

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 8, 2026

NEW ISSUE - BOOK-ENTRY ONLY

See "RATINGS" herein

In the opinion of bond counsel, assuming compliance by the County with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2026 Bonds.



Hillsborough
County Florida

\$609,160,000*

HILLSBOROUGH COUNTY, FLORIDA
UTILITY REVENUE BONDS,
SERIES 2026A

\$14,200,000*

HILLSBOROUGH COUNTY, FLORIDA
UTILITY REFUNDING REVENUE BONDS,
SERIES 2026B

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Hillsborough County, Florida (the "County"), is issuing its \$609,160,000* Utility Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and its \$14,200,000* Utility Refunding Revenue Bonds, Series 2026B (the "Series 2026B Bonds," and collectively with the Series 2026A Bonds, the "Series 2026 Bonds") as fully registered bonds in denominations of \$5,000 or any integral multiples thereof. The Series 2026 Bonds, when issued and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Ownership interests in the Series 2026 Bonds may be purchased only in book-entry form in denominations of \$5,000 and any integral multiples thereof. Purchasers of beneficial ownership interests in the Series 2026 Bonds will not receive physical certificates representing their ownership interest in such Series 2026 Bonds. So long as the Series 2026 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Series 2026 Bondholders shall mean Cede & Co. and shall not mean the ultimate purchasers of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry Only System" herein.

Interest on the Series 2026 Bonds will be paid semiannually on February 1 and August 1 of each year, commencing February 1, 2027. So long as the Series 2026 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on the Series 2026 Bonds will be made directly to DTC or its nominee, Cede & Co., by the Clerk of the Circuit Court of the County, as Registrar and Paying Agent for the Series 2026 Bonds. Disbursement of such payments to DTC's Participants (as described herein) is the responsibility of DTC.

The Series 2026 Bonds are issued pursuant to and under the authority of the Constitution of the State of Florida, the Hillsborough County Charter, Chapter 159, Part I, Florida Statutes, Chapter 125, Florida Statutes, and other applicable provisions of law, and the Amended and Restated Utility System Resolution No. R03-112 adopted by the Board of County Commissioners (the "Board") of the County on June 4, 2003, as amended and supplemented from time to time, particularly as amended and supplemented by Resolution No. R26-088 (the "2026 Resolution") adopted by the Board on September 2, 2026 (collectively, the "Resolution"). *The 2026 Resolution contains amendments to the Resolution that will become effective upon the receipt by the County of the consent to such amendments from a majority of holders of Bonds then Outstanding. The purchasers that initially purchase Series 2026 Bonds shall be deemed to have irrevocably consented to such amendments as a result of their purchase of the Series 2026 Bonds and through such deemed consent, the amendments are expected to become effective upon the issuance of the Series 2026 Bonds. For the full text of the amendments see the form of the Series 2026 Resolution attached as APPENDIX D-2 hereto. See also "AMENDMENTS TO THE RESOLUTION" herein.*

The Series 2026A Bonds are subject to redemption prior to their respective dates of maturity as described herein. The Series 2026B Bonds are not subject to redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions" herein.

The Series 2026A Bonds are being issued to provide funds sufficient to (i) finance and/or reimburse the costs of all or a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital projects to the County's water and wastewater utility system, (ii) refinance all or a portion of certain interim indebtedness used to finance capital improvements to the System, which includes, but is not limited to, the Outstanding Subordinate Indebtedness (as defined herein), and (iii) pay the costs of issuance of the Series 2026A Bonds. The Series 2026B Bonds are being issued to provide funds sufficient to (i) refund all or a portion of the County's outstanding Utility Revenue Bonds, Series 2016, and (ii) pay the costs of issuance of the Series 2026B Bonds.

The Series 2026 Bonds are payable from and secured by an irrevocable lien on the Pledged Revenues (as defined in the Resolution and described herein) and moneys deposited into the funds and accounts created by the Resolution, and all earnings thereon, all in the manner and to the extent provided in the Resolution. The Pledged Revenues include the Net Revenues (as defined in the Resolution and described herein) derived from the operation of the County's water and wastewater utility system and other funds derived from the operation of the County's water and wastewater utility system, all in the manner and to the extent provided in the Resolution. The lien on the Pledged Revenues securing the Series 2026 Bonds shall be on parity with the lien securing the County's outstanding Utility Revenue Bonds, Series 2016 that are not refunded in connection with the issuance of the Series 2026B Bonds, Utility Refunding Revenue Bonds, Series 2019, Utility Revenue Bonds, Series 2021A, and Utility Refunding Revenue Bonds, Series 2021B and any Additional Parity Bonds (as defined in the Resolution) subsequently issued by the County pursuant to the Resolution, in the manner and to the extent provided in the Resolution. The County also has certain outstanding subordinate indebtedness described herein that is secured by a subordinate and junior lien on the Pledged Revenues. See "SECURITY FOR THE BONDS" herein.

THE SERIES 2026 BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT ARE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY THE SERIES 2026 BONDS OR THE INTEREST THEREON, NOR SHALL ANY SERIES 2026 BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO PAYMENT OF THE SERIES 2026 BONDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

SEE THE INSIDE COVER PAGE HEREOF FOR THE MATURITY SCHEDULES.

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

The Series 2026 Bonds are offered when, as and if issued and received by the underwriters, subject to the unqualified opinion as to legality by Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. Marcelo Llorente P.A., Miami, Florida, is serving as Co-Bond Counsel. Certain legal matters will be passed upon for the County by Julia Mandell, Esq., County Attorney, and certain disclosure matters will be passed upon by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Disclosure Counsel to the County. Ruye H. Hawkins, P.A., Orlando, Florida, is serving as Co-Disclosure Counsel. Squire Patton Boggs (US) LLP, Tampa, Florida, is serving as counsel to the Underwriters. Public Resources Advisory Group, Inc., Tampa, Florida, is acting as Municipal Advisor for the County. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of DTC on or about October 14, 2026.

BofA Securities

J.P. Morgan
Raymond James

Wells Fargo Securities
RBC Capital Markets

Dated: September __, 2026

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2026 Bonds may not be sold nor may offers to buy the Series 2026 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 2026 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 shall deem this Preliminary Official Statement "final," except for certain permitted omissions within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

MATURITY SCHEDULE

\$609,160,000*
HILLSBOROUGH COUNTY, FLORIDA
Utility Revenue Bonds, Series 2026A

\$336,080,000* Serial Bonds

Maturity (August 1)*	Principal Amount*	Interest Rate	Yield	Price	Initial CUSIP Nos.**
2031	\$ 6,990,000				
2032	7,880,000				
2033	8,270,000				
2034	8,680,000				
2035	8,660,000				
2036	9,100,000				
2037	9,555,000				
2038	9,385,000				
2039	9,855,000				
2040	10,305,000				
2041	10,020,000				
2042	10,515,000				
2043	11,050,000				
2044	11,595,000				
2045	12,175,000				
2046	12,785,000				
2047	32,445,000				
2048	34,060,000				
2049	35,765,000				
2050	37,555,000				
2051	39,435,000				

\$273,080,000* ____% Term Bond Due August 1, 2056* ; Yield ____%; Price ____;
CUSIP No. _____**

* Preliminary, subject to change.

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\$14,200,000*
HILLSBOROUGH COUNTY, FLORIDA
Utility Refunding Revenue Bonds, Series 2026B

\$14,200,000* Serial Bonds

Maturity (August 1)*	Principal Amount*	Interest Rate	Yield	Price	Initial CUSIP Nos.**
2032	\$4,500,000				
2033	4,730,000				
2034	4,970,000				

* Preliminary, subject to change.

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**HILLSBOROUGH COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

Ken Hagan Chair
Christine Miller..... Vice Chair
Chris Boles Commissioner
Donna Cameron Cepeda..... Commissioner
Harry Cohen Commissioner
Gwendolyn "Gwen" Myers Commissioner
Joshua Wostal Commissioner

COUNTY ADMINISTRATOR

Bonnie M. Wise

**CLERK OF THE CIRCUIT COURT
AND EX-OFFICIO CLERK OF THE BOARD
OF COUNTY COMMISSIONERS**

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COUNTY ATTORNEY

Julia Mandell, Esq.

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CO-DISCLOSURE COUNSEL

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MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc.
Tampa, Florida

FEASIBILITY CONSULTANT

Raftelis Financial Consultants, Inc.
Maitland, Florida

CONSULTING ENGINEER

Carollo Engineers, Inc.
Tampa, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement neither constitutes an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 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 furnished by the County, DTC (as to itself and its book-entry only system), and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the County. 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 the implication that there has been no change in the affairs of the County since the date hereof.

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 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.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2026 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2026 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2026 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they may

be obtained from the County as provided in the final paragraph under "INTRODUCTION" herein.

Any statements made in this Official Statement involving matters of opinion, forecasts or 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 forecasts or 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.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "anticipate," "intend," "project," "forecast," "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 that 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 OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR IN PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM SUCH WEBSITE OR EMMA.MSRB.ORG.

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OFFICIAL STATEMENT

Relating To

\$609,160,000*	\$14,200,000*
HILLSBOROUGH COUNTY, FLORIDA	HILLSBOROUGH COUNTY, FLORIDA
UTILITY REVENUE BONDS,	UTILITY REFUNDING REVENUE
SERIES 2026A	BONDS, SERIES 2026B

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page and the appendices, is to furnish information with respect to the sale by Hillsborough County, Florida (the "County") of its \$609,160,000* Utility Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and its \$14,200,000* Utility Refunding Revenue Bonds, Series 2026B (the "Series 2026B Bonds," and collectively with the Series 2026A Bonds, the "Series 2026 Bonds").

The Series 2026 Bonds are issued pursuant to and under the authority of the Constitution of the State of Florida, the Hillsborough County Charter, Chapter 159, Part I, Florida Statutes, Chapter 125, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and the Amended and Restated Utility System Resolution No. R03-112 adopted by the Board of County Commissioners (the "Board") of the County on June 4, 2003 (the "Original Resolution"), as amended and supplemented, particularly as amended and supplemented by Resolution No. R10-151, adopted on October 6, 2010 (the "2010 Resolution") and Resolution No. R16-065 adopted on June 2, 2016 (the "2016 Resolution"), and particularly as amended and supplemented by Resolution No. R26-088 (the "2026 Resolution") adopted on September 2, 2026 (collectively, the "Resolution").

The 2026 Resolution contains amendments to the Resolution that will become effective upon the receipt by the County of the consent to such amendments from a majority of holders of Bonds then Outstanding. The purchasers that initially purchase the Series 2026 Bonds shall be deemed to have irrevocably consented to such amendments as a result of their purchase of the Series 2026 Bonds and through such deemed consent, the amendments are expected to become effective upon the issuance of the Series 2026 Bonds. For the full text of the amendments see Section 14 of the 2026 Resolution attached as APPENDIX D-2 hereto. See also "AMENDMENTS TO THE RESOLUTION" HEREIN.

* Preliminary, subject to change.

The Series 2026 Bonds are being issued on a parity with the County's outstanding Utility Revenue Bonds, Series 2016 (the "Series 2016 Bonds") that are not refunded in connection with the issuance of the Series 2026B Bonds (the "Unrefunded Series 2016 Bonds"), Utility Refunding Revenue Bonds, Series 2019 (the "Series 2019 Bonds"), Utility Revenue Bonds, Series 2021A (the "Series 2021A Bonds"), Utility Refunding Revenue Bonds, Series 2021B (the "Series 2021B Bonds") and any Additional Parity Bonds subsequently issued by the County pursuant to the Resolution, in the manner and to the extent provided in the Resolution. The Unrefunded Series 2016 Bonds, the Series 2019 Bonds, the Series 2021A Bonds and the Series 2021B Bonds (collectively, the "Outstanding Parity Bonds") and any Additional Parity Bonds hereafter issued pursuant to the Resolution shall herein be referred to collectively as the "Bonds." The Outstanding Parity Bonds (including the Series 2016 Bonds) are outstanding in the aggregate principal amount of \$411,780,000 as of the date hereof. The County also has certain outstanding subordinate indebtedness described herein that is secured by a subordinate and junior lien on the Pledged Revenues.

Currently, the County expects to issue Additional Parity Bonds in order to finance a portion of the utility system's capital improvement program, including additional improvements related to its One Water Program, as described herein ("CIP"). See "CAPITAL IMPROVEMENT PROGRAM" herein and "APPENDIX C – Combined Report of the Consulting Engineer and Bond Feasibility Consultant attached hereto."

The Series 2026A Bonds are being issued to provide funds sufficient to (i) finance and/or reimburse the costs of all or a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital projects to the County's water and wastewater utility system (the "System"), as more particularly described herein (collectively, the "2026 Project"), (ii) refinance all or a portion of certain interim indebtedness used to finance capital improvements to the System (the "Refunded Short-Term Indebtedness"), which includes, but is not limited to, the Outstanding Subordinate Indebtedness (as defined herein), and (iii) pay the costs of issuance of the Series 2026A Bonds. The Series 2026B Bonds are being issued to provide funds sufficient to (i) refund all or a portion of the County's Outstanding Utility Revenue Bonds, Series 2016, and (ii) pay the costs of issuance of the Series 2026B Bonds. See "PLAN OF FINANCE" herein.

The Series 2026 Bonds are payable from and secured by an irrevocable lien on the Pledged Revenues (as defined in the Resolution and described herein) and moneys deposited into the funds and accounts created by the Resolution, and all earnings thereon, all in the manner and to the extent provided in the Resolution. The Pledged Revenues include the Net Revenues (as defined in the Resolution and described herein) derived from the operation of the County's water and wastewater utility system and other funds derived from the operation of the County's water and wastewater utility system, all in the manner and to the extent provided in the Resolution. The lien on the Pledged Revenues securing

the Series 2026 Bonds shall be on parity with the lien securing the Outstanding Parity Bonds and any Additional Parity Bonds (as defined in the Resolution) subsequently issued by the County pursuant to the Resolution, in the manner and to the extent provided in the Resolution. See "SECURITY FOR THE BONDS" herein.

The Series 2026A Bonds are subject to optional redemption prior to their stated maturities and the Series 2026B Bonds are not subject to redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions" herein.

The County has covenanted to provide certain continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") (the "Rule") relating to the Series 2026 Bonds. See "CONTINUING DISCLOSURE" herein.

The Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Hillsborough County, Florida (the "Clerk") shall serve as the initial Paying Agent and Registrar for the Series 2026 Bonds.

Carollo Engineers, Inc., Tampa, Florida (the "Consulting Engineer") and Raftelis Financial Consultants, Inc., Maitland, Florida (the "Feasibility Consultant"), have been retained by the County to prepare the Combined Report of the Consulting Engineer and Bond Feasibility Consultant (the "Report") in connection with the issuance of the Series 2026 Bonds. The Report is attached hereto as APPENDIX C. **THE REPORT IS AN INTEGRAL COMPONENT OF THIS OFFICIAL STATEMENT. PROSPECTIVE INVESTORS SHOULD CLOSELY REVIEW, IN ITS ENTIRETY, THE REPORT ATTACHED HERETO AS APPENDIX C PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SERIES 2026 BONDS.**

Capitalized terms used but not defined herein have the same meanings as used in the Resolution unless the context would clearly indicate otherwise. Complete descriptions of the terms and conditions of the Series 2026 Bonds are set forth in the 2026 Resolution, which is contained in APPENDIX D-2 of this Official Statement. APPENDIX D-1 includes a composite of the Resolution. The composite of the Resolution includes the Original Resolution as amended to date, including amendments contained in the 2026 Resolution. The descriptions of the Series 2026 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. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the County.

HILLSBOROUGH COUNTY

The County is located on central Florida's west coast with the City of Tampa serving as the County seat. As of April 1, 2025, the County's population was estimated to be 1,575,637. The geographical boundaries of the County encompass approximately 1,266 square miles, of which approximately 215 square miles is water.

