Account was created. Such municipal bond insurer or bank (in the case of a letter of credit or line of credit) shall be one whose municipal bond insurance policies or unconditional direct pay letters of credit or other type of credit enhancement insuring or guaranteeing the payment, when due, of the principal of and interest on municipal bond issues, results in such issues being rated in one of the three (3) highest rating categories by any Rating Agency or Agencies will rate municipal bonds as a result of a municipal bond insurance policy or other type of credit enhancement. Notwithstanding the foregoing, the County shall have no obligation to replace any Reserve Account Credit Facility Substitute if the provider's ratings are reduced or withdrawn provided the above rating criteria is first satisfied. If a disbursement is made from a Reserve Account Credit Facility Substitute, provided pursuant to this paragraph, the County shall be obligated to reinstate the maximum limits of such Reserve Account Credit Facility Substitute following such disbursement at the time or times required by the issuer of the Reserve Account Credit Facility Substitute, or, with the consent of the issuer of such Reserve Account Credit Facility Substitute, to replace such Reserve Account Credit Facility Substitute by depositing into the applicable Debt Service Reserve Account from the Revenues, as herein provided, immediately, following the receipt of the consent of the issuer of such Reserve Account Credit Facility Substitute, funds in the maximum amount originally payable under such Reserve Account Credit Facility Substitute, or any combination of such alternatives. If a disbursement is made from more than one Reserve Account Credit Facility Substitute and/or from moneys on deposit in more than one Debt Service Reserve Account, the County shall be required to reinstate each Reserve Account Credit Facility Substitute and/or make deposits therein, as described above, on a pro rata basis. In the event a Debt Service Reserve Account is funded, both with cash (including Permitted Investments of such cash) and a Reserve Account Credit Facility Substitute in the aforementioned manner, and it is necessary to make payments attributable to debt service on the Series of Bonds for which such Debt Service Reserve Account relates into the Interest Account, Principal Account or Bond Redemption Account in the Sinking Fund when moneys in the Revenue Fund and General Reserve Fund are insufficient therefor, the County covenants to deposit the cash (including Permitted Investments of such cash) on deposit in such Debt Service Reserve Account into such accounts in the Sinking Fund prior to making any disbursements made from such Reserve Account Credit Facility Substitute.

Whenever there is on deposit in a Debt Service Reserve Account an amount in excess of the Debt Service Reserve Requirement for the Series of Bonds for which such Debt Service Reserve Account relates, the amount of such excess shall be reduced in the following manner: (a) if there is on deposit in the Debt Service Reserve Account a Reserve Account Credit Facility Substitute, as provided herein, the principal amount thereof shall be reduced by the amount of such excess, and (b) if there is on deposit in such Debt Service Reserve Account, cash (or Permitted Investments of such cash), the County shall reduce the amount of cash and/or Permitted

Investments of such cash in the Debt Service Reserve Account in an amount equal to such excess. The cash and/or Permitted Investments of such cash so withdrawn under clause (b) above shall be deposited in the Revenue Fund or the General Reserve Fund, as shall be determined at the option of the Board, and used for the purposes provided therein.

Each Debt Service Reserve Account shall be used only for the purpose of making payments into the Interest Account, the Principal Account and the Bond Redemption Account, as such payments relate to debt service on the Series of Bonds for which such Debt Service Reserve Account was created when the moneys in the Revenue Fund and General Reserve Fund are insufficient therefor; and provided further, however, that moneys on deposit in a Debt Service Reserve Account may, upon final maturity of the Series of Bonds for which such Debt Service Reserve Account was created, be used to pay principal and interest on such Series of Bonds.

6. Revenues shall next be used, first, for the repayment of any obligations owed to the provider(s) of a Reserve Account Credit Facility Substitute (pro rata, if necessary), and second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the System in accordance with the proceedings authorizing such subordinated indebtedness, and third, deposits to the County's Landfill closure fund in such amount, if any, determined by the County pursuant to its annual budget.

7. Revenues shall next be used to make deposits into the Renewal and Replacement Fund. Moneys on deposit in the Renewal and Replacement Fund shall be used pay for the costs of replacement and renewal of capital assets of the System or extraordinary repairs thereto or to pay for additions, extensions and improvements to the System. There shall be no minimum or maximum amount required to be deposited into the Renewal and Replacement Fund. Such deposits shall be determined annually based on available Revenues and the County's annual budget.

8. Thereafter, the balance of any Revenues remaining in the Revenue Fund shall be deposited in the General Reserve Fund and used by the County (i) for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund whenever the moneys in the Revenue Fund are insufficient therefor, (ii) to pay for Operating Expenses, (iii) to purchase or redeem (if authorized) any Bonds prior to maturity, and (iv) for any other capital project that either directly or indirectly benefits the System.

9. The Sinking Fund, including the Interest Account, Principal Account and Bond Redemption Account therein, the Renewal and Replacement Fund, the General Reserve Fund and all other special funds and accounts created and established by this Resolution, other than the Rate Stabilization Fund, shall constitute trust funds for the Owners of the Bonds, except that any Debt Service Reserve Account shall only constitute a trust fund for the Owners of the Series of Bonds for which such Debt Service Reserve Account relates. The amounts required to be accounted for in each or the funds and accounts designated herein may be deposited in a single bank account maintained by the County provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of funds and accounts in and by Part II of the Resolution shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an

allocation of certain revenues and assets of the System for certain purposes and to establish such certain priorities for application or certain revenues and assets as herein provided.

Moneys on deposit in the Revenue Fund, the Renewal and Replacement Fund, the Rate Stabilization Fund, the General Reserve Fund and the Sinking Fund may be invested in U.S. Obligations or any other Permitted Investments maturing not later than such date or dates as the County shall determine.

Subject to the requirements under the Code and the relevant Tax Certificate, all income and earnings received from the investment and reinvestment of moneys on deposit in the Renewal and Replacement Fund, the General Reserve Fund and the Revenue Fund shall be transferred to or retained in the Revenue Fund, as the case may be, and used in the same manner as other moneys on deposit therein.

All income and earnings received from the investment and reinvestment of moneys on deposit on the Rate Stabilization Fund shall be retained therein and used in the same manner as other moneys on deposit therein.

Investments

Moneys on deposit in the Revenue Fund, the General Reserve Fund, the Renewal and Replacement Fund, the Rate Stabilization Fund and the Sinking Fund may be invested in U.S. Obligations or any other Permitted Investments maturing not later than such date or dates as the County shall determine.

All income and earnings received from the investment and reinvestment of moneys on deposit in the General Reserve Fund and the Revenue Fund shall be transferred to or retained in the Revenue Fund, as the case may be, and used in the same manner as other moneys on deposit therein.

All income and earnings received from the investment and reinvestment of moneys on deposit on the Rate Stabilization Fund shall be retained therein and used in the same manner as other moneys on deposit therein.

Discharge and Satisfaction of Bonds

The covenants, liens and pledges entered into, created or imposed pursuant to the Introduction, where applicable, and Part II of the Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(a) by paying the principal of and interest on Bonds when the same shall become due and payable; or

(b) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Bonds, as the County may hereafter create and establish by resolution, certain moneys which together with other moneys lawfully available therefor and

deposited therein shall be sufficient at the time of such deposit to pay the Bonds, the interest thereon and the redemption premium, if any, as the same become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(c) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or such other accounts which are irrevocably pledged to the payment of the Bonds as the County may hereafter create and establish by resolution, moneys which, together with other moneys lawfully available therefor, and deposited therein when invested in Defeasance Obligations will provide moneys which shall be sufficient to pay the Bonds, the interest thereon and the redemption premium, if any, as the same shall become due on said Bonds on or prior to the redemption date or maturity date thereof.

(d) Notwithstanding the foregoing all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of a Series of Bonds, any maturity or maturities of a Series of Bonds, any portion of a maturity of a Series of Bonds or any combination thereof.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in the Resolution has been made by the Credit Facility Issuer under the terms of its Credit Facility, the Credit Facility Issuer shall be subrogated to the rights of the Holders of the Bonds and the liability of the County, with respect thereto, shall not be discharged or extinguished.

For the purposes of determining the amount of interest on Variable Rate Bonds whether discharged and satisfied under the provisions of subsections (a), (b) and (c) above, the amount required for the interest thereon shall be calculated at the Maximum Interest Rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds.

Upon such payment or deposit in the amount and manner provided in the Resolution, the Bonds shall no longer be deemed to be Outstanding for the purposes of the Resolution and all liability of the County with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Holders thereof shall be entitled for payment solely out of the moneys or securities so deposited.