The County is a political subdivision of the State of Florida (the "State" or "Florida"), and is governed by the State Constitution, general laws of the State and the County's Charter. Pursuant to the Florida Constitution, counties operating under a charter, such as the County, have all powers of local self-government not inconsistent with general law, and the governing body of such a county may enact ordinances not inconsistent with general law. See "APPENDIX A - General Information Regarding Hillsborough County " attached hereto.

[Remainder of page intentionally left blank]

PLAN OF FINANCE

Capital Improvement and Funding Plan

The County's Water Resources Department (the "WRD" or "Department") has developed a capital improvement program totaling approximately \$2.5 billion of expenditures anticipated to occur during the five Fiscal Years ending September 30, 2030 (the "Forecast Period"). The capital improvement program includes projects initiated before or during the Forecast Period and consists of improvements to the System's water, wastewater and reclaimed-water facilities for renewal and replacement, expansion, regulatory compliance, system reliability and other capital needs. A significant component of the current capital improvement program is the South County One Water Program (the "One Water Program"), which includes water, wastewater and reclaimed-water improvements intended to provide the additional treatment, transmission and supply capacity necessary to address sustained population growth and increasing service demands in the County's South-Central Service Area, while also improving the reliability and redundancy of the System serving that area. The 2026 Project described below consists of portions of certain projects within the One Water Program and represents only a portion of the County's broader capital improvement program.

The County expects to fund the capital improvement program from a combination of proceeds of the Series 2026A Bonds and anticipated Additional Parity Bonds, System revenues and available funds, Pledged Impact Fees, amounts available in the General Purpose Account and the Renewal and Replacement Account, grants and other available sources. The current funding plan anticipates that approximately two-thirds of the Forecast Period capital expenditures will be funded from bond proceeds, with the balance funded from non-bond sources. The timing and amounts of the respective funding sources may change based upon actual project costs and schedules, expenditures and contract-encumbrance requirements, available System resources and other relevant considerations. See "CAPITAL IMPROVEMENT PROGRAM" and "OPERATING AND FINANCIAL RESULTS - Summary of Projected Operating Results" herein and "APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant."

The capital improvement and funding plan was developed in consideration of the County's adopted rate plan and available interim financing capacity. The Rate Resolution (as defined herein) provides for separate annual fixed-rate adjustments of 5% through Fiscal Year 2032, in addition to the annual Price Index adjustment authorized through Fiscal Year 2035. These approved adjustments are reflected in the projected operating results and, together with available System revenues and funds, are expected to provide revenue support for the County's capital funding and debt-service requirements. See "RATES, FEES AND CHARGES - Annual Price Index Adjustment" and "- Additional Rate Adjustment" and "OPERATING AND FINANCIAL RESULTS - Summary of Projected Operating Results" herein.

Multi-Year Financing Plan

To complement the County's approved rate plan and provide funding and contract-encumbrance capacity as projects progress, the County has used, and expects to continue to use, a combination of interim financing and long-term fixed-rate bonds. Interim financing includes amounts allocated to the Department under the County's existing Commercial Paper Program and amounts available under the County's revolving and non-revolving subordinate credit facilities. Commercial Paper issued for System capital improvements constitutes Other Indebtedness under the Resolution and is not secured by Pledged Revenues of the System, although the County currently expects to use System Net Revenues to pay costs attributable to Commercial Paper issued for such purposes. Advances under the revolving and non-revolving credit facilities constitute Subordinate Indebtedness under the Resolution and are junior and subordinate to the Bonds. Proceeds of the Series 2026A Bonds and anticipated Additional Parity Bonds are expected to repay applicable interim advances and provide additional funding for capital expenditures. This financing plan permits the County to enter into and fund capital-project contracts in advance of the related long-term bond financings and provides flexibility to align the timing and amounts of such financings with actual project expenditures and contract-encumbrance requirements, available financing capacity and market conditions. See "THE SYSTEM - Subordinate Indebtedness" herein.

Based on the current capital and financing plan, the County anticipates four senior-lien bond financings consisting of the Series 2026A Bonds and three series of Additional Parity Bonds currently expected to be issued in approximately the following amounts and periods: approximately \$609,160,000 of Series 2026A Bonds in 2026; approximately \$411.3 million of Series 2027A Bonds in Fiscal Year 2028; approximately \$392.1 million of Series 2029A Bonds in Fiscal Year 2029; and approximately \$285.6 million of Series 2030A Bonds in Fiscal Year 2031. The amounts, timing and structure of the anticipated Additional Parity Bonds are preliminary and may change based upon actual project costs and schedules, capital expenditure requirements, available System resources and interim financing capacity, market conditions and other relevant considerations. The issuance of any Additional Parity Bonds also will be subject to satisfaction of the applicable requirements of the Resolution. See "SECURITY FOR THE BONDS - Additional Parity Bonds" herein.

The Series 2026A Bonds represent the first senior-lien financing contemplated under the County's current multi-year capital and financing plan. Proceeds of the Series 2026A Bonds are expected to finance or reimburse a portion of the costs of the 2026 Project, repay a portion of the interim indebtedness incurred to finance such costs and pay related costs of issuance. The Series 2026B Bonds are being issued to refund a portion of the Series 2016 Bonds for debt-service savings and are not being issued to fund any portion of the 2026 Project. See "- The 2026 Project," "- Refunding of Series 2016 Bonds" below and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2026 Project

The Series 2026A Bonds are being issued to finance or reimburse a portion of the costs of the 2026 Project, repay certain interim indebtedness incurred to finance such costs and pay related costs of issuance. The 2026 Project consists of the acquisition, construction and equipping of portions of the County's One Water Program, including but not limited to, the following capital improvements to the System:

- South County Drinking Water Facility Phase 1 construction;
- South County One Water Campus advance wastewater treatment facility design and construction;
- South County Reclaimed Pipeline Improvements;
- Balm Road Super Lift Station design, permitting and construction; and
- South Central Wastewater Pipeline improvements

Startup of the South County Drinking Water Facility is coordinated with and contingent upon completion of Tampa Bay Water's regional transmission pipeline, which is scheduled for completion in late 2028. The County is a funding partner for the pipeline segment that will supply the new facility. See "CAPITAL IMPROVEMENT PROGRAM" herein and "APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant - Capital Improvement Program - The 2026 Project" for additional information concerning the 2026 Project and the One Water Program.

Additionally, proceeds of the Series 2026A Bonds will be used to repay the Refunded Short-Term Indebtedness. Proceeds of the Refunded Short-Term Indebtedness were used to finance, on an interim basis, certain costs of the 2026 Project.

Refunding of Series 2016 Bonds

The County issued the Series 2016 Bonds in the original principal amount of \$207,795,000, of which \$182,540,000 is currently outstanding. Pursuant to the Resolution, the County has determined it to be in its best interest to refund all or a portion of the outstanding Series 2016 Bonds (the "Refunded Bonds") with proceeds of the Series 2026B Bonds and other legally available moneys of the County in order to achieve debt service savings.

Concurrently with the delivery of the Series 2026B Bonds, a portion of the proceeds of the Series 2026B Bonds, together with other legally available moneys, shall be deposited into an escrow account (the "Escrow Account") pursuant to the terms and provisions of an Escrow Deposit Agreement between the County and Hancock Whitney Bank, as Escrow Holder thereunder (the "Escrow Deposit Agreement"). A portion of the moneys deposited

pursuant to the Escrow Deposit Agreement shall be invested in certain United States Treasury obligations (the "Escrow Securities"), the maturing amounts and earnings on which, together with the uninvested cash on deposit therein, shall be sufficient to pay the principal of and interest on the Refunded Bonds when due. The Refunded Bonds are expected to be called for redemption on [MONTH] [___], 2026 (the "Redemption Date") at a redemption price of 100% of the principal amount of such Refunded Bonds, plus accrued interest to the Redemption Date. Upon the deposit of such moneys in the Escrow Account, in the opinion of Bond Counsel, rendered in reliance upon certain mathematical computations performed by Public Resources Advisory Group, Inc., the County's Municipal Advisor, as verified by Robert Thomas CPA, LLC (the "Verification Agent") as described below, pursuant to Article XII of the Resolution, the presents and rights granted by the Resolution have ceased, terminated and become void and the Refunded Bonds are deemed paid within the meaning of the Resolution and are no longer Outstanding thereunder. The holders of the Refunded Bonds shall have no right or lien under the Resolution other than the right to receive payment pursuant to the Escrow Deposit Agreement.

Upon delivery of the Series 2026 Bonds, the Verification Agent will verify the accuracy of the arithmetical computations of the adequacy of the Escrow Securities and uninvested cash to be held in the Escrow Account to pay the principal and interest on the Refunded Bonds through the Redemption Date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2026 Bonds, and certain other legally available monies, are expected to be applied as follows:

	SERIES 2026A BONDS	SERIES 2026B BONDS	TOTAL
SOURCES:			
Principal Amount	\$	\$	\$
[Plus/Less]: [Net] Original Issue			
[Premium/Discount]			
Other Legally Available Moneys ⁽¹⁾			
TOTAL SOURCES:	\$	\$	\$
USES:			
Deposit to Construction Account ⁽²⁾	\$	\$	\$
Refinance Refunded Short-Term			
Indebtedness			
Deposit to Escrow Account ⁽³⁾			
Costs of Issuance ⁽⁴⁾			
TOTAL USES:	\$	\$	\$

⁽¹⁾ Represents certain amounts held in funds and accounts that are allocable to the Refunded Bonds.

⁽²⁾ To be applied to pay costs of the 2026 Project. See "PLAN OF FINANCE - The 2026 Project" herein.

⁽³⁾ To be applied to refund the Refunded Bonds in accordance with the Escrow Deposit Agreement. See "PLAN OF FINANCE - Refunding of Series 2016 Bonds" herein.

⁽⁴⁾ Includes underwriter's discount, legal, municipal advisory, professional, administrative and other customary costs of issuance.

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DESCRIPTION OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be dated the date of delivery, will be issued in fully registered form, without coupons, in the denominations of \$5,000 each or integral multiples thereof, maturing on August 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. The Series 2026 Bonds will bear interest at the rates set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest on the Series 2026 Bonds will be payable semiannually on August 1 and February 1 of each year, commencing on February 1, 2027. Interest on the Series 2026 Bonds will be payable in lawful money of the United States of America by check or draft of the Clerk, as Paying Agent, mailed to the registered owners thereof as their addresses may appear on the registration books of the County at the close of business on the fifteenth day, whether or not a Business Day, of the month next preceding each interest payment date (the "Record Date"), as more particularly described in the Resolution. Notwithstanding the foregoing, a registered owner of Series 2026 Bonds in the principal amount of \$1,000,000 or more may, upon written request made to the Paying Agent at least fifteen (15) calendar days before the applicable Record Date, provide for payment by wire transfer, all as provided in the Resolution. Principal of and redemption premium, if any, on the Series 2026 Bonds will be payable upon presentation and surrender thereof at the principal office of the Paying Agent.

Book-Entry Only System

THE FOLLOWING INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND OTHER SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE AND THE COUNTY DOES NOT TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 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 each series of the Series 2026 Bonds and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2026 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH

RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2026 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2026 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

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 & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond (the "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 2026 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 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 the Series 2026 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 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 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. Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2026 Bonds, as the case may be, to be redeemed. Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 documents. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 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 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 with securities registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County. 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 2026 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 2026 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event and upon compliance with applicable DTC procedures, Series 2026 Bond certificates will be printed and delivered.

Transfer of Series 2026 Bonds

So long as the Series 2026 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of beneficial ownership interests in the Series 2026 Bonds will not apply to the Series 2026 Bonds and the transfer and registration of beneficial ownership interests in the Series 2026 Bonds will be governed by the rules and procedures of DTC as generally described under "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System," above.

The Registrar shall keep books for the registration of and for the registration of transfers of Series 2026 Bonds as provided in the Resolution. The transfer of any Series 2026 Bonds may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Series 2026 Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration or transfer, the County shall execute and an authorized officer of the Registrar shall authenticate and deliver in exchange for such Series 2026 Bond, a new Series 2026 Bond or Series 2026 Bonds registered in the name of the transferee, of the same series and in an aggregate principal amount equal to the principal amount of such Series 2026 Bond or Series 2026 Bonds so surrendered.

In all cases in which Series 2026 Bonds shall be exchanged, the County shall execute and an authorized officer of the Registrar shall authenticate and deliver, at the earliest practicable time, a new Series 2026 Bond or Series 2026 Bonds in accordance with

the provisions of the Resolution. All Series 2026 Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Registrar. The County or the Registrar may make a charge for every such exchange or registration of transfer of Series 2026 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Series 2026 Bondholder for the privilege of exchanging or registering the transfer of Series 2026 Bonds under the provisions of the Resolution. Neither the County nor the Registrar shall be required to make any such exchange or registration of transfer of Series 2026 Bonds during the fifteen (15) days immediately preceding any interest payment date.

Redemption Provisions

Optional Redemption of Series 2026A Bonds. The Series 2026A Bonds maturing on or before August 1, 20[] are not subject to optional redemption prior to maturity. The Series 2026A Bonds maturing on or after August 1, 20[], are subject to redemption prior to their stated dates of maturity at the option of the County in whole or in part on any date on or after August 1, 20[], and if in part, from such maturities as the County shall designate, at the Redemption Price of par plus accrued interest to the redemption date.

No Optional Redemption of Series 2026B Bonds. The Series 2026B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption of Series 2026A Bonds. The Series 2026A Bonds maturing on August 1, 20[] are subject to mandatory redemption prior to their stated dates of maturity, in part, to be selected in the manner described below, from Amortization Installments deposited by the County in the Debt Service Account, at the principal amount thereof, unless purchased pursuant to the operation of such Account, plus accrued interest to the redemption date, on August 1 of the years and on the date set forth in the redemption notice and in the principal amounts, both as set forth below:

<u>Year</u>	<u>Principal Amount</u>

*

*Final Maturity

The Series 2026A Bonds maturing on August 1, 20[] are subject to mandatory redemption prior to their stated dates of maturity, in part, to be selected in the manner described below, from Amortization Installments deposited by the County in the Debt Service Account, at the principal amount thereof, unless purchased pursuant to the operation of such Account, plus accrued interest to the redemption date, on August 1 of the

years and on the date set forth in the redemption notice and in the principal amounts, both as set forth below:

<u>Year</u>	<u>Principal Amount</u>

*

*Final Maturity

Notice of Redemption. Notice of redemption shall be given by the deposit in the U.S. mail of a copy of said redemption notice, postage prepaid, at least 30 days before the redemption date to all registered owners of the Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed at their addresses as they appear fifteen days prior to the date such notice is mailed on the registration books to be maintained in accordance with the provisions of the Resolution. Failure to mail any such notice to a registered owner of a Series 2026 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2026 Bond or portion thereof with respect to which no failure or defect occurred.

Each notice shall set forth the date fixed for redemption of the Series 2026 Bonds being redeemed, the redemption price to be paid, the original issue date of such Series 2026 Bonds, the maturity date and rate of interest borne by each Series 2026 Bond being redeemed, the name, address and telephone number of the person designated by the Registrar to be responsible for such redemption and, if less than all of the redeemable Series 2026 Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP Numbers, if any, of such Series 2026 Bonds to be redeemed and, in the case of Series 2026 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2026 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2026 Bond shall also state that on or after the redemption date, upon surrender of such Series 2026 Bond, a new Series 2026 Bond or Series 2026 Bonds in a principal amount equal to the unredeemed portion of such Series 2026 Bond will be issued.

Any notice mailed as provided in this Resolution and described above shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2026 Bond receives such notice.

The County may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of rescission shall be mailed in the manner described above

to all affected Series 2026 Bondholders not later than three business days prior to the date of redemption.