In the case of Bonds which by their terms may be redeemed prior to their stated maturity, the County shall give the Registrar, in form satisfactory to the Registrar, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date;

(b) requiring the Registrar to call for redemption pursuant to the terms of such Bonds any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) requiring the Registrar to mail, as soon as practicable, a notice to the owners of such Bonds that the deposit required under the Resolution has been made and that such Bonds are deemed to have been paid in accordance with the Resolution and stating the maturity or redemption; date upon which money is to be available for the payment of the principal or redemption price, if applicable, on such Bonds as specified in (a) hereof. Notwithstanding the

foregoing, the discharge and satisfaction of the Bonds shall not be conditioned on the giving of such notice.

Notwithstanding anything contained in the Resolution to the contrary, the covenants, liens and pledges contained in Part II of the Resolution shall not be fully discharged and satisfied until all obligations owed to the provider(s) of the Reserve Account Credit Facility Substitute have been satisfied.

Sale of the System

Except as otherwise provided in the Resolution, the System may be sold, leased or otherwise disposed of, only as a whole or substantially as a whole, and only if the net proceeds to be realized, together with other moneys lawfully available for such purpose, if any, shall be sufficient to retire all of the Bonds issued to the Resolution and to pay all interest thereon to their respective dates of maturity or earlier redemption dates in the manner provided in the Resolution. The proceeds from such sale, lease or other disposition of the System and such other available moneys shall be applied in the manner provided in the Resolution, and shall be used solely for the purposes of paying the principal of the Bonds, the interest thereon and redemption premiums, if any, as same shall become due on the Bonds on or prior to the redemption date or the maturity date thereof as shall be hereafter determined by sequent proceedings of the Board.

Except as provided in the Resolution, prior to lease or other disposition of any part of the System or any portion thereof, which is presently being used in connection with operations of the System or is contemplated to be used within Fiscal Year for the operations of the System (herein referred to as "Property In Use"), if the amount to be received from such sale, lease or other disposition of any part of the System is not in excess of \$300,000, the duly authorized person in charge of the System shall make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, the Board shall approve and concur in the finding of such duly authorized person, and authorize such sale, lease or other disposition of said property, and such proceeds shall be deposited in the Sinking Fund to the extent of any deficiencies therein and then in the General Reserve Fund and used in the manner provided therein. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a "lease" within the meaning of this paragraph. In determining whether the amount received is "not in excess of \$300,000," when the sale, lease or other disposition results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

If the amount to be received from such sale, lease or other disposition of said Property In Use shall be in excess of \$300,000, the duly authorized person in charge of such System, shall first make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof, which finding shall be approved by the Consultant or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, and the Board shall, by resolution duly adopted, approve and concur in the findings of such duly authorized person, and authorize such sale, lease or other disposition of said property and such proceeds shall, to the extent permitted under the

Code be deposited into the Interest Account or Principal Account, or Bond Redemption Account, and used in the manner provided therein, and to the extent such deposits would adversely affect the exclusion from gross income of interest on any Series of Bonds, such amounts shall be deposited in the General Reserve Fund and used to purchase and retire Bonds. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a “lease” within the meaning of this paragraph. In determining whether the amount received is “in excess of \$300,000,” when the “sale, lease or other disposition” results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

Any disposition of Property In Use shall be for fair and reasonable consideration, as determined by the Board.

In connection with the sale, lease or disposition of any part of the System or any portion thereof, which is not presently being used in connection with the operations of the System or is not contemplated to be used in the future for the operations of the System (herein referred to as “Property Not In Use”), as determined by the Consultant) , the Board shall, by subsequent proceedings, authorize the disposition of such Property Not In Use. Except as provided in the next succeeding paragraph, any disposition of Property Not In Use shall be for fair and reasonable consideration, as determined by a finding in writing by the Board upon the advice of the Consultant. The proceeds from the disposition of any Property Not In Use shall be deposited in the Capital Improvement Fund.

Notwithstanding any provision in the Resolution to the contrary, the County may, by subsequent proceedings of the Board, use or permit the use thereof, as the case may be (other than by a fee simple disposition), or lease, for any County or not-for-profit purpose any part of the System, provided such use or lease does not interfere with the operations of the System. Such use or lease of any part of the System may be for nominal consideration.

Issuance of Other Obligations Payable out of Net Revenues

The County has covenanted in the Resolution that it will not issue any other obligations, except upon the conditions provided therein, payable from the Net Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority or being on a parity with the lien of the Bonds issued pursuant to the Resolution and the interest thereon upon any of the Net Revenues.

Issuance of Pari Passu Additional Bonds

No pari passu additional Bonds (as herein defined), payable pari passu with Bonds out of Net Revenues shall be issued after the issuance of any Bonds pursuant to the Resolution except upon the conditions and in the manner provided in the Resolution.

No such pari passu additional Bonds shall be issued unless the following conditions are complied with:

(a) The County must be current in all deposits into the various funds and accounts and all payments required to have been theretofore deposited or made by it under the provisions of the Resolution and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds and has complied with the covenants and provisions of the Resolution, and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds.

(b) The amount of the Net Revenues as received during any twelve (12) consecutive months of the twenty-four months immediately preceding the issuance of said pari passu additional Bonds, as certified by the Clerk and as may be adjusted, as hereinafter provided, will be equal to one hundred fifteen per centum (115%) of the Maximum Annual Debt Service Requirement; on (1) the Bonds originally issued pursuant to the Resolution then Outstanding, (2) any pari passu additional Bonds theretofore issued and then Outstanding, and (3) the pari passu additional Bonds then proposed to be issued; provided that for the purpose of determining the Maximum Annual Debt Service Requirement under the Resolution, the interest rate on Variable Rate Bonds then Outstanding shall be the greater of (i) the average daily interest rate on such Variable Rate Bonds during the preceding Fiscal Year or (ii) the actual rate of interest applicable to such Variable Rate Bonds on the date of issuance of such Variable Rate Bonds; and provided, further, that if pari passu additional Variable Rate Bonds are to be issued the interest rate thereon shall be calculated in accordance with the 30 year Revenue Bond Index as published by The Bond Buyer as of the last week of the month preceding the date of issuance of such Variable Rate Bonds, or if that index is no longer published, the interest rate as of the last week of such month as published in an index that is deemed to be substantially equivalent.

(c) In the event any pari passu additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the condition of (b) above shall not apply, provided that the issuance of such pari passu additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the Bonds so refunded.

The adjustment of Net Revenues which are permitted by the foregoing subparagraph (b) of this caption, shall be certified to the County by the Consultant and shall be computed as follows:

(a) If the County, prior to the issuance of the proposed pari passu additional Bonds, shall have increased the rates, fees, rentals or other charges for the services and/or use of the Facilities of the System, the Net Revenues for the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be adjusted to include the Net Revenues which would have been derived from said System in such twelve (12) consecutive months as if such increased rates, fees, rentals or other charges for the services and/or use of the Facilities of the System had been in effect during all of such twelve (12) consecutive months.

(b) If the County shall have acquired or has contracted to acquire any privately or publicly owned existing water system, sewer system, solid waste collection and disposal system, stormwater retention system, or any other utility system that the County will consolidate with the System, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed pari passu additional Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds, shall be increased by adding to the Net Revenues for such twelve (12) consecutive months seventy-five percent (75%) of the Net Revenues for such twelve (12) consecutive months seventy-

five percent (75%) of the projected Revenues which would have been derived from the aforementioned existing systems as if such system had been operated by the County as a part of the System during such twelve (12) consecutive months.

(c) If the County shall have entered into a contract which contract shall be for a duration of not less than the final maturity of the pari passu additional Bonds authorized for the purposes of such financing from the date the issuance of the proposed pari passu additional Bonds, with any public body whereby the County shall have agreed to furnish services consistent with the services performed by the System, then the Net Revenues of the System during the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be increased by the least amount which the entity receiving such services shall guarantee to pay in any one year for the furnishing of the services by the County, after deducting from such payment the estimated proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services.

(d) If there is an estimated increase in Revenues to be received by the County, as a result of additions, extensions or improvements to the System during the period three (3) years from delivery of the pari passu additional Bonds and the Board has taken official action toward the increase in Revenues, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds shall be increased by the average annual additional Net Revenues calculated for such three year period.

(e) If the County shall have (i) covenanted to levy Special Assessments against property to be benefited by the construction of additions, extensions and improvements to the System or to be specially benefited by the services provided by the System to such property, the cost of which shall be paid from the proceeds of the proposed pari passu additional Bonds, and (ii) pledged such Special Assessments to the payment of the Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of such pari passu additional Bonds shall be increased by an amount equal to eighty percent (80%) of the least amount which the Consultant estimates will be received in any one year from the levy of the Special Assessments, such estimated amount to be the total amount of the Special Assessments to be collected in such year. The estimate of the Consultant shall be based upon the preliminary assessment role filed with the County prior to the imposition of such Special Assessments.