So long as the Series 2026 Bonds are registered in the name of DTC or its nominee, notice of redemption shall only be given on behalf of the County to Cede & Co., or any successor securities depository. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System," above.

AMENDMENTS TO THE RESOLUTION

On September 2, 2026, the Board adopted the 2026 Resolution authorizing the issuance of the Series 2026 Bonds and approving certain amendments to the Resolution (the "Amendments"), a copy of which is attached hereto as "APPENDIX D-2 – 2026 Resolution." The Amendments include, among other things, substantive changes to certain definitions, elimination of certain definitions, changing the provider of the certification regarding the issuance of Additional Bonds to the Clerk, extending the deadline by which the County is required to complete its audit, providing for the deposit of certain excess Impact Fees, along with other changes to improve the County's flexibility and clarify the County's rights and obligations in a manner consistent with many modern bond resolutions. **By purchasing the Series 2026 Bonds, the holders thereof shall be deemed to have provided their irrevocable written consent to the Amendments in accordance with the requirements of the Resolution and to have waived any irregularities in connection therewith. Such Amendments are expected to be effective upon the issuance of the Series 2026 Bonds and shall be binding on all future Bondholders. See "SECURITY FOR THE BONDS" herein, and "APPENDIX D-2 – 2026 Resolution" attached hereto for a complete description of such Amendments.**

The most significant amendments are described briefly below alphabetically by subject area, but the following does not describe each and every amendment and is subject in all respects to the actual text of the amendments shown in "APPENDIX D-2 – 2026 Resolution" attached hereto. The composite of the Resolution with all amendments incorporated is attached hereto as APPENDIX D-1.

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Amendment & Section

Annual Audit Timing – Section 11.06

Bond Service Requirement Definition – Section 2.02

Cost of Operation and Maintenance Definition – Section 2.02

Disposition of Contracted Water Supply Impact Fees – Section 9.04

Summary

- The County's requirement to have its financial statements audited within 180 days after the close of the Fiscal Years has been revised to 270 days consistent with current accounting practices.
- Clarifies all Bonds which are subject to purchase pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of the calculation the Bond Service Requirement
- Adds the concept of Balloon Indebtedness for Bonds that have 25% or more of the original principal amount of a Series which matures during any one Bond Year. Such debt that constitutes Balloon Indebtedness shall be determined assuming it is amortized over 30 years (from the date of calculation) on an approximately level annual debt service basis.
- The definition of Cost of Operation and Maintenance excludes certain Cost of Contracted Water Supply. The amendments incorporate additional exclusions for the Cost of Contracted Water Supply for (i) contractual payments by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System (whether or not such assets are owned by the Issuer) that would otherwise be considered Cost of Contracted Water Supply, (ii) payments made by the County under subscription-based information technology arrangements, and (iii) infrequent or non-annually recurring expenditures associated with cleanup or debris removal following major storm or other natural disaster events.
- Contracted Water Supply Impact Fees previously remained in the Pledged Water Impact Fee Account after transfers were made to the Operation and Maintenance Account for the payment of the Debt Service Component and used to make the same transfer in subsequent Fiscal Years.

	• As amended the County will now annually transfer the remaining Contracted Water Supply Impact Fees to the General Purpose Account to be used for any use allowed by law relating to the provisions of water capacity or expansion.
Gross Revenues Definition – Section 2.02	• The definition of Gross Revenues, which includes transfers from the Rate Stabilization Account to the General Revenue Account, is revised to be such transfers to the extent they occur within 120 days of the end of the subject Fiscal Year.
Investment Obligations Definition – Section 2.02	• The definition of Investment Obligations is revised to align squarely with the County's written investment policy.
Issuance of Additional Bonds – Section 11.15	• The Issuance of Additional Bonds previously required a certificate and certifications be provided by an independent certified public accountant. Such certificate and certifications shall now be provided by the Clerk.
Provisions for Redemption – Section 6.09	• The amendments to the provisions of redemption simplify the notice procedures to remove requirements which are non-functional with current practices.

The County currently anticipates that the effective date of the Amendments will occur simultaneously with the issuance of the Series 2026 Bonds.

The statements contained in this Official Statement that purport to summarize provisions of the Resolution contain summaries of the Resolution as of the date of issuance of the Series 2026 Bonds, which take into account the implementation of such amendments.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS SHOULD REVIEW ALL OF THE AMENDMENTS IN "APPENDIX D-2 – 2026 Resolution" ATTACHED HERETO FOR THE COMPLETE TEXT THEREOF.

The Underwriters are not providing consent to or approval of the herein described Amendments and the County will not deem such Amendments to have been consented to or approved by the Underwriters as a result of the Underwriters' purchase of the Series 2026 Bonds in their capacity as underwriter as defined in Section 2(a)(11) of the Securities Act of 1933, as amended.

DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service schedule for the Outstanding Parity Bonds and the Series 2026 Bonds.

Bond Year Ending August 1	Total Debt Service on Outstanding Parity Bonds⁽¹⁾	Principal	Interest	Total	Aggregate Annual Debt Service
2027	\$ 25,544,606.26	\$	\$	\$	\$
2028	25,542,156.26				
2029	25,541,656.26				
2030	25,540,106.26				
2031	25,546,256.26				
2032	25,540,456.26				
2033	25,544,706.26				
2034	25,545,756.26				
2035	25,548,356.26				
2036	25,543,506.26				
2037	25,542,606.26				
2038	26,188,256.26				
2039	26,190,106.26				
2040	26,232,087.50				
2041	27,030,937.50				
2042	27,037,587.50				
2043	27,030,825.00				
2044	27,036,325.00				
2045	27,034,625.00				
2046	27,036,475.00				
2047	8,016,125.00				
2048	8,019,000.00				
2049	8,017,375.00				
2050	8,016,250.00				
2051	8,015,500.00				
2052					
2053					
2054					
2055					
2056					
Totals	\$561,881,643.88				

⁽¹⁾ Includes debt service on the Series 2016 Bonds.

SECURITY FOR THE BONDS

General

The payment of the principal of, interest, and premium, if any, on the Bonds is equally and ratably secured by an irrevocable lien on the Pledged Revenues and moneys deposited into the funds and accounts created by the Resolution, and all earnings thereon, all in the manner and to the extent provided in the Resolution, prior and superior to all other liens or encumbrances on the Pledged Revenues and as provided in the Resolution. "Pledged Revenues" is defined in the Resolution to mean, collectively, Net Revenues, Pledged Impact Fees, proceeds from the sale or condemnation of property of the System and proceeds from property and casualty insurance insuring the System's property, any Qualified Derivative Payments and Federal Direct Payments received by the County. The County is not currently a party to, nor does it presently expect to be a party in the immediate future to, any Qualified Derivative Agreement. See "SECURITY FOR THE BONDS - Qualified Derivative Agreements" herein.

The County also has certain outstanding indebtedness which is junior and subordinate to the Bonds. See "THE SYSTEM - Subordinated Indebtedness" herein.

"Net Revenues" is defined in the Resolution as the Revenues or Gross Revenues after deduction of the Cost of Operation and Maintenance.

"Gross Revenues" or "Revenues" is defined in the Resolution as all fees, revenues, charges, income or earnings, including any income from the investment of funds unless otherwise provided in the Resolution, derived by the County from the operation of the System, including, but not limited to accrued guaranteed revenue fees ("AGRF") and Installation Charges, non-ad valorem special assessments, to the extent legally available, of the System that do not secure other indebtedness, transfers from the Rate Stabilization Account to the General Revenue Account which occur within 120 days of the end of the subject Fiscal Year, and any other operating grants received from the County or other governmental agencies, provided, however, that Gross Revenues or Revenues shall not include: (1) proceeds from the sale of any Bonds, (2) proceeds from insurance or the disposition of property to the extent otherwise provided by the Resolution, (3) non-operating grants from the County or other governmental agencies and interest earned on such grants, (4) any capacity or impact fees whether or not pledged under the Resolution, (5) unrealized losses or gains from investments, (6) any non-ad valorem special assessments which are levied and imposed to provide installment financing of any Impact Fees, (7) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the County in lieu of levying or imposing Impact Fees, (8) moneys deposited into the Rate Stabilization Account from the General Revenue Account in the Fiscal Year of such deposit into the Rate Stabilization Account, or (9) Federal Direct Payments.

Impact fees are referred to as "Capacity Fees" under the Resolution until the effectiveness of the amendments in the 2026 Resolution.

"Cost of Operation and Maintenance" is defined in the Resolution as the current expenses, paid or accrued, of operations, maintenance and repair of the County's System, as calculated in accordance with generally accepted accounting principles for public utilities. The Cost of Operation and Maintenance shall include the Cost of Contracted Water Supply (except as provided in (vi) below), but shall not include (i) any reserve for renewals and replacements (except to the extent contemplated under the Federal Clean Water Act, 33 U.S.C.A. 1251 et seq., and the regulations promulgated thereunder, with respect to certain equipment replacement), extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of, interest, and premium, if any, on the Bonds and all other notes, bonds and similar obligations of the County, (iii) any expense resulting from a recharacterization from capital expenditure to expense of moneys expended from the Construction Account for any Project or portion thereof which is abandoned pursuant to Section 9.02 of the Resolution, (iv) any cost or expense funded or reimbursed from the Renewal and Replacement Account or funded or reimbursed from a grant from a governmental body other than the County, (v) payments in lieu of taxes, (vi) contractual payments by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System (whether or not such assets are owned by the Issuer) that would otherwise be considered Cost of Contracted Water Supply, (vii) payments made by the County under subscription-based information technology arrangements, or (viii) infrequent or non-annually recurring expenditures associated with cleanup or debris removal following major storm or other natural disaster events. The foregoing notwithstanding, in calculating Net Revenues for purposes of determining compliance with the rate covenant and the Additional Parity Bonds test when calculating "Cost of Operation and Maintenance" described above, the Cost of Contracted Water Supply shall be reduced by the portion of the Debt Service Component paid by the Contracted Water Supply Impact Fees.

Certain debt service costs of Tampa Bay Water, a Regional Water Supply Authority, the successor to the West Coast Regional Water Supply Authority ("Tampa Bay Water" or the "Authority"), are paid by the County pursuant to certain water supply contracts as a Cost of Operation and Maintenance of the System and are therefore payable from Gross Revenues before the payment of debt service on the Bonds. Such costs constitute a "Cost of Contracted Water Supply" under the Resolution. See "THE SYSTEM – Water System - *Supply*" herein.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT ARE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO THE PAYMENT OF

THE BONDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY THE BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO PAYMENT OF THE BONDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

See "APPENDIX D-1 – Composite of the Resolution" attached hereto for definitions of capitalized terms used herein and for a more complete description of the security for the Bonds.

Flow of Funds

The Resolution establishes a Utilities Bond Fund and various accounts therein: the "Construction Account," the "General Revenue Account," the "Operation and Maintenance Account," the "Debt Service Account" (including a "Federal Direct Payments Subaccount" therein), the "Reserve Account," the "Renewal and Replacement Account," the "Swap Obligations Account," if any, the "Subordinate Indebtedness Account," the "Other Indebtedness Account," the "Rebate Account," the "Rate Stabilization Account," the "General Purpose Account," the "Pledged Water Impact Fee Account," the "Pledged Wastewater Impact Fee Account" and the "Contracted Water Supply Impact Fee Account." Such accounts are funds held in trust by the County for the purposes provided in the Resolution. The accounts (except the Rebate Account) are subject to a lien and charge in favor of the Bondholders, and shall at all times be kept separate and distinct from all other funds of the County (except to the extent that pooled investments are specifically authorized by the Resolution) and used only as provided in the Resolution.

All Gross Revenues are required to be deposited into the General Revenue Account immediately upon receipt. All Federal Direct Payments received in connection with BABs shall be deposited by the County into the Federal Direct Payments Subaccount of the Debt Service Account. Amounts on deposit in the General Revenue Account are required to be disposed of on or before the 15th day of each month, in the following order and priority:

First, to the Operation and Maintenance Account, an amount which, together, with other amounts deposited therein from the Contracted Water Supply Impact Fee Account (to pay the Debt Service Component of the Cost of Contracted Water Supply) and all other funds then on deposit therein, will equal the amount required to pay the Cost of Operation and Maintenance for the month following the month of such deposit. All monthly deposits into the Operation and Maintenance Account from the Contracted Water Supply Impact

Fee Account shall be made before the amount of the required monthly deposit into the Operation and Maintenance Account from the General Revenue Account is calculated.

Second, into the Debt Service Account an amount which, together with amounts deposited therein from the Pledged Water Impact Fee Account and the Pledged Wastewater Impact Fee Account, and other deposits made therein, will equal 1/6th of the interest payable on the Bonds on the next interest payment date, 1/12th of all principal maturing during the current Bond Year with respect to Serial Bonds that mature annually, 1/6th of all principal maturing on the next maturity date in such Bond Year on all Serial Bonds that mature semi-annually, 1/12th of the next Amortization Installment due with respect to Term Bonds, and 1/6th of the next Amortization Installment with respect to all Term Bonds which come due semi-annually and which come due on the next redemption date in such Bond Year, until there are sufficient funds then on deposit equal to the sum of the interest, principal and Amortization Installments due on the Bonds on the next interest, principal and redemption dates in such Bond Year. All monthly deposits into the Debt Service Account from the Pledged Water Impact Fee Account or Pledged Wastewater Impact Fee Account shall be made before the amount of the required monthly deposit into the Debt Service Account from the General Revenue Account is calculated.

On a Parity with the foregoing deposits into the Debt Service Account, into the Swap Obligations Account, a pro rata estimated amount necessary to build up over time the amount of any Qualified Derivative Payment which will next be due and payable or reasonably expected to be due and payable under any Qualified Derivative Agreement on the next payment date thereunder; provided, however, that the monthly amount to be so deposited may be adjusted, as appropriate, to reflect the frequency of payment dates thereunder (e.g., if Qualified Derivative Payments are required to be made semi-annually, the County shall be required to monthly deposit an amount which is estimated to equal one-sixth (1/6th) of the next Qualified Derivative Payment). **Currently, there are no outstanding Qualified Derivative Agreements and the County has no current intention to enter into any such Qualified Derivative Agreement.**

Funds on deposit in the Debt Service Account shall be used solely for the payment at maturity or redemption of principal or Amortization Installment of, interest on and any redemption or premiums required with respect to the Bonds and to pay the fees and costs of the Paying Agent and the Registrar, if any. Deposits shall be increased or decreased to the extent required to pay principal, interest and Qualified Derivative Payments coming due, after making allowance for any accrued and capitalized interest and Federal Direct Payments allocated to the payment of interest on Bonds, which have been received and deposited in the Federal Direct Payments Subaccount or for which moneys have been set aside in the Federal Direct Payments Subaccount in an amount not less than the anticipated amount of such Federal Direct Payments and deposited in the Federal Direct Payments Subaccount. Additionally, if variable rate Bonds are outstanding on the 15th day of such month, the County shall deposit into the Debt Service Account in lieu of the one-sixth

(1/6th) interest deposit described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the 15th day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month. Monthly deposits into the Debt Service Account shall be increased as necessary to pay fees and costs billed by the Registrar and the Paying Agent, if any.

Third, to the Reserve Account, an amount which, together with amounts concurrently deposited therein from the Pledged Water Impact Fee Account and the Pledged Wastewater Impact Fee Account and other funds therein on deposit therein will be sufficient to make the amount on deposit therein equal to the Reserve Requirement. In lieu of the deposit of money into the Reserve Account, the County may deposit an insurance policy or surety bond therein. See "SECURITY FOR THE BONDS – No Reserve Funding for Series 2026 Bonds" herein.

Fourth, to the Renewal and Replacement Account, an amount equal to 1/12th of five percent of the Gross Revenues for the preceding Fiscal Year or such greater or lesser amount as shall be determined by the Qualified Independent Consultant, plus an amount equal to unrestored withdrawals made to cure deficiencies in the Debt Service Account, until the amounts on deposit therein are equal to the Renewal and Replacement Account Requirement; provided, however, that (a) such Renewal and Replacement Account Requirement may be increased or decreased as the Qualified Independent Consultant shall certify to the County is necessary for the purposes of the Renewal and Replacement Account, and (b) in the event that the Qualified Independent Consultant shall certify that the Renewal and Replacement Account Requirement is excessive for the purposes of the Renewal and Replacement Account such excess amount as may be on deposit therein may be used by the County for any lawful purpose relating to the System. In determining the amounts on deposit or required to be deposited into the Renewal and Replacement Account, including the determination of satisfaction of the Renewal and Replacement Account Requirement, the Qualified Independent Consultant shall take into account: (i) moneys in the General Purpose Account and Construction Account and (ii) available proceeds from Subordinate Indebtedness and non-operating grants that, in each case, have been dedicated by the County to be applied toward the purposes that are comparable to the use of funds on deposit in the Renewal and Replacement Account.

Fifth, to the Subordinate Indebtedness Account, an amount sufficient to pay debt service, reserve, rebate, credit enhancement and other required payments and deposits with respect to any Subordinate Indebtedness then outstanding, including any payment obligations under a Qualified Derivative Agreement to the extent such costs do not constitute Qualified Derivative Payments.

Sixth, to the Other Indebtedness Account, an amount sufficient to pay debt service, reserve, rebate, credit enhancement and other required payments and deposits with respect to any Other Indebtedness then outstanding.

Seventh, to the Rate Stabilization Account in such amounts as shall be determined from time to time by the County.

Eighth, the County may make a transfer to its General Fund as payments in lieu of taxes; provided, however, such transfers in any Fiscal Year shall not exceed ten percent (10%) of Gross Revenues of the System received by the County in such Fiscal Year.

Ninth, the balance of any moneys remaining in the General Revenue Account after making the deposits referred to above may be deposited by the County in the General Purpose Account and paid to the County for open market purchase and/or redemption of the Bonds or may be used for any lawful purpose relating to the System; provided, however, such moneys may not be used for any purposes other than those specified in paragraphs identified First through Fourth above, unless all current payments, including any deficiencies for prior payments, have been made in full and the County shall have complied fully with the provisions and covenants of the Resolution.

Pledged Impact Fees

"Pledged Impact Fees" means, collectively, the Pledged Water Impact Fees and the Pledged Wastewater Impact Fees.

"Pledged Water Impact Fees" means the Water Impact Fees, less the Contracted Water Supply Impact Fees, including any income from the investment of funds deposited into the Pledged Water Impact Fee Account; provided, however, that "Pledged Water Impact Fees" in each year shall not exceed (a) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Water Expansion Project Percentage, plus (b) the Water Impact Fee Carryforward Amount.

"Water Impact Fees" means the water impact fees received during the Fiscal Year as described in the Ordinance and all other nonrefundable (except at the option of the County) impact fees, capital expansion fees, system improvement fees or other similar fees and charges separately imposed by the County against benefited properties as a capacity, connection or impact fee or charge for the proportionate share of the capital cost associated with providing, expanding, oversizing or constructing new additions to the Water System (including for the purposes of this definition, those by the Authority that are included as a cost component of the Impact Fee imposed by the County) acquired to serve such properties, including without limitation any non-ad valorem special assessments which are levied and imposed to provide installment financing of any Water Impact Fees to the extent not pledged to secure other special assessment obligations of the County; provided, however, the term "Water Impact Fees" does not include (i) AGRF, (ii) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the County in lieu of imposing Water Impact Fees, or (iii) any non-ad valorem special assessments which are pledged to secure other special assessment obligations of the County,

and which were levied and imposed to provide installment financing of any Water Impact Fees.

"Water Expansion Project Percentage" means that number, expressed as a percentage, which represents that portion of the total cost of any Project or Projects financed or refinanced from the proceeds of the Bonds which is attributable to any improvements, extensions and additions to the Water System, together with all lands or interest therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property real or personal, tangible or intangible, heretofore or hereafter constructed or acquired in order to meet the increased demand upon the Water System, whether actual or anticipated, created by new users connecting to the Water System, as shall be determined by the Qualified Independent Consultant and set forth in a certificate each time a Series of Bonds is issued under the Resolution. The Water Expansion Project Percentage is estimated to equal approximately 100% as of the date of the delivery of the Series 2026 Bonds.

"Water Impact Fee Carryforward Amount" means, as calculated once per year as of September 30th, (a) the amount of debt service on the Bonds or any indebtedness refinanced thereby which legally could have been paid with Water Impact Fees pursuant to resolution of the County since October 1, 1986, less (b) the amount of debt service on the Bonds or any indebtedness refinanced thereby which has actually been paid with Water Impact Fees since October 1, 1986. The Water Impact Fee Carryforward Amount was estimated to equal \$606,480 as of September 30, 2025.

"Pledged Wastewater Impact Fees" means the Wastewater Impact Fees including any income from the investment of funds deposited into the Pledged Wastewater Impact Fee Account; provided, however, that the "Pledged Wastewater Impact Fees" in each year shall not exceed (a) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Wastewater Expansion Project Percentage, plus (b) the Wastewater Impact Fee Carryforward Amount.

"Wastewater Impact Fees" means the wastewater impact fees received during the Fiscal Year as described in the Ordinance and all other nonrefundable (except at the option of the County), impact fees, capital expansion fees, system improvement fees or other similar fees and charges separately imposed by the County against benefited properties as a capacity, connection or impact fee or charge for the proportionate share of the capital cost associated with providing, expanding, oversizing or constructing new additions to the Wastewater System acquired to serve such properties, including without limitation any non-ad valorem special assessments which are levied and imposed to provide installment financing of any Wastewater Impact Fees to the extent not pledged to secure other special assessment obligations of the County; provided, however, the term "Wastewater Impact Fees" does not include (i) ACRF, or (ii) the proceeds of bonds or other indebtedness which is secured by non ad valorem special assessments levied or imposed by the County in lieu of imposing Wastewater Impact Fees, or (iii) any non-ad valorem special assessments

which are pledged to secure other special assessment obligations of the County, and which were levied and imposed to provide installment financing of any Wastewater Impact Fees.

"Wastewater Expansion Project Percentage" means that number, expressed as a percentage, which represents that portion of the total cost of any Project or Projects financed or refinanced from the proceeds of the Bonds which is attributable to any improvements, extensions and additions to the Wastewater System, together with all lands or interest therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property real or personal, tangible or intangible, heretofore or hereafter constructed or acquired in order to meet the increased demand upon the Wastewater System, whether actual or anticipated, created by new users connecting to the Wastewater System, as shall be determined by the Qualified Independent Consultant and set forth in a certificate each time a Series of Bonds is issued under the Resolution. The Wastewater Expansion Project Percentage is estimated to equal approximately 100% as of the date of delivery of the Series 2026 Bonds.

"Wastewater Impact Fee Carryforward Amount" means, as calculated once per year as of September 30th, (a) the amount of debt service on the Bonds or any indebtedness refinanced thereby which legally could have been paid with Wastewater Impact Fees pursuant to Resolution of the County since October 1, 1986, less (b) the amount of debt service on the Bonds or any indebtedness refinanced thereby which has actually been paid with Wastewater Impact Fees since October 1, 1986. The Wastewater Impact Fee Carryforward Amount was estimated to equal \$56,345,725 as of September 30, 2025.

All Pledged Water Impact Fees shall be deposited into the Pledged Water Impact Fee Account. All moneys remaining on deposit in such Account shall be utilized on a monthly basis in the following priority:

(1) Deposit into the Debt Service Account and/or Swap Obligations Account (if applicable) on a pro rata basis, but in no event shall such deposit exceed in any Bond Year the lesser of (i) the amount of Water Impact Fees for such Bond Year allocable to the Water System or (ii) the Bond Service Requirement allocable to the Water System for such Bond Year.

(2) Such moneys shall, in the case of a deficiency in the Reserve Account, next be applied and allocated to the Reserve Account to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein to the extent such moneys are lawfully available for such purpose.

(3) Such moneys, after meeting the above-referenced applications, shall be maintained in the Pledged Water Impact Fee Account for use in accordance with the foregoing priority in subsequent Fiscal Years.

All Contracted Water Supply Impact Fees shall be deposited into the Contracted Water Supply Impact Fee Account. All moneys on deposit in such account shall be utilized on a monthly basis in the following priority:

(1) Deposit into the Operation and Maintenance Account, in an amount equal to all payments due in such Bond Year representing the Debt Service Component, provided that such payments shall not exceed in any Bond Year the lesser of (a) the Debt Service Component, or (b) the Contracted Water Supply Expansion Project Percentage of the Debt Service Component, plus the Contracted Water Supply Impact Fee Carryforward Amount.

(2) At least once per year, all remaining moneys in the Contracted Water Supply Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the County for any use allowed by law relating to the provision of water capacity or expansion.

All Pledged Wastewater Impact Fees shall be deposited into the Pledged Wastewater Impact Fee Account. All moneys remaining on deposit in such Account shall be utilized as follows:

First, such moneys shall, in the case of a deficiency in the Debt Service Account and/or the Swap Obligations Account (if applicable), first be applied and allocated to the respective Accounts, pro rata if applicable, to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein.

Second, such moneys shall, in the case of a deficiency in the Reserve Account, be applied and allocated to the Reserve Account to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein.

At least once per year, all remaining moneys in the Pledged Wastewater Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the County for any use allowed by law relating to the provisions of the wastewater capacity or expansion.

Generally, under Florida law, impact fees (Impact Fees for purposes of the Resolution) may be validly imposed against new construction or development in order to fund capital improvements or capacity which are necessitated by such new construction or development or to satisfy debt service for debt obligations that are issued to finance or refinance such capital improvements or capacity. Accordingly, proceeds of the Impact Fees may be used only for capital improvements or capacity that is attributable to new construction or development or to pay associated debt service. As a result, only a portion of Impact Fees collected by the County may be legally available to pay debt service on the Bonds in any particular year. The 2026 Project is expansion related; therefore, all of the Series 2026A Bonds debt service may be paid with Wastewater Impact Fees.

No Reserve Funding for Series 2026 Bonds

The Resolution provides for the establishment and maintenance of the Reserve Account in an amount equal to the Reserve Requirement. Pursuant to the provisions of the Resolution, the County may determine with respect to any Series of Bonds that such Series of Bonds will not be secured by the Reserve Account or any subaccount therein. Pursuant to the 2026 Resolution authorizing the issuance of the Series 2026 Bonds, the County determined that the Series 2026 Bonds would not be secured by the Reserve Account or any subaccount therein. ACCORDINGLY, THE SERIES 2026 BONDS WILL NOT BE SECURED BY ANY FUNDS ON DEPOSIT IN THE RESERVE ACCOUNT OR ANY SUBACCOUNT THEREIN.

See "APPENDIX D-2 – 2026 Resolution," attached hereto for more information concerning the Reserve Account.

Renewal and Replacement Account

Funds on deposit in the Renewal and Replacement Account shall be used only (i) at any time for the purpose of curing deficiencies in the Debt Service Account or the Swap Obligations Account (after the application of funds from the Reserve Account) or for curing deficiencies in the Reserve Account, or both, or (ii) when no such deficiencies exist, as needed for the purpose of paying the cost of the replacement of capital assets of the System, including land, or any unusual, unanticipated or extraordinary maintenance or repairs which the Director of the Department of the County shall certify are necessary for the System and are consistent with the Qualified Independent Consultant's annual recommendations for renewals and replacements or (iii) to redeem Bonds in the manner described in the Resolution. If the funds on deposit in the Renewal and Replacement Account exceed the Renewal and Replacement Account Requirement and the County obtains a certificate from the Qualified Independent Consultant that funds or a portion thereof in excess of that amount are not needed for the purposes described in clause (ii) above, and so long as no deficiencies described in clause (i) above exist, such excess funds may be used for any lawful purpose relating to the System.

"Renewal and Replacement Account Requirement" is defined in the Resolution to mean, on the date of calculation, an amount of money equal to (1) five percent of the original cost of the assets and capitalized lease obligations and capacity entitlement programs of the System for the preceding Fiscal Year (as shown on the audited financial statements of the System), or (2) such greater or lesser amount as may be certified to the County by the Qualified Independent Consultant as an amount appropriate for the purposes of the Resolution.

In determining the amounts on deposit or required to be deposited into the Renewal and Replacement Account, including the determination of satisfaction of the Renewal and Replacement Account Requirement, the Qualified Independent Consultant shall take into

account: (i) moneys in the General Purpose Account and Construction Account and (ii) available proceeds from Subordinate Indebtedness and non-operating grants that, in each case, have been appropriated by the County to be applied toward the purposes that are comparable to the use of funds on deposit in the Renewal and Replacement Account.

Rate Stabilization Account

Each month the County shall transfer from the Rate Stabilization Account to the General Revenue Account the amount budgeted for transfer into the General Revenue Account for the then current month as set forth in the then current annual budget for the System or the amount otherwise determined by the County to be deposited into such Account for the month.

The County may, from time to time, withdraw amounts on deposit in the Rate Stabilization Account and (i) transfer such amounts to any other Fund or Account established under the Resolution, (ii) use such amounts to purchase or redeem Bonds and/or Subordinate Indebtedness and/or indebtedness of the County incurred in connection with the System, or (iii) use such amounts for any other lawful purpose in connection with the System.

Rate Covenant

The County has covenanted in the Resolution to adopt (unless the existing rate resolution is sufficient for the purposes hereof) and cause to be in effect a rate resolution, and the County covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals and other charges for the use of the System that will always provide (i) Gross Revenues which, together with Pledged Impact Fees and Qualified Derivative Receipts available to pay debt service on the Bonds, shall be at least equal to one hundred percent (100%) of the Required Deposits under the Resolution to the Operation and Maintenance Account, the Debt Service Account, the Swap Obligations Account, the Reserve Account and the Renewal and Replacement Account (see "- Flow of Funds" above), including the payment of Policy Costs then due and owing, (ii) Net Revenues which, together with Pledged Impact Fees available to pay debt service on the Bonds, shall be at least equal to one hundred twenty percent (120%) of the Bond Service Requirement for such Fiscal Year, and (iii) Net Revenues which shall be at least equal to one hundred percent (100%) of the Bond Service Requirement for such Fiscal Year. For purposes of calculating Gross Revenues in (i) above, not more than 10% of such Gross Revenues shall be derived from transfers from the Rate Stabilization Account in any Fiscal Year.

In determining compliance by the County with the rate covenant, the County shall reduce the Bond Service Requirement by an amount equal to the amount of Pledged Revenues transferred from the General Purpose Account and deposited into the Bond Fund to pay any portion of the Bond Service Requirement in such Bond Year.

Additional Parity Bonds

The County may issue Additional Parity Bonds payable from the Pledged Revenues on a parity with the Outstanding Parity Bonds and any subsequently issued Additional Parity Bonds only upon compliance with the conditions set forth in the Resolution, which include without limitation, the following:

(1) The County shall have obtained and filed with the Governing Body a certificate of the Clerk stating the following:

(a) That the Clerk has audited the books and records of the County relating to the collection and receipt of Gross Revenues and Pledged Impact Fees available to make Required Deposits for the last Fiscal Year which has been audited and which precedes the date of sale of the proposed Additional Parity Bonds with respect to which such certificate is made;

(b) That the amount of such Gross Revenues and Pledged Impact Fees is available to make Required Deposits; and

(c) That the rate covenant provided in the Resolution was met for the Fiscal Year audited.