The term “pari passu additional Bonds,” as used in the Resolution, shall be deemed to mean additional obligations evidenced by Bonds or other form of indebtedness permitted under the Act issued under the provisions and within the limitations of the Resolution payable from the Net Revenues of the System pari passu with Bonds originally authorized and issued pursuant to the Resolution. Such Bonds shall be deemed to have been issued pursuant to the Resolution, the same as the Bonds originally authorized and issued pursuant to the Resolution, and all of the covenants and other provisions of Part II of the Resolution. All of such Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom without preference of any Bonds, over any other.

The term “pari passu additional Bonds,” as used in the Resolution, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Net Revenues of the System is subject to the prior and superior lien on the Net Revenues for the payment of Bonds issued pursuant to the Resolution, and the County shall not issue any obligations whatsoever payable from the Net Revenues of the System, which rank equally as to lien on and source and security for their payment from such Net Revenues with Bonds issued pursuant to the Resolution except in the manner and under the conditions provided above.

In the event that the total amount of the Bonds authorized in the Resolution to be issued are not issued simultaneously but from time to time, such Bonds which are subsequently issued from time to time shall not be subject to the restrictions, conditions and limitations as to the issuance of pari passu additional Bonds, as provided above, provided that such Bonds which are subsequently issued shall be issued within six (6) months from the date the of the Bonds originally authorized under the Resolution are issued.

If, at any time, the County shall enter into an agreement or contract for an ownership interest in any public or privately owned water system, sewer system, solid waste disposal or collection system, stormwater retention system or such other utility system which the County proposes to consolidate into the System, whereby the County has agreed as part of the cost thereof to pay part of the debt service on the obligations of such public or privately owned system issued in connection therewith, such obligation to make payments shall, at the option of the County, be treated as either pari passu additional Bonds which must meet the requirements described above or be treated as junior, inferior and subordinate in all respects to the Bonds issued under the Resolution and to any other obligations hereafter issued by the County subject to the provisions of the Resolution.

Insurance

The County may carry such insurance as is ordinarily carried by private or public corporations owning and operating combined utility systems similar to the System with a reputable insurance carrier or carriers, including public and product liability insurance in such amounts as the County shall determine to be sufficient and such other insurance against loss or damage by fire, explosion (including underground explosion), hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall be in an amount or amounts, as shall be determined by the County.

The County may, alternatively or additionally, establish certain levels of insurance for which the County may self-insure.

Books and Records

The County will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the County, in which complete and correct entries shall be made of all transactions relating to the System, in accordance with generally accepted accounting principles for governmental units, and any holder or holders of Bonds or their agents issued pursuant to the Resolution, shall have the right at reasonable times and under reasonable

conditions to inspect all records, accounts and data of the County relating to the operation of the System.

The County shall, within six (6) months after the close of each Fiscal Year, be required to obtain an audit by a qualified and independent firm of certified public accountants of the books, records and accounts of the System for the preceding Fiscal Year and the financial statement prepared by such certified public accountants shall be filed with the County, which such financial statement shall cover in reasonable detail the operation of the System, the funds and fund balances and the County shall make available upon request a reasonable summary thereof, to any Holder or Holders of the Bonds issued pursuant to the Resolution.

Operating Budget

The County shall annually, prior to the start of each Fiscal Year, prepare and adopt by proper proceedings of its governing body a detailed budget of the estimated expenditures for operation and maintenance of the System and budgeted reserves and the estimated Revenues of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor (including amounts in the Rate Stabilization Fund) in such budget without a written finding and recommendation by the director of the System or other duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation. The County shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the holder or holders of Bonds who shall file his or her address with the County and request in writing that copies of all such budgets and resolutions be furnished him or them, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder or Holders of Bonds issued pursuant to the Resolution.

Maintenance of the System

The County will maintain the System in good condition and continuously operate the same in an efficient manner and at a reasonable cost as a County revenue producing enterprise.