(2) There shall have been obtained and filed with the Governing Body a certificate of a Qualified Independent Consultant which shall state and certify that the requirements of both (a) and (b) below have been met:

(a) the sum of Adjusted Gross Revenues, Adjusted Pledged Impact Fees and Qualified Derivative Receipts for the Computation Period as hereinafter defined, will be at least equal to one hundred percent (100%) of the Required Deposits under the Resolution to the Operation and Maintenance Account, the Debt Service Account, the Swap Obligation Account, the Reserve Account, the Renewal and Replacement Account, the Subordinate Indebtedness Account and the Other Indebtedness Account (See "– Flow of Funds" above), including the repayment of Policy Costs then due and owing; and

(b) the sum of Adjusted Net Revenues, Adjusted Pledged Impact Fees and Qualified Derivative Receipts for the Computation Period, will be at least equal to one hundred twenty percent (120%) of the Maximum Bond Service Requirement for all Bonds then Outstanding under the Resolution and the Additional Parity Bonds proposed to be issued hereunder.

For purposes of this paragraph (2) the terms "Adjusted Gross Revenues," "Adjusted Net Revenues," and "Adjusted Pledged Impact Fees" shall mean the Gross Revenues, Net Revenues or the Pledged Water Impact Fees and Pledged Wastewater Impact Fees ("Pledged Impact Fees"), as the case may be, as shown in

the most recent annual audit or as certified by the Clerk, giving effect to the following adjustments, (provided each such adjustment shall be certified by a Qualified Independent Consultant or the Clerk in a certificate or report which shall set forth the assumptions upon which it is based and shall state that such assumptions, in the opinion of the Qualified Independent Consultant or the Clerk, as the case may be, form a reasonable basis for the conclusions expressed therein):

(a) If the County, prior to the issuance of the proposed Additional Parity Bonds, shall have adopted or put into effect an increase in the rates, fees, rentals or other charges for the services of the System, then Gross Revenues, Net Revenues and the Pledged Impact Fees may be adjusted to include the additional Gross Revenues, Net Revenues and Pledged Impact Fees which would have been received during the Computation Period if such increased rates, fees, rentals or other charges had been in effect during all of such period.

(b) If the number of connections as of the first day of the month preceding the month in which the proposed Additional Parity Bonds are to be issued exceeds the average number of such connections during the most recent full Fiscal Year, then the Gross Revenues, Net Revenues, and Pledged Impact Fees may be adjusted to include the Gross Revenues, Net Revenues and Pledged Impact Fees which would have been received during the Computation Period if those additional connections had also been connected to the System during all of such period.

(c) If the County shall acquire by the issuance of the Additional Parity Bonds any privately or publicly owned existing water system, wastewater system or water and wastewater system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Parity Bonds, then the Gross Revenues and the Net Revenues during the Computation Period may be increased by adding to the Gross Revenues or Net Revenues as applicable during the Computation Period the additional Gross Revenues or Net Revenues (to the extent such amounts were not reflected in such respective revenues) which, on the basis of operating data pertaining to the acquired system during the Computation Period, would have been derived from such existing water system, wastewater system, or other utility system as if such existing water system, wastewater system or other utility system had been operated by the County as a part of the System during the Computation Period.

(d) 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 proposed Additional Parity Bonds, with any public body whereby the County shall have agreed to furnish services for the collection, treatment or disposal of sewage or agreed to furnish services in connection with any water system or other utility system, then the Gross Revenues or Net Revenues as applicable during the Computation Period may be increased (to the extent such amounts were not reflected in such Gross Revenues or

Net Revenues) by the minimum amount which such public body shall guarantee, under a legally enforceable agreement with the County, to pay in any Fiscal Year for the furnishing of such services by the County, which would also consider the estimated additional Cost of Operation and Maintenance attributable in such Fiscal Year to provide such services.

(e) The Gross Revenues or Net Revenues as applicable may be increased (to the extent the following amounts are not otherwise reflected in such Gross Revenues or Net Revenues) by seventy-five percent (75%) of the amount of additional Gross Revenues or Net Revenues as applicable and Pledged Impact Fees which would have been received during the Computation Period from any existing occupied structures which are to be connected to the System within the following eighteen (18) months of the issuance of the Additional Parity Bonds.

(f) The applicable Gross Revenues or Net Revenues may reflect any adjustments necessary for any period during the Computation Period in the opinion of a Qualified Independent Consultant or the Clerk to reflect government ownership of the System or any facilities constituting a part thereof.

For purposes of this paragraph (2) "Computation Period" means either (i) any twelve (12) consecutive of the eighteen (18) complete calendar months or (ii) the most recent complete Fiscal Year, in either case, immediately preceding the date of issuance of Additional Parity Bonds.

The certificate of the Qualified Independent Consultant shall additionally certify to the following:

(a) With respect to any proposed Project, the cost of which is to be paid in whole or in part from the proceeds of such Additional Parity Bonds, the date on which construction of such Project is expected to commence, the anticipated construction and disbursement schedule with respect thereto and the date on which such Project is expected to be placed in service;

(b) The anticipated cost of such proposed Project, itemizing separately the expected financing costs of such Additional Parity Bonds issued to pay the cost thereof, the Required Deposits, if any, into the Reserve Account and any capitalized interest to be funded from the proceeds of the Additional Parity Bonds;

(3) The Chief Financial Officer of the County shall certify that the County is not in default in the performance of any of the covenants and obligations assumed by it under the Resolution, and that all Required Deposits therein required to have been made into the funds and accounts provided therein shall have been made in full to the extent required.

(4) The County need not comply with the provisions of the above paragraphs (1) and (2) above if and to the extent the Additional Parity Bonds to be issued are for purposes of refunding Bonds previously issued, if the County shall cause to be delivered a certificate of the Chief Financial Officer of the County setting forth the average Bond Service Requirement (i) for the Bonds then Outstanding and (ii) for all Series of Bonds to be immediately Outstanding thereafter and stating that the average Bond Service Requirement pursuant to (ii) above is not greater than that set forth pursuant to (i) above.

(5) The County need not comply with the provisions of the above paragraphs (1) and (2) if and to the extent the Additional Parity Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System ("Completion Bonds") if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the County need not comply with the provisions of such paragraphs (1) and (2) may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the initial Series of Bonds to finance such improvements.

Additional Parity Bonds issued pursuant to the terms and conditions of the Resolution shall be deemed on a parity with all Bonds then outstanding, and all of the covenants and other provisions of the Resolution shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to the Resolution and the holders of any Additional Parity Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with the Resolution.

Qualified Derivative Agreements

The County may enter into one or more Qualified Derivative Agreements with respect to one or more Series of Bonds (or portions thereof). "Qualified Derivative Agreements" means an agreement, such as an interest rate swap, collar, cap, or other functionally similar agreement, between the County and a counterparty whose long-term unsecured debt at the time of entering into such Agreement is then rated at least "AA-" by S&P and "Aa3" by Moody's, which is entered into by the County as a debt management tool with respect to the Bonds or a portion thereof issued under the Resolution, provided that the payments to be made by the counterparty thereunder have been pledged to the payment of the Bonds. Qualified Derivative Receipts payable by such counterparty would be a component of Pledged Revenues, and Qualified Derivative Payments payable to such counterparty by the County will be payable from the Swap Obligations Account on a parity with interest payments with respect to Bonds issued and Outstanding under the Resolution. There currently are no Qualified Derivative Agreements outstanding with respect to any of the Bonds and the County has no current intention to enter into any such Qualified Derivative Agreement.

THE SYSTEM

PROSPECTIVE INVESTORS SHOULD CLOSELY REVIEW, IN ITS ENTIRETY, THE REPORT ATTACHED HERETO AS APPENDIX C PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SERIES 2026 BONDS. THE REPORT CONTAINS THE CONSIDERATIONS AND ASSUMPTIONS ON WHICH THE CONSULTING ENGINEER AND FEASIBILITY CONSULTANT RELIED IN PREPARING THE REPORT. THE INFORMATION UNDER THE HEADINGS, "THE SYSTEM," "RATES, FEES AND CHARGES," "CAPITAL IMPROVEMENT PROGRAM," "OPERATING AND FINANCIAL RESULTS," AND "FINDINGS AND CONCLUSIONS OF FEASIBILITY CONSULTANT AND CONSULTING ENGINEER" HEREIN INCLUDES ONLY SUMMARIES OF CERTAIN PROVISIONS OF THE REPORT. THE REPORT SHOULD BE READ IN ITS ENTIRETY.

General

The County entered into the water and wastewater utility business in 1967 with the acquisition of two private utility systems. The County has since acquired numerous other private utilities to promote the regionalization of water and wastewater service within the County. The System has expanded and improved the acquired systems to create a comprehensive water and wastewater utility network in a large portion of the unincorporated area of the County. For Fiscal Year 2025, the retail population served by the System was estimated at approximately 759,000 residents representing approximately 48% of the County's population estimated as of 2025 by the Bureau of Economic and Business Research ("BEBR").

The WRD is responsible for providing customers primarily located within unincorporated areas of the County with: (i) potable water treatment and distribution; (ii) wastewater collection, treatment, and disposal; and (iii) production and distribution of reclaimed water for irrigation and other non-potable purposes.

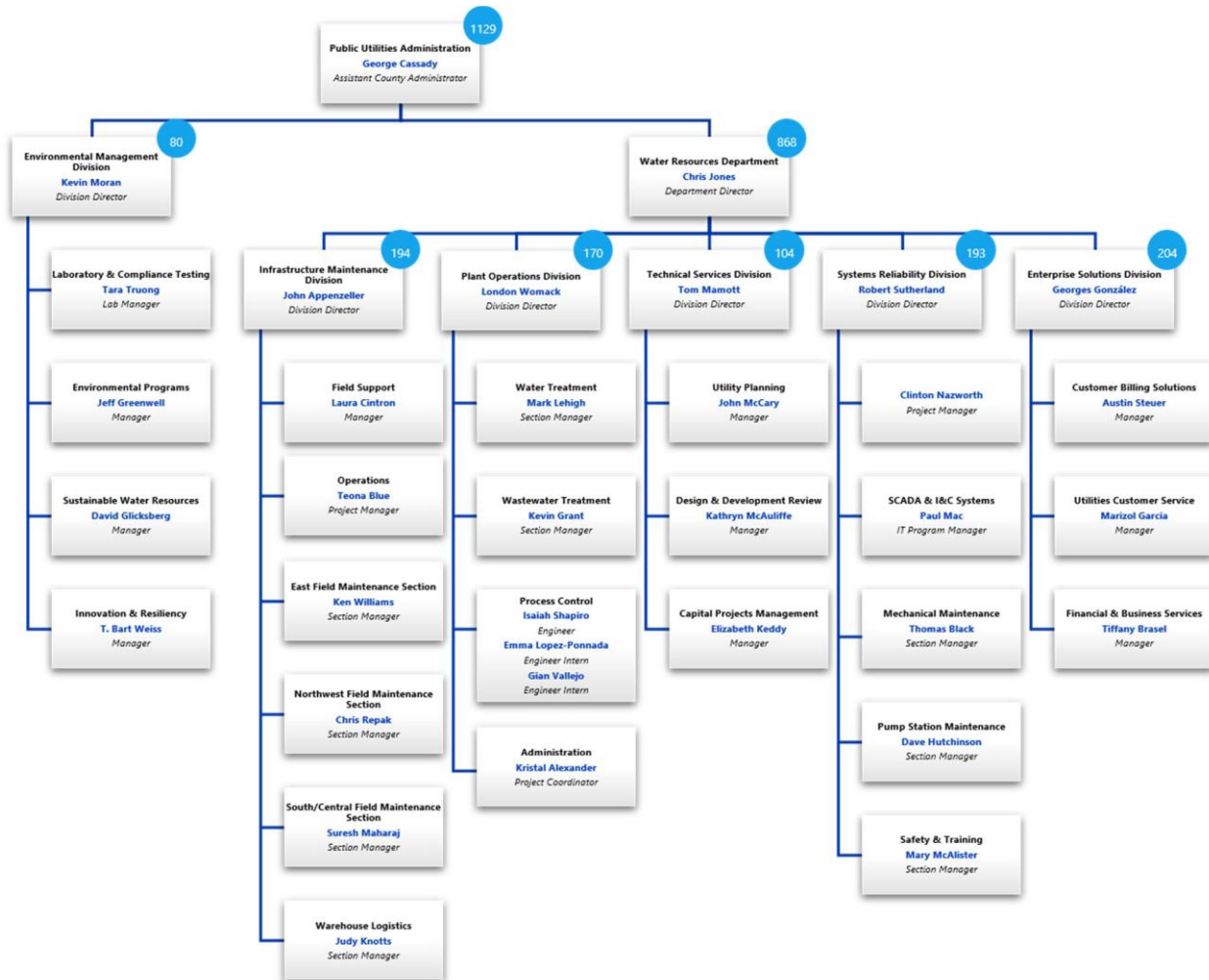
The utility service areas served by the System are collectively referred to as the "Urban Services Area." The Urban Services Area is made up of two distinct geographic regions: (i) the Northwest Service Area, with an area of approximately 77 square miles; and (ii) the South-Central Service Area, with an area of approximately 232 square miles. The WRD has the exclusive right to provide water, wastewater, and reclaimed water within the Urban Service Area that is not provided by a municipality or by a private utility that is franchised by the County.

Management and Organization

The System is operated by the WRD with Mr. Christopher Jones currently serving as the Director. The Director reports to an Assistant County Administrator, Mr. George

Cassady, who reports to the Deputy County Administrator. The Director oversees all operations of the WRD which includes the following Divisions: Infrastructure Maintenance Division, Plant Operations Division, Technical Services Division, Systems Reliability Division and Enterprise Solutions Division. An organizational chart of the WRD is shown below with the number of employees in each division indicated in circles.

Department Organization Chart for Fiscal Year 2025



The following are brief biographies of the Director and other key personnel of the WRD:

George Cassady, P.E., is an Assistant County Administrator for the Public Utilities Administration overseeing Water Resources Services, Solid Waste Services, and the Environmental Management Division. Prior to joining the County, he was the Director of Water Resources for the City of St. Petersburg from 2008 to 2012. He has a bachelor's degree in chemical engineering from Auburn University and a master's degree in environmental engineering from the University of South Florida. A registered professional

engineer in the State since 1989, Mr. Cassady has over 40 years of experience in both the public and private sectors.

Chris Jones, is the Director of the WRD. Mr. Jones has more than 18 years of experience in the water utility industry, including ten years with the WRD. Prior to his appointment as the director, Mr. Jones served as the division director for the Department's Infrastructure Maintenance Division. Previous utilities experience includes Orange County Utilities (Orlando, Florida) and City of Boulder Public Works (Boulder, Colorado). Prior to entering the water industry, Mr. Jones worked in the construction industry and served in the U.S. Army as a transportation specialist. Mr. Jones holds a bachelor's degree in business management and several Florida and Colorado licenses in water distribution and wastewater collections. As the WRD's Director, Mr. Jones is responsible for overseeing the Department's five divisions and approximately 868 employees. His responsibilities include strategic and operational oversight of the County's water and wastewater utility. His experience provides a broad perspective on the planning, operation, maintenance, and long-term stewardship of the utility and its infrastructure.

John Appenzeller, is the Division Director of Infrastructure Maintenance Division. Mr. Appenzeller manages and directs all aspects of the division's responsibilities. He has more than 12 years of experience in the water utility industry and extensive field operations experience involving the operation and maintenance of water distribution, wastewater collection, and reclaimed water systems, including the rehabilitation and replacement of aging infrastructure. Prior to his utility career, Mr. Appenzeller accumulated more than 16 years of leadership experience in safety, security, and operations management. He holds a bachelor's degree in business administration and several Florida licenses in water distribution and wastewater collections. In his current role, Mr. Appenzeller provides operational leadership and oversight for approximately 194 employees responsible for maintaining the reliability, safety, and performance of the utility's water, wastewater, and reclaimed water systems.

London Womack, is the Division Director of Plant Operations Division. Ms. Womack manages and directs all aspects of the division's responsibilities in compliance with federal, state, and local regulations. Ms. Womack has more than 30 years of experience in the water and wastewater utility industry and served as the Section Manager for the WRD's Wastewater Operations Team for seven years prior to her appointment as the Division Director. Ms. Womack has a civil engineering bachelor's degree in science from the University of Kentucky and an applied mathematics bachelor's degree in science from Kentucky State University. Ms. Womack oversees approximately 170 employees and is ultimately responsible for the operation of five wastewater treatment plants (the "WWTPs"), four regional potable water facilities, and reclaimed water operations.

Thomas Mamott, P.E., is the Division Director of Technical Services and joined the County in 2017. Mr. Mamott has more than 33 years of experience in the water and wastewater utility industry, with the past 25 years in public utilities. Since 1996, Mr.

Mamott has been a registered professional engineer in Florida and holds both a master's degree and a bachelor's degree in environmental engineering from the University of Central Florida. He originally joined WRD as the Capital Projects Section Manager and has been the Division Director for seven years. Mr. Mamott oversees approximately 104 employees.

Robert Sutherland, is the Division Director of the Systems Reliability Division and brings over 25 years of experience in the water and wastewater utility industry. He is widely recognized for his leadership in managing large teams, implementing cost-effective maintenance strategies, and consistently delivering results in complex, high-demand environments. In his current role, Mr. Sutherland oversees 193 employees and manages a broad portfolio of responsibilities, including the maintenance of mechanical, electrical, instrumentation, and control systems; property management; safety and training programs; strategic planning; budgeting; policy development; procurement; technology assessment; and the overall operations of the division.

Georges Gonzalez, is the Division Director of the Enterprise Solutions Division. Mr. Gonzalez has more than eight years of experience in the public water utility industry and over 25 years leading small- and large-scale teams. Mr. Gonzalez joined the WRD in 2023. Prior to working at the County, he was the Deputy Administrator and Chief Financial Officer for Metropolitan Council in St. Paul, Minnesota, a regional organization, overseeing seven county water and wastewater functions, development, transit, parks, and police operations. Prior to that role, he was the Business and Customer Services Division Director for the Pinellas County Utilities Department. Mr. Gonzalez received his master's degree in business administration from The University of Tampa and has a bachelor's degree in business from Eckerd College. Some of his responsibilities include WRD's meter-to-cash functions, customer accounts management, providing financial support to WRD's enterprise funds, customer outreach and overseeing approximately 204 employees.

Kevin Moran, P.E., is the Division Director of the Environmental Management Division and oversees approximately 80 employees. Prior to being the Division Director, he held various engineering positions within the County including Infrastructure Planning Section Manager and Wastewater Planning Team Leader. He has a Bachelor of Science in mathematics from Mary Washington College and a Master of Science in engineering from the University of South Florida. Mr. Moran has been a licensed engineer in Florida for over 25 years and previously worked in consulting engineering as well as for the Southwest Florida Water Management District (the "SWFWMD").

Water System

General. The County's potable water system is comprised of a treatment, transmission and distribution system (the "Water System"), which during Fiscal Year 2025 provided service on average to 204,512 (excluding 451 fire line accounts) retail accounts and 284,512 corresponding equivalent residential connections ("ERCs") within the Water System service area. With respect to the reported ERCs served, 69.7% are classified as

individually metered residential with the remaining 30.3% consisting of master-metered residential, commercial, and potable water irrigation services. An ERC for the Water System represents the equivalent usage requirements of an individually metered residential customer and equates to approximately 300 gallons per day ("gpd") of metered water service pursuant to the County's required level of service. Since commercial and master metered residential customers can be served by larger-sized meters than the standard residential customer, it is more useful to equate such customers on a basis equivalent to the residential class for a more consistent presentation of the total customer base being served. The Water System does not serve any wholesale customers.

The Water System consists of four regional and three operational neighborhood potable water treatment facilities, one regional booster pumping station, six neighborhood re-pump stations and approximately 3,000 miles of potable water transmission and distribution pipelines ranging in size from 0.625 inches to 54-inches in diameter. The potable water portion of the Water System is divided into two general service areas, the Northwest Service Area and the South-Central Service Area. A new facility, the South County Drinking Water Facility PH1 – One Water (the "South County Drinking Water Facility"), which will be funded by the Series 2026A Bonds and certain Additional Parity Bonds, is anticipated to be online at the beginning of Fiscal Year 2029 and initially serve approximately 20.0 million gallons per day ("mgd") of annual average finished water demand. The facility is expected to be capable of providing up to 72 mgd of finished water at full buildout.

Supply. To serve the customer base of the water service area, the County entered into an Amended and Restated Interlocal Agreement in 1998 with Tampa Bay Water, a Regional Water Supply Authority ("Tampa Bay Water") to secure long-term water supply. For Fiscal Year 2025, Tampa Bay Water provided approximately 97.46% of the total potable water needs of the Water System; the remainder being derived from certain municipal public utilities due to the proximity of the service requirements. Tampa Bay Water has the absolute and unequivocal obligation to meet the quality water needs of the Member Governments, which needs are required to be satisfied before quality water is delivered to any other customer of Tampa Bay Water.

Tampa Bay Water was organized in 1998 as the successor to the West Coast Regional Water Supply Authority. Tampa Bay Water currently provides water to the County, Pasco County, Pinellas County, the City of New Port Richey, the City of St. Petersburg, and the City of Tampa (the "Member Governments") all within the Tampa Bay area. In turn, the Member Governments supply water to over 2.6 million residents of the Tampa Bay area. During Fiscal Year 2025, Tampa Bay Water delivered an annual average of approximately 198.47 mgd of water to member governments. During Fiscal Year 2025, Tampa Bay Water provided approximately 79.40 mgd or 97.46% of the total Water System potable water needs of the County, which equated to approximately 40.01% of the total reported water production by Tampa Bay Water.

Tampa Bay Water is the County's principal wholesale water supplier and provided approximately 97.46% of the Water System's Fiscal Year 2025 potable-water requirements. Accordingly, the reliability and cost of Tampa Bay Water supply represent material operating considerations for the Water System. The County's treatment, storage and distribution facilities receive and further treat or distribute water supplied by Tampa Bay Water as described below.

A fundamental duty of Tampa Bay Water is to provide an adequate supply of potable water to all customers served by the Member Governments. To do this, Tampa Bay Water is charged with the obligation to design, acquire, construct, operate, and maintain water supply facilities. Tampa Bay Water is required to update its Master Water Plan every five years to meet projected needs of the member governments for the next 20 years. Water supplies must be developed in a manner that balances the need for water production with environmental concerns.

Tampa Bay Water publishes a uniform rate per 1,000 gallons to the Member Governments with the exception of water delivered to the City of Tampa from the Tampa Bypass Canal. This uniform rate is calculated annually based on projected revenue requirements for operation and maintenance expenses, debt service payments, renewal and replacement expenditures, reserve deposits, and capital expenditures and the anticipated quantity of water to be sold during the Fiscal Year. Monthly invoices are provided by Tampa Bay Water to the WRD that account for fixed costs, water quantity sold to the WRD, credits for water quality, and for facility acquisitions by Tampa Bay Water from the County (the payments received by the County for the facility acquisitions are deposited into the Renewal and Replacement Account and do not serve to reduce purchased water expenses). The amounts billed are subject to a true-up calculation annually based on actual volumes purchased by member governments for the year. During Fiscal Year 2025, the County purchased 28.98 billion gallons of water from Tampa Bay Water and paid approximately \$79.19 million to Tampa Bay Water for such purchases. The uniform rate (reflects the average rate for all costs billed by the entity) charged by Tampa Bay Water for Fiscal Year 2026 is \$2.6388 per 1,000 gallons.

Treatment. The County currently owns and operates four regional potable water treatment facilities, one regional re-pump station, three neighborhood water treatment facilities and six neighborhood re-pump stations. A description of each regional facility follows:

Central Hillsborough Water Treatment Facility. The Central Hillsborough Water Treatment Facility was put into service in February 2009. This facility provides potable water to the South-Central Service Area. This facility has a permitted treatment capacity of 25.0 mgd, a firm pumping capacity of 32.1 mgd, and a storage capacity of 10 million gallons ("mg"). The source water utilized by this facility is provided by Tampa Bay Water and consists of a treated mix of groundwater, surface water, and desalinated water. Pump 4 variable frequency drive ("VFD") was replaced in 2025. A backup operations control

was also installed in the main electrical building which allows for backup operation of the plant. Possible upcoming projects include additional VFD replacements.

Lake Park Water Treatment Facility. The Lake Park Water Treatment Facility is located in the Northwest Service Area. This facility has a permitted treatment capacity of 31.0 mgd, a firm pumping capacity of 35.0 mgd, and a storage capacity of 10 mg. The plant receives raw water from Tampa Bay Water's Section 21 Wellfield and a treated mix of groundwater, surface water, and desalinized water from the Tampa Bay Water's regional system. The Lake Park Water Treatment Plant was originally constructed in 1984. In 1988, a second storage tank was added along with associated yard piping, and in 2002, the plant was renovated and expanded. Recently completed projects include the replacement of two 35-inch valves in the influent line. Upcoming projects include the ammonia pump skid and caustic tank replacement.

Lithia Water Treatment Plant. The Lithia Water Treatment Plant is located in the South-Central Service Area. The plant currently has a permitted treatment capacity of 73.0 mgd, a firm high service pumping capacity of 105.0 mgd, and a storage capacity of 20 mg. The plant receives raw water from Tampa Bay Water's South-Central Hillsborough County Regional Wellfield and a treated mix of groundwater, surface water, and desalinized water from Tampa Bay Water's regional system. The Lithia Water Treatment Plant was constructed in 1988 with a series of improvements projects completed since that time. Recently completed projects include the replacement of the High Service Pump 4 motor and the addition of liquid ammonium sulfate feed at the re-pump station.

Northwest Hillsborough (Fawn Ridge) Potable Water Facility. The Northwest Hillsborough Potable Water Facility is located in the Northwest Service Area. The plant has a permitted treatment capacity of 25.0 mgd, a firm pumping capacity of 31.0 mgd, and a storage capacity of 10 mg. The plant receives raw water from Tampa Bay Water's Northwest Hillsborough County Regional Wellfield and a treated mix of groundwater, surface water, and desalinized water from Tampa Bay Water's regional system. The Northwest Hillsborough Potable Water Facility was initially constructed in 1993. Recently completed projects include the cleaning of the east and west storage tanks and replacement of the west storage tank drain valve. Upcoming projects include the relocation of the bleach tank.

South County Water Re-pump Station. The South County Water Re-pump Station was constructed in February 2012 and is located in the South-Central Service Area and an expansion was completed in March 2022. This facility has two storage tanks with a volume of 3.0 mg each and a firm pumping capacity of 25.0 mgd.

The three neighborhood water treatment plants consist of the Cypress Cove Community Water System, the San Remo Community Water System, and Windemere (collectively, "Hillsborough Waterworks"). The County also has six (6) additional small re-pump facilities.

Storage. To augment the treatment capacity of the Water System treatment plants, the County has water storage tanks located at seven facilities. The County's potable water treatment plant capacities, firm pumping capacities, and the corresponding water storage tanks are summarized below by service area location and type.

Potable Water Treatment Plants and Storage Tanks

Location	Permitted Water Treatment Capacity	Firm Pumping Capacity	Storage Capacity	Storage Type
Northwest Service Area				
Lake Park	31.000 mgd	35.000 mgd	10.000 mg	2 Ground Storage Tanks
Northwest Hillsborough (Fawn Ridge)	25.000 mgd	31.000 mgd	10.000 mg	2 Ground Storage Tanks
Cypress Cove	37,156 gpd		525 gal	1 Hydro Pneumatic Tank
San Remo	69,900 gpd	10,000 gpd	2,250 gal	1 Hydro Pneumatic Tank
Windemere ⁽¹⁾	0.440 mgd	917 gpm	18,000 gal	2 Hydro Pneumatic Tanks
Pebble Creek Re-Pump Station	--	2.020 mgd	--	
Total Northwest Service Area	56.547 mgd	69.350 mgd	20.020 mg	
South-Central Service Area				
Central Hillsborough	25.000 mgd	32.100 mgd	10.000 mg	2 Ground Storage Tanks
Lithia	73.000 mgd	105.000 mgd	20.000 mg	4 Ground Storage Tanks
South County Re-Pump Station	--	25.000 mgd	6.000 mg	2 Ground Storage Tanks
Total South-Central Service Area	98.000 mgd	162.100 mgd	36.000 mg	
System Totals	154.547 mgd	231.450 mgd	56.020 mg	

⁽¹⁾ The Windemere Utility was acquired by the County on March 6, 2024.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

The Florida Department of Environmental Protection (the "FDEP") rules require that a water system has at least 25% of the maximum daily flow retained in storage. The maximum daily flow is considered as the water treatment plant capacity. The total FDEP-rated Water System capacity is currently 154.547 mgd. The County's available 56.02 mg of storage (approximately 36% of water system storage capacity) exceeds the FDEP mandated system-wide storage requirement. The County's ground storage tanks ("GST") are all pre-stressed concrete design.

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Transmission and Distribution. The potable water distribution system consists primarily of water mains, fire hydrants, and valves. The following table provides a summary of the approximate quantities of these major distribution components.

Major Components of Hillsborough County Potable Water Distribution System			
Component	Northwest Service Area	South-Central Service Area	Total
Valves (Number)			
Air Release Valves	238	539	777
Gate / Plug / Butterfly	10,758	34,905	45,663
Fire Hydrants (County)	4,663	13,649	18,312
Fire Hydrants (Private)	671	1,361	2,032
Water Mains and Laterals:			
Water Main Pipe (Feet):			
1-inch	50	1,361	1,411
1.5-inch	---	1,955	1,955
2-inch	140,172	266,999	407,171
2.5-inch	4,018	2,882	6,900
3-inch	8,842	42,001	50,843
4-inch	437,982	892,900	1,330,882
6-inch	1,456,533	4,463,107	5,919,640
8-inch	1,069,762	2,666,251	3,736,013
10-inch	223,820	264,573	488,393
12-inch	422,613	1,048,382	1,470,995
14-inch	8	4,740	4,748
16-inch	116,327	213,751	330,078
18-inch	6,656	35,581	42,237
20-inch	69,253	91,273	160,526
24-inch	66,609	75,025	141,634
30-inch	21,420	27,620	49,040
36-inch	4,045	88,403	92,448
42-inch	1,117	105,787	106,904
48-inch	---	31,978	31,978
54-inch	---	49	49
Unknown	5,138	---	5,138
Lateral Service Pipe (Feet):			
0.625-inch	13	13,306	13,319
0.75-inch	2,305	78,480	80,785
1-inch	428,469	677,744	1,106,213
1.5-inch	4,004	3,286	7,290
2-inch	25,504	102,725	128,229
2.5-inch	286	466	752
3-inch	1,671	3,910	5,581
4-inch	7,121	15,897	23,018
6-inch	12,935	33,845	46,780
8-inch	14,673	23,691	38,364
10-inch	913	1,817	2,730
12-inch	446	1,416	1,862
Unknown	3,290	3,305	6,595
Total (Feet)	4,555,995	11,284,506	15,840,501
Total (Miles)	863	2,137	3,000

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

The water distribution facilities are equipped with isolation valves throughout the Water System for repairs and maintenance without shutting down significant portions of the distribution system. The water distribution system also includes approximately 18,312 County fire hydrants to provide fire protection throughout the Water System service area.

Condition. During May 2025, the Consulting Engineer inspected the regional potable water facilities and the South County Water Re-Pump Station. Based on observations made during these inspections and discussions with WRD staff, the Consulting Engineer concluded that the potable Water System is in overall good condition and is being operated and maintained in an acceptable manner consistent with industry standards.