Remedies

Any holder of Bonds issued under the Resolution, or any trustee acting for such Bondholders in the manner hereinafter provided, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution, or by any applicable statutes to be performed by the County or by any officer thereof, including the fixing, charging and collecting of rates, fees on other charges for the services and Facilities of the System.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds issued pursuant to the Resolution, as the same shall become due, or in the making of the payments into any reserve or sinking fund or any other payments required to be made by the

Resolution, or in the event that the County or any officer, agent or employee thereof shall fail or refuse to comply with the Resolution, or shall default in any covenant made in the Resolution, and in the further event that any such default shall continue for a period of sixty (60) days, any holder of such Bonds, or any trustee appointed to represent Bondholders as provided in the Resolution, shall be entitled as of right to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not such holder or trustee is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with Bonds issued pursuant to the Resolution.

Any receiver appointed as provided in the Resolution and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the County shall exercise all the rights and powers of the County with respect to the System as the County itself might do. Such receiver shall collect and receive all Revenues and maintain and operate the System in the manner provided in the Resolution, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions the Resolution.

Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, except as provided in the Resolution, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the County and the Bondholders.

The holder or holders of Bonds in an aggregate principal amount of not less than fifty-one per centum (51%) of Bonds issued under the Resolution then Outstanding may by a duly executed certificate in writing appoint a trustee for holders of Bonds issued pursuant to the Resolution, with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders. Such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk.

Any exercise of a remedy as set forth in the Resolution shall be subject to the consent of the Credit Facility Issuer, if any, and the Credit Facility Issuer shall have the right, acting alone, to exercise said remedies as long as it has not defaulted in its obligations under its Credit Facility. If there are more than one Credit Facility Issuer providing Credit Facilities for the Bonds, only the consent of the Credit Facility Issuers providing Credit Facilities for more than fifty percent (50%) of the Bonds Outstanding shall be required.

Enforcement of Collections

The County has covenanted under the Resolution that will diligently enforce and collect all fees, rentals or other charges for the services or use of the Facilities of the System, and take all steps, actions and proceedings reasonably necessary for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State of Florida.

Designation of Disposal Sites

The County has covenanted under the Resolution that as long as any Bonds shall remain Outstanding under the Resolution, the County shall require that all wastes collected from any unincorporated area of the County be transferred to the System in a manner and form as may be mandated in accordance with the Act.

No Competing Utility Systems

To the extent permitted under applicable law, the County shall not construct, acquire, or operate, or permit or consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System.

No Free Service

Unless otherwise provided by law, the County will not render or cause to be rendered any free services of any nature by its System, or any part thereof, nor will any preferential rates or charges be established for users of the same class, and in the event the County, or any department, agency or instrumentality, officer or employee thereof, shall avail itself of the System or services provided by said System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the County and any such department, agency, instrumentality, officer or employee; provided, however, that the aforementioned restrictions shall not affect any rights of person, firm or corporation under pre-existing agreements or contracts. Notwithstanding the creation of a Stormwater Management System and the combining thereof into the System, no user of the System shall be deemed to be receiving free service with respect to stormwater management until the Board enacts and implements rates for such service. Such charges shall be paid as they accrue, and the County shall transfer from legally available sources sufficient moneys 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. Notwithstanding any of the foregoing, the County may from time to time establish different classes and subclasses of users with respect to rates and charges, as well as exempt users with respect to stormwater management and solid waste collection and disposal, as may be prescribed by law and/or by resolution or ordinance of the County, provided that the County finds a rational basis for such classes or subclasses, or exempt users, which would further the health, welfare or safety of the residents of the County.

Capital improvements made to the System by the County from legally available moneys to address potential public health problems, and which benefit indigent persons, shall not be considered free service to such persons within the meaning of the Resolution.

Modification or Amendment

Except as otherwise provided in the following paragraph hereof, no material modification or amendment of the Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon,

or affecting the unconditional promise of the County to fix, maintain and collect fees, rentals and other charges for the System or to pay the interest of and principal on the Bonds, as the same mature or become due, from the Net Revenues or reduce the percentage of holders of Bonds required above for such modification or amendments, without the consent of the Holders of all the Bonds.

The Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained in the Resolution which may be defective or inconsistent with any other provisions contained in the Resolution, (ii) to provide other changes which will not adversely affect the interest of such Owners, (iii) to implement a Credit Facility or a Reserve Account Credit Facility Substitute, (iv) to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes, (v) to implement or discontinue a Book-Entry System, or (vi) to secure or maintain a rating on the Bonds.