Regulatory Compliance. The water produced by the System and delivered to its customers complies with all applicable U.S. Environmental Protection Agency (the "EPA"), FDEP, and Hillsborough County Health Department standards. The WRD annually publishes consumer confidence reports that summarize the quality of the potable water for the System. There have been no maximum contaminant level ("MCL") or secondary MCL violations or Consent Orders in the last five years.

Per- and Polyfluoroalkyl Substances ("PFAS"). PFAS are a large group of human-made chemical compounds that have been used in industrial applications and consumer products since the 1940s. PFAS have been widely used in products such as clothing, furniture fabrics, food packaging, carpets, and firefighting foams. Because these compounds break down very slowly in the environment, they are often referred to as "forever chemicals." Their widespread use has resulted in their presence in environmental media, including drinking water sources.

In April 2024, the EPA promulgated the first National Primary Drinking Water Regulation ("NPDWR") for PFAS, establishing drinking water standards for several PFAS compounds. In May 2025, EPA announced a regulatory review of portions of the PFAS rule, and in May 2026 proposed revisions that would retain the enforceable drinking water standards for perfluorooctanoic acid ("PFOA") and perfluorooctane sulfonate ("PFOS") while reconsidering certain requirements associated with other PFAS compounds and PFAS mixtures.

The County is committed to providing safe, high-quality drinking water and proactively monitoring emerging contaminants, including PFAS. Through participation in the EPA's Fifth Unregulated Contaminant Monitoring Rule ("UCMR5") program during 2023 and 2024, the County monitored 29 PFAS compounds across multiple drinking water systems. Average PFOA concentrations were below federal standards at all monitored locations. Average PFOS concentrations exceeded the current 4 ng/L maximum contaminant level at two points of entry supplied by the City of Tampa and Tampa Bay Water. All other County-monitored facilities reported PFOS concentrations below the current federal drinking water standard. These results characterize PFAS occurrence and

do not constitute a regulatory compliance determination. Compliance with applicable PFAS drinking water standards is currently anticipated to begin in April 2029, pending any future EPA revisions. The County continues working collaboratively with its wholesale suppliers and neighboring utilities to monitor PFAS trends and evaluate treatment and compliance strategies for readiness with the anticipated federal PFAS compliance requirements.

The County's two largest service areas, Northwest and South Central, are supplied by Tampa Bay Water, which is contractually required to meet all primary drinking water standards, including PFAS, and would therefore be responsible for any future treatment needs. Six additional systems purchase water from the City of Tampa and Plant City, both of which are responsible for PFAS monitoring and treatment under federal regulations.

Across drinking water operations, the County continues to coordinate closely with suppliers, regional partners, and regulatory agencies to monitor PFAS trends, evaluate treatment strategies, and ensure readiness for forthcoming federal and state PFAS compliance requirements.

Wastewater System

General. The County's wastewater system is comprised of collection, treatment, and disposal (effluent and residuals) systems (the "Wastewater System") which during Fiscal Year 2025 provided service to an average of 194,930 retail accounts and 310,053 corresponding ERCs within the Wastewater System service area. An ERC for the Wastewater System represents the equivalent usage requirements of an individually metered residential customer and equates to approximately 200 gpd based on metered water service delivered to the customer premises pursuant to the County's required level of service. The Wastewater System does not serve any wholesale customers. The Wastewater System consists of five regional wastewater treatment facilities ("WWTF") and two acquired wastewater treatment facilities and provides wastewater effluent disposal through water reuse (the primary method of effluent disposal), groundwater recharge wells, and surface water discharge (the secondary method of effluent disposal). The Wastewater System also includes approximately 2,376 miles of gravity sewers and force mains, 905 master and local pumping stations (excluding low pressure systems), and 40,641 manholes. A new facility, the South County One Water Campus Advanced Wastewater Treatment Facility (the "One Water Campus AWWTF"), is expected to be online in late 2028 with an initial capacity of 8.0 mgd and anticipated expansion to up to 24 mgd by the end of 2030.

As shown in the table below, the wastewater gravity collection system consists of approximately 1,638 miles of gravity sewer mains and approximately 40,641 manholes. The major components of the gravity wastewater collection system are presented in the following table.

**Major Components of the Hillsborough County
Wastewater Collection System – Gravity Mains and Manholes**

Component	Northwest Service Area	South-Central Service Area	Total
Gravity Pipe by Diameter (Feet)			
4-inch	23	94	117
6-inch	5,219	2,049	7,268
8-inch	2,805,131	5,512,910	8,318,041
10-inch	101,007	67,399	168,406
12-inch	34,719	45,078	79,797
15-inch	13,555	16,467	30,022
16-inch	322	2,853	3,175
18-inch	9,617	1,958	11,575
20-inch	229	---	229
21-inch	255	3,354	3,609
24-inch	272	16,498	16,770
27-inch	29	---	29
30-inch	---	1,906	1,906
36-inch	---	5,327	5,327
42-inch	---	3,146	3,146
Total (Feet)	<u>2,970,378</u>	<u>5,679,039</u>	<u>8,649,417</u>
Total (Miles)	<u>563</u>	<u>1,076</u>	<u>1,638</u>
Gravity Manholes (Number)	<u>13,931</u>	<u>26,710</u>	<u>40,641</u>

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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The following table summarizes the current quantities of pump stations, valves, and force mains contained in the County's Wastewater System.

Major Components of the Hillsborough County Wastewater Collection System – Pump Stations, Valves and Force Mains			
Component	Northwest Service Area	South-Central Service Area	Total
Pump Stations (Number)			
County	331	574	905
Low Pressure	---	1,577	1,577
Valves (Number)			
Air Release Valves	413	849	1,262
Gate/Plug Valves	2,414	5,369	7,783
Low Pressure Force Main by Diameter (Linear Feet)			
1.25-inch	---	123	123
1.5-inch	---	109,835	109,835
2-inch	---	320	320
2.5-inch	---	90	90
3-inch	---	213,585	213,585
4-inch	---	49,702	49,702
6-inch	---	21,655	21,655
8-inch	---	16,741	16,741
10-inch	---	5,898	5,898
12-inch	---	5,188	5,188
14-inch	---	6,209	6,209
Total (Linear Feet)	---	429,346	429,346
Total (Miles)	---	81	81
Force Main by Diameter (Feet)			
1.25-inch	6	16	22
1.5-inch	673	931	1,604
2-inch	12,941	15,314	28,255
2.5-inch	---	657	657
3-inch	19,253	14,218	33,471
4-inch	385,080	674,895	1,059,975
6-inch	288,115	499,723	787,838
8-inch	160,614	425,475	586,089
10-inch	88,752	110,035	198,787
12-inch	119,778	258,324	378,102
14-inch	591	---	591
16-inch	79,658	209,671	289,329
18-inch	3,237	5,815	9,052
20-inch	46,350	139,495	185,845
24-inch	96,816	143,078	239,894
30-inch	23,350	41,765	65,115
36-inch	28,653	2,575	31,228
48-inch	610	---	610
Total (Feet)	1,354,477	2,541,987	3,896,464
Total (Miles)	257	481	738

Source APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

Treatment and Disposal. Collected wastewater is treated on a regional basis in one of five treatment facilities. The total permitted capacity for all WWTF equals 71.935 mgd. For Fiscal Year 2025, the average annual daily flow ("AADF") treated by the facilities was approximately 45.623 mgd (excluding wastewater treatment services purchased from the City of Tampa). The treatment facilities are described below:

Falkenburg Road Advanced Wastewater Treatment Facility. The Falkenburg Road Advanced Wastewater Treatment Facility (the "Falkenburg Road AWWTF") is located on North Falkenburg Road in the South-Central Service Area. The Falkenburg Road AWWTF was originally constructed in the late 1980s with an AADF capacity of 6.0 mgd. The Falkenburg Road AWWTF was expanded to a permitted capacity of 9.0 mgd AADF and then again to a permitted capacity of 12.0 mgd AADF in 2002, with the associated construction work finalized in 2009. In 2025, the facility was expanded by an additional 3.0 mgd capacity with the construction of two self-contained 10 disk filter units, addition of sodium hypochlorite disinfection with sodium bisulfite for dichlorination, full conversion of the UV system to chlorine disinfection, and a new engine driven pump. While the expansion was underway, a portion of the Falkenburg Road AWWTF's raw influent was diverted to the City of Tampa for treatment. In Fiscal Year 2025, an annual average flow diversion of 2.21 mgd occurred. The County implemented collection system improvements within the Falkenburg Road AWWTF service area, including upgrades to Stone Drive Pump Station No. 1, Windhorst Pump Station No. 1, and conveyance infrastructure along Highview Drive. The improvements allow flow to be conveyed from the Falkenburg Road AWWTF to the Valrico Advanced Wastewater Treatment Facility (the "Valrico AWWTF"), providing additional capacity and operational flexibility within the wastewater system.

The Falkenburg Road AWWTF operates under FDEP Permit FL0040614, effective date November 12, 2025 and expiration date November 11, 2030, with modifications to expand the permitted capacity from 12.0 mgd to 15.0 mgd completed. Treated effluent from the facility is either pumped to the South-Central Master Reuse System for distribution to reclaimed water customers, to South Hillsborough Aquifer Recharge Program ("SHARP") wells, or discharged to the Palm River Outfall or Port Redwing Canal Outfall, which is shared with the South County Advanced Wastewater Treatment Facility (the "South County AWWTF"). The Palm River Outfall is limited to 6.0 mgd AADF, and the Port Redwing Canal Outfall is limited to 10.0 mgd AADF. The Falkenburg Road AWWTF has two 5 mg effluent storage tanks and two 6 mg reject storage tanks.

The Falkenburg Road AWWTF provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in four fermentation basins and four oxidation ditch aeration basins.

- Secondary clarification using five clarifiers.
- Filtration in seven deep bed filter units and two self contained 10 disk filter units.
- Disinfection using UV system as well as sodium hypochlorite and sodium bisulfite.
- Post aeration for surface water discharge.

For residual solids processing, four screw presses with polymer addition are used for dewatering. Waste activated sludge ("WAS") is pumped to a WAS tank followed by the screw presses. The Falkenburg Road AWWTF has bypass pumping capabilities that allow for direct WAS feed to the screw presses during WAS tank down time. The cake is hauled to the Southwest County Biosolids Composting Facility. Recently completed projects include replacement of the influent flow meter, replacement of the plant return flow meter, replacement of Aerator 4 gearbox, replacement of the filter blowers, and replacement of the reject return flow meter.

Northwest Regional Water Reclamation Facility. The Northwest Regional Water Reclamation Facility (the "Northwest Regional WRF") is located on South Mobley Road in the Northwest Service Area. The facility operates under FDEP permit FL0041670, which was issued on July 8, 2026 and expires on July 26, 2031. The Northwest Regional WRF was originally constructed in the early 1990s with a permitted capacity of 5.0 mgd and subsequently re-rated to 6.0 mgd AADF. A major expansion of the Northwest Regional WRF to a permitted capacity of 10.0 mgd AADF was completed in 2009. The County then completed a capital improvement project to increase the capacity of the Northwest Regional WRF to 30.0 mgd AADF to receive flows transferred from the Dale Mabry Advanced Wastewater Treatment Facility (the "Dale Mabry AWWTF") and the River Oaks Advanced Wastewater Treatment Facility (the "River Oaks AWWTF"). The Dale Mabry AWWTF was subsequently taken offline in January 2018. Flows from the River Oaks AWWTF were diverted to the Northwest Regional WRF as of October 1, 2019, and the facility was decommissioned in the summer of 2020.

Treated effluent from the Northwest Regional WRF is pumped either to the Northwest Master Reuse System for distribution to reclaimed water customers or managed through seven permitted surface water discharge points and one permitted underground injection well system. The Northwest Regional WRF can discharge a total of 15.0 mgd to Channel A in Rocky Creek. An additional 6.0 mgd may be discharged to Brushy Creek, for a total surface water discharge capacity of 21.0 mgd. Currently, there is a permitted but not yet constructed 21.0 mgd discharge to Channel A in Rocky Creek. Although all Rocky Creek outfalls may remain active after the proposed 21.0 mgd outfall is constructed, the combined discharge to surface waters from all outfalls will be limited to 21.0 mgd. The discharges to the three stormwater golf course ponds occur through a control structure during storm events to a ditch system and ultimately to Brushy Creek.

The Northwest Regional WRF provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Flow equalization.
- Biological treatment in 10 parallel Bardenpho biological nutrient removal (BNR) treatment trains.
- Final clarification in eight clarifiers.
- Tertiary filtration in 20 deep bed dual media filters.
- Disinfection in two dual chambered chlorine contact tanks.
- Cascade aeration for surface water discharge.

The Northwest Regional WRF uses sodium hypochlorite for disinfection and sodium bisulfite for dechlorination in compliance with surface water discharge requirements. The Northwest Regional Biosolids Management Facility was decommissioned in 2023. Biosolids are transported to a Class I landfill, used as a biofuel or for bioenergy, or transported to a biosolids management facility for treatment and disposal. Projects underway included the headworks odor control system upgrade, repair of headworks coarse Screen 1, and repair of a return activated sludge (RAS) pump.

South County Advanced Wastewater Treatment Facility. The South County AWWTF is located in the South-Central Service Area. The facility operates under FDEP Permit FL0028061, which was issued February 10, 2025 and expires February 9, 2030. An expansion to increase the capacity of the South County AWWTF from 4.5 mgd to 10.0 mgd AADF was brought online in December 2014. The County expanded the South County AWWTF to 13.0 mgd in 2025, with an interim re-rate to 11.0 mgd completed in 2024. These expansions provide needed capacity until the construction of the South County One Water Campus AWWTF, which will have an ultimate capacity of up to 30 mgd.

Treated effluent from the South County AWWTF is either pumped to the South-Central Master Reuse System for distribution to reclaimed water customers, used for aquifer recharge into SHARP wells, or is discharged to the Port Redwing Canal Outfall. The outfall is limited to 10.0 mgd AADF. There is one 6.0 MG reject GST onsite, two 2 mg reclaimed water GSTs, and one 3 mg lined reject pond. A 30.0 mg effluent storage pond is located at the TECO Big Bend electric generation plant site. The dechlorination facility is located remotely off site.

The South County AWWTF utilizes the Bardenpho process, which provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in a four-train, five stage Bardenpho BNR process.
- Secondary clarification in six clarifiers with RAS/WAS pump stations.
- Filtration in eight deep bed filter units.
- Disinfection in two chlorine contact basins using sodium hypochlorite.

Residual solids are dewatered in three centrifuges with polymer addition. The residual solids are then hauled to a residuals management facility for further treatment and disposal or to a Class I landfill for disposal.

The South County AWWTF has a number of ongoing and planned CIP activities. Most notable, the South County AWWTF completed Phase 1 construction for the 11 mgd re-rate. Phase 2 added an additional 2 mgd in 2025, bringing the total permitted planned capacity to 13 mgd. Potential future projects include the replacement of headworks bar screens with Hydrodyne screens and a new equalization tank.

Sunset Plaza. Sunset Plaza Utilities is a small utility that provides potable and wastewater service to a Shopping Center in Lutz, FL with 39 water and 35 sewer customers that was acquired by the County on August 16, 2022. It has a permitted wastewater capacity of 0.050 mgd three-month average daily flow ("TMADF"). The Sunset Plaza Wastewater Treatment Facility (the "Sunset Plaza WWTF") operates under permit FLA012165, which was issued March 15, 2021 and expires March 14, 2031.