To the extent any Series of the Bonds are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof, by any Rating Agency or Agencies rating such Series of Bonds, then the consent of the Credit Facility Issuer shall constitute the consent of the Holders of such Series of Bonds to the extent the terms and provisions of the commitment of the Credit Facility Issuer so provide; and further, that such Credit Facility is not in default under its Credit Facility.

Notice of any amendment, change or modification to the Resolution made pursuant to the second paragraph under this heading shall be given to the Credit Facility Issuer. Any modification or amendment to the Resolution made pursuant to the first paragraph under this heading shall require the prior written consent of the Credit Facility Issuer if the Bondholders' consent shall be sought rather than the consent of the Credit Facility Issuer in lieu thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds (as defined below) in definitive form, Greenberg Traurig, P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Bonds in substantially the following form:

_____, 2025

Board of County Commissioners of
Manatee County, Florida
Bradenton, Florida 34206

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners (the “Board”) of Manatee County, Florida (the “County”), and other proofs submitted to us relative to the issuance and sale of:

\$ _____
Manatee County, Florida
Public Utilities Revenue Refunding Bonds,
Series 2025A

Said Series 2025A Bonds (the “Bonds”) are issued under and pursuant to the Resolution hereinafter referred to. We have also reviewed such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the herein described Resolution.

On January 15, 1991, the Board adopted Resolution No. R-91-21 entitled: A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE CREATION OF A MANATEE COUNTY PUBLIC UTILITIES SYSTEM CONSISTING OF THE COUNTY’S EXISTING WATER AND SEWER SYSTEM AND ALL FACILITIES PRESENTLY OWNED BY MANATEE COUNTY, FLORIDA, RELATING TO THE COLLECTION, CONTROL AND DISPOSAL OF SOLID WASTE AND STORMWATER RUNOFF; PROVIDING FOR THE ADDITION OF OTHER COUNTY UTILITY OPERATIONS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM IN THE FUTURE; AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; AUTHORIZING THE FIRST, SECOND AND THIRD SERIES OF MANATEE COUNTY PUBLIC UTILITIES REVENUE REFUNDING AND IMPROVEMENT BONDS IN THE INITIAL AGGREGATE PRINCIPAL

AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING MANATEE COUNTY, FLORIDA, WATER AND SEWER REVENUE BONDS AND MAKING CERTAIN IMMEDIATE ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR THE TERMS AND PAYMENT FOR ALL MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THAT THE FIRST AND SECOND SERIES OF PUBLIC UTILITIES REVENUE BONDS SHALL BE SECURED ONLY BY A PLEDGE OF THE NET REVENUES AND FACILITY INVESTMENT FEES OF THE COUNTY'S WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE, as amended and supplemented prior to October 11, 2021 (herein, the "Original Resolution"), which Original Resolution was supplemented by the Board on March 25, 2025, by the adoption of Resolution No. R-25-006 (the "2025A Series Resolution"), authorizing the issuance of the Bonds (said Original Resolution and such other mentioned resolutions as may be further amended and supplemented, are herein, collectively, referred to as the "Resolution").

On April 22, 2015, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, in the initial principal amount of \$91,485,000 (the "Series 2015 Bonds") pursuant to the provisions of the Original Resolution.

On December 28, 2017, the County issued its Public Utilities Revenue Refunding Bonds, Series 2017, in the initial principal amount of \$55,075,000 (the "Series 2017 Bonds") pursuant to the provisions of the Original Resolution.

On September 30, 2018, the County issued its Public Utilities Revenue Bonds, Series 2018, in the initial principal amount of \$74,095,000 (the "Series 2018 Bonds") pursuant to the provisions of the Original Resolution.

On May 25, 2023, the County issued its Public Utilities Revenue Improvement and Refunding Bonds, Series 2023 in the principal amount of \$191,885,000 (the "Series 2023 Bonds"); and

On November 21, 2024, the County did, pursuant to the terms and provisions of the Original Resolution, enter into the Equipment Lease/Purchase Agreement (the "Lease Purchase Obligations"); and

The Bonds are being issued for the purpose of (i) paying and redeeming on a current basis [all or a portion] of the Series 2015 Bonds, and (ii) paying the costs of issuance of such Bonds.

The outstanding Series 2023 Bonds, Series 2018 Bonds, Series 2017 Bonds, Series 2015 Bonds (not refunded with the proceeds of the Bonds), Series 2011 Bonds and the Lease Purchase Obligations are collectively referred to herein as the "Outstanding Prior Debt."

The Bonds are dated the date of issuance. Said Bonds are issued as fully registered bonds and shall be issued in the denominations of \$5,000.00 or integral multiples thereof, shall mature and bear interest at the rates set forth below.

Interest on the Bonds, at the rates set forth below, shall be payable on April 1 and October 1 commencing October 1, 2025, and principal on the Bonds shall be payable on October 1 in the years and amounts set forth below.

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

The Bonds maturing on or prior to October 1, 203X are not subject to optional redemption prior to their respective stated dates of maturity. The Bonds maturing after October 1, 203X may, at the option of the County, be called for redemption without premium prior to maturity from any legally available source, in whole or in part on any date on or after _____ 1, 203X, in such maturities as the County in its discretion shall select, and by lot within a maturity, if less than an entire maturity is to be redeemed, at par, plus accrued interest to the redemption date.

The Bonds maturing on October 1, 20XX are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on October 1, 20[39], and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Final Maturity

Notice of redemption of the Bonds shall be mailed, postage prepaid, by the Registrar not less than thirty days before the date fixed for redemption to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their addresses as they appear on the registration books kept by the Registrar fifteen days prior to the date such notice is mailed. Any notice of optional redemption may state that such notice is conditional and that if the conditions for redemption are not satisfied (including the availability of funds) the Bonds shall not be optionally redeemed on the redemption date set forth in the notice of redemption. Failure of the registered owner of any Bonds that are redeemed to receive any such notice of redemption shall not affect the validity of the proceedings for the redemption of Bonds for which proper notice has been given. All Bonds called for redemption will cease to bear interest after the specified redemption date if payment of the redemption price has been duly made or provided for.

We have also examined Bond No. R-1 as executed.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance of the Bonds pursuant to the Constitution and Statutes of the State of Florida, particularly, Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Act of 1963, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; the Resolution; Ordinance No. 85-11, enacted by the Board on April 23, 1985, and Ordinances No. 91-25, No. 91-26, and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time, and other applicable provisions of law; and that said Bonds are legal, valid, binding and enforceable obligations of the County payable from a first lien on, and pledge of, the Net Revenues, all in the manner as provided in Part II of the Original Resolution, as supplemented.

We are further of the opinion that the County, in Part II of the Original Resolution, has validly covenanted and is legally obligated, as long as any of the Outstanding Prior Debt and the Bonds (hereinafter, collectively, referred to as the "System Obligations") are outstanding and unpaid, to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of the System, and to revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the System Obligations and any pari passu additional Bonds hereafter issued; and that such Net Revenue shall be sufficient to make all of the payments required by the terms of the Original Resolution, and that such rates, fees, rentals or other charges shall not be so reduced as to be insufficient for such purposes.

We are further of the opinion that the Bonds are on a parity and rank equally as to security and payment with the Outstanding Prior Debt, other than with respect to any Debt Service Reserve Account established for each Series of the Outstanding Prior Debt, as provided in the Resolution, and that under the terms, restrictions and conditions contained in the Resolution, the County may hereafter issue pari passu additional Bonds which will rank equally with the System Obligations with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom; that, except for such pari passu additional Bonds, any other obligations hereafter issued by the County payable from the Net Revenues of the System will be junior, inferior

and subordinate in all respects to the System Obligations as to their lien on and source and security for payment from the Net Revenues.

The County has entered into certain other covenants with respect to the Bonds for the exact terms of which reference is made to the Resolution and in particular the 2025A Series Resolution.

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. The County has covenanted in the Resolution to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Under existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain certifications and representations of the County and continuing compliance by the County under the covenants described above, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and, furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income.

We are also of the opinion that the Bonds and the interest thereon are exempt from taxation under existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, banks and savings associations.

Except as stated in the preceding three paragraphs, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other Bond Counsel.

We wish to call to your attention that the Bonds do not constitute an indebtedness of the County within the meaning of any constitutional, statutory, charter or other limitation of indebtedness, but shall be payable solely from the Net Revenues, as provided in the Resolution. No Holder or Holders of the Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Bonds or the interest thereon.

We have not passed upon and therefore express no opinion as to the compliance by any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Bonds.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

The opinions expressed herein regarding enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

Respectfully yours,

GREENBERG TRAURIG, P.A.