Valrico Advanced Wastewater Treatment Facility. The Valrico Advanced Wastewater Treatment Facility (the "Valrico AWWTF") is located on North Dover Road in the South-Central Service Area. The original Valrico AWWTF was built in the early 1990s and was last expanded in 2009. The facility operates under FDEP Permit FL0040983 (issued February 13, 2025, with expiration date of February 12, 2030) and has a permitted treatment capacity of 12.0 mgd AADF. Treated effluent from the plant is currently pumped to the South Central Master Reuse System for distribution to reclaimed water customers, used for aquifer recharge into SHARP wells, or discharged to Turkey Creek, which discharges to the Alafia River and eventually Tampa Bay. The outfall is limited to 3.0 mgd AADF. Four 5.0 mg effluent storage tanks and a reclaimed water pump station (the "RWPS") are located onsite.

A project to add two 2.3 mg flow equalization basins, a new triplex drain lift station and force main, a new reject return pump station, and a new stormwater pond with modifications to the existing sprayfield was recently completed.

The facility provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in four parallel oxidation ditch and anaerobic selector trains.
- Secondary clarification in six clarifiers.
- Filtration in eight deep bed denitrification filter units.
- UV disinfection.
- Sodium hypochlorite for disinfection residual maintenance in the reclaimed water system.

Residual solids are held in three aerated sludge holding tanks prior to being dewatered with two centrifuges, before being hauled to a Class I landfill or to a biosolids management facility. In addition to the residual solids from the Valrico AWWTF, this facility also accepts biosolids transported by truck from several Hillsborough County school WWTFs.

Although the plant is running and operational (meeting permit requirements), it currently has issues with aeration at the biological basins. The County installed temporary floating aerators to meet oxygen demand. Also, the headworks experiences high concentrations of H_2S , and their existing odor control system cannot handle the high concentrations. This issue significantly corroded gates and equipment at the headworks. The plant also needs major electrical improvements.

Recently completed projects include replacement of the air compressors for filter backwash and floating aerators for the biological basins. In addition, the bleach pump skid was replaced, Centrifuges 1 and 2 were rehabilitated, upgrades to the Visual Tag Supervisory Control and Data Acquisition ("VTSCADA") system were completed, along with replacement of the filter air compressors, surface water discharge insertion flow meter, polymer tote scales, and the Aerator 4B VFD. Planned projects include repair of the equalization tank, adding diffused aeration to the biological basins, and an odor control system for the headworks.

Van Dyke Wastewater Treatment Facility. The Van Dyke Wastewater Treatment Facility (the "Van Dyke WWTF") is located in the Northwest Service Area. The Van Dyke WWTF was originally constructed in 1985. No expansions have occurred since the Van

Dyke WWTF was originally constructed. However, an upgrade including new piping, two motorized valves, new sludge blanket monitors, removal of the cell dividers, and ancillary hardware from the existing traveling bridge filter structure, and a new sloped concrete bottom in the traveling bridge filter structure were performed under a minor permit modification. Additionally, the filtration system was modified and upgraded in the mid-1990s to comply with FDEP requirements for reuse system. A new headworks was constructed in 2017.

The Van Dyke WWTF operates under FDEP Permit FLA012234, which was issued September 23, 2022 and expires September 22, 2027. The Van Dyke WWTF has a permitted capacity of 1.7 mgd AADF. Effluent meeting Part III public access reuse standards from the Van Dyke WWTF is discharged to the Northwest Master Reuse System. There is one 6.0 mg reclaimed water storage tank onsite. There is no surface water discharge from the Van Dyke WWTF. Effluent that fails to meet Part III public access reuse standards is diverted to three lined reject ponds with a total capacity of 11.48 mg and is eventually returned to the in-plant lift station. Reject water is returned to the headworks through the reject return pump station.

The Van Dyke WWTF provides secondary treatment with filtration and high-level disinfection to meet Florida public access reuse standards. Major treatment processes include the following:

- Preliminary treatment consisting of influent screening, grit removal, and odor control.
- Biological treatment in two parallel train oxidation ditches.
- Secondary clarification in two clarifiers.
- Tertiary filtration in four deep bed filters.
- Disinfection using sodium hypochlorite.

Residual solids generated at the Van Dyke WWTF are stored in an onsite holding tank and transported for treatment and disposal. Upcoming projects include a new chlorine building, the automatic transfer switch is to be replaced, Rotor 3 (aeration basin) is to be replaced, and filter feed basin (Pump 2) is to be replaced.

Windemere. The Windemere Utility Company is a small utility servicing residential subdivisions in Lutz, Florida which includes two potable water systems and one wastewater system. The wastewater treatment plant has a TMADF capacity of 0.260 mgd; however, it is restricted to 0.185 mgd TMADF due to a limited effluent disposal system capacity. The Windemere system was acquired by the County on March 6, 2024. The Windemere WWTP operates under permit FLA012138, which was issued September 17, 2025 and expires September 27, 2030.

Condition. During May 2025, the Consulting Engineer inspected the wastewater facilities. Based on observations made during these inspections and discussions with WRD staff, the Consulting Engineer concluded that the Wastewater System is in overall good condition and is being operated and maintained in an acceptable manner consistent with industry standards.

Regulatory Compliance. All of the County's wastewater treatment and biosolids management facilities are permitted and regulated by FDEP. The facilities are also subject to certain EPA regulations. All of the operating permits are current or are in the renewal process.

The County's wastewater facilities have had various minor permit violations, consent orders, administrative orders and compliance assistance offers over the last several years. Currently, the County has three existing consent orders. Two of which relate to the Falkenburg Road AWWTF (FDEP OGC No. 24-2348, concerning installation and maintenance of the influent flow meter, notification to FDEP and the Palm River outfall flow limitation, and FDEP OGC No. 25-2189, concerning a release of inadequately treated wastewater on August 29-30, 2025, for which an in-kind penalty proposal remains pending) and one of which is a joint order covering the Northwest Regional WRF and the Valrico AWWTF (FDEP OGC No. 24-2722). The County corrected all issues related to the consent orders in 2025 or earlier and is currently in the process of undergoing in-kind projects, all as further described in the Report.

PFAS. The County is also actively managing PFAS concerns in its wastewater systems. Under Florida House Bill 1019 (2026), all public wastewater facilities exceeding 25,000 gallons per day have begun quarterly sampling of biosolids and treated effluent for 40 PFAS analytes using EPA Method 1633A, with results submitted to the Florida Department of Environmental Protection within 30 days of each quarter's end. Facilities are conducting additional influent, effluent, and sludge sampling to support early planning for future PFAS treatment requirements.

Across wastewater operations, the County continues to coordinate closely with suppliers, regional partners, and regulatory agencies to monitor PFAS trends, evaluate treatment strategies, and ensure readiness for forthcoming federal and state PFAS compliance requirements.

Reclaimed Water

General. The County's reclaimed (reuse) water system currently includes 11 master pumping stations, approximately 415 miles of transmission mains, and 123 mg of reclaimed water storage (the "Reclaimed Water System"). The Reclaimed Water System provided reclaimed water service on average to approximately 21,004 retail customer accounts including 20,490 residential (which includes 13,708 flat rate and 6,782 metered service accounts), 487 commercial, and 27 large user (bulk) accounts during Fiscal Year 2025. The reclaimed water transmission and distribution system is in the same two general

service areas as discussed for the Wastewater System: the Northwest Service Area and the South-Central Service Area. These individual systems are referred to as the "Northwest Master Reuse System" and the "South-Central Master Reuse System", respectively.

On a system-wide basis, an AADF of 32.63 mgd of reclaimed water was distributed by the WRD through its Reclaimed Water System during Fiscal Year 2025. Of the total amount of reclaimed water distributed during Fiscal Year 2025, approximately 11.78 mgd was in the Northwest Service Area and approximately 20.85 mgd was in the South-Central Service Area. Approximately 84.4% of all effluent discharged by the County WWTF was beneficially reused through reclaimed water irrigation or aquifer recharge in Fiscal Year 2025, and the remaining effluent was discharged to surface waters. Approximately 45.46 mgd of water was available for reuse in Fiscal Year 2025.

In the Northwest Service Area, the Dale Mabry RWPS has a firm pumping capacity of 11.38 mgd and total storage of 10 mg, the Northdale Tank and RWPS has a firm pumping capacity of 5.18 mgd and total storage of 10 mg, the Northlakes RWPS has a firm capacity of 3.46 mgd and total storage of 10 mg, the Northwest RWPS has a firm pumping capacity of 21.6 mgd and total storage of 20 mg and the Van Dyke RWPS has a firm pumping capacity of 6.48 mgd and total storage of 6 mg.

In the South-Central Service Area, the Falkenburg Road RWPS has 7.13 mgd to 9.51 mgd of pumping capacity and total storage of 10 mg, the Valrico RWPS has a firm pumping capacity of 16.86 mgd and total storage of 20 mg, the Lithia Pinecrest RWPS has a firm pumping capacity of 9.01 mgd and total storage of 5 mg, the South County RWPS has a firm pumping capacity of 22.19 mgd and total storage of 12 mg and the Summerfield RWPS has a firm pumping capacity of 5.62 mgd and total storage of 5 mg.

Regulatory Compliance. There were no regulatory compliance issues for the Reclaimed Water System in the past five years. In general, the quality of the reclaimed water depends on the quality of the wastewater treatment facility effluent. At each of the WWTF providing reclaimed water, if the wastewater treatment facility effluent does not meet reclaimed water standards, it is automatically rejected from the reclaimed water distribution system.

Condition. The Consulting Engineer inspected the RWPSs in May 2025. Based on observations made during these inspections, the Consulting Engineer concluded that the RWPs are in generally good condition and are being operated and maintained in an acceptable manner consistent with industry standards.

Service Area Agreements

The County has entered into a series of interlocal and/or service agreements with the three municipalities in the County that establish the service area boundaries for the Water and Wastewater Systems. The following is a summary of the service area agreements by entity:

City of Tampa. The County and the City of Tampa entered into an Interlocal Agreement dated June 26, 1979, which has been amended and supplemented from time to time (on which the terms have not changed since April 5, 2000), which established the water and wastewater service boundaries between the two entities (the "Tampa Service Area Agreement"). The Tampa Service Area Agreement provides, among other things, for the area to be served by each party, the construction of interconnections at certain delivery points, and rates for wholesale service as may be required by the entities. The County currently purchases wholesale water and/or wastewater service from the City of Tampa primarily to (i) serve the Seaboard (water and wastewater service) and Herschel Heights (water-only service) utility systems that were previously acquired from Florida Water Services Corporation by the County at locations which were not located in the City's utility system but were served on a wholesale basis by the City; (ii) serve the Pebble Creek and Eastlake utility systems (water service) that were previously acquired from Pluris Holdings, LLC by the County which are served by the City of Tampa on a wholesale basis (the on-site water facilities were decommissioned from service); and (iii) serve certain other small isolated service areas located in unincorporated County that were considered by the WRD to be best served through purchases from the City of Tampa as opposed to connecting such areas to the County's regional system. The agreement had an initial term of 40 years and has been extended through June 4, 2027. Upon discussions with County staff, there is no action required to maintain the wholesale water and wastewater services currently in place, however the intention is to extend the interlocal agreement with the City of Tampa for two years and review the agreement annually.

City of Plant City. The County only provides water and wastewater service to an area referred to as the Oak Utility Service Area. This utility was acquired by the County (as a separate utility that was not part of the System) through a receivership that was granted to the County on May 23, 1989 and the County formally incorporated the system into the County System during Fiscal Year 2003. The County and Plant City entered into an Interlocal Agreement to Provide Water and Wastewater Service to the Oak Utility Service Area dated March 20, 1996 (the "Plant City Service Area Agreement"), which has been amended from time to time. The County purchases wholesale water and wastewater service from Plant City to service the Oak Utility service area. The Plant City Service Area Agreement provides, among other things: (i) the basis for the wholesale rates for service; (ii) the identification of the service area as the Oak View Estates subdivision (serves approximately 200 residential customers); and (iii) the option for Plant City to acquire the utility if such facilities are annexed into the city (currently, the subdivision does not reside in the Plant City corporate limits) and that the utility meets Plant City's specifications and requirements. The term of the Plant City Service Area Agreement initially was for a period of 10 years with the ability to be renewed for additional five-year terms upon expiration of the initial term and every fifth year thereafter. The parties renewed and extended the Plant City Service Area Agreement for an additional five-year period through March 19, 2011 with the execution of the First Amendment to such agreement dated April 24, 2006. Although the agreement has not formally been extended by the parties since 2011, the County continues to receive service from Plant City and is billed as a commercial customer

on a retail basis receiving utility service outside the Plant City limits. For Fiscal Year 2025, purchases from Plant City represented approximately 0.13% of the County's total purchased water volume.

City of Temple Terrace. The County and the City of Temple Terrace entered into the Agreement to Establish Potable Water and Wastewater Service Areas in an Urban Expansion Area in Unincorporated Hillsborough County and for the City of Temple Terrace to Provide Bulk Domestic Wastewater Service to the County for said Wastewater Service Area on April 3, 2002, which has been amended from time to time (the "Temple Terrace Service Area Agreement"). The Temple Terrace Service Area Agreement was entered into by the parties to allow the County to serve a portion of the Urban Expansion Area located east of the City of Temple Terrace with water and wastewater service. Currently, service provided on a wholesale basis by the City of Temple Terrace is for a very limited number of water and wastewater customers (three metered connections that represent 20 equivalent residential connections). The Temple Terrace Service Area Agreement provides, among other things: (i) the basis for the wholesale rates for service; (ii) the identification of the service area to be served on a retail basis by the County; and (iii) the term of service. The term of the Temple Terrace Service Area Agreement shall run in perpetuity, provided however that either party may terminate and withdraw from the agreement upon 36 months' written notice by either party. The County does not anticipate this agreement to be terminated by either party during the Forecast Period.

Pasco County – Two Rivers Development Project: The County does not have existing potable water or wastewater facilities in the vicinity of the development that can be reasonably or economically extended to provide service. To address this, the County and Pasco County entered into an Interlocal Bulk Water and Wastewater Agreement dated December 13, 2022 (the "Two Rivers Agreement"). Under the Two Rivers Agreement, Pasco County provides bulk potable water and wastewater service to the County, which the County then uses to serve utility customers within the County a portion of the Two Rivers development. The Two Rivers development consists of approximately 1,948 acres located on the west side of U.S. Highway 301 along the Hillsborough–Pasco County border. It was approved as a planned development in 2008 permitting 972 residential units, 45,000 square feet of neighborhood commercial uses, private equestrian facilities, trails, and a private golf course. The site is designated Planned Environmental Community under the Hillsborough County Comprehensive Plan, which requires central potable water and wastewater service to protect the Hillsborough River and surrounding resources. The Two Rivers Agreement provides, among other things: (i) that Pasco County will deliver bulk potable water and wastewater service at specified points of connection; (ii) that the County is responsible for constructing and maintaining its own connections and facilities up to the metering point, with Pasco County owning and maintaining the meters; (iii) the establishment of bulk consumption rates and capital recovery surcharges, which are subject to adjustment by Pasco County's Board of County Commissioners; and (iv) the service commitment for up to an average of 300,000 gpd. All costs associated with extending utility infrastructure to serve the development are borne by the developer. The initial term

of the Two Rivers Agreement is 25 years from execution, with the County holding the option to renew the agreement for an additional 25 years subject to Pasco County approval. Either party may terminate under certain conditions, including default, or if the County is able to provide its own service, with two years' notice. The Two Rivers Agreement was recorded in the public records of both the County and Pasco County in accordance with Section 163.01(11), Florida Statutes. As of the date of the Report, the County has not purchased water or wastewater services from Pasco County because utility demand requiring service under the agreement has not yet materialized. Future purchases are expected as development progresses and utility service is initiated within those areas designated to be served through the agreement.

City of Oldsmar. With respect to the City of Oldsmar (which is located in Pinellas County), the City provides water service to a single retail customer located in Northwest Hillsborough County (service is provided to one metered account representing one equivalent residential connection). The account is billed under the City of Oldsmar's standard outside-city retail rate structure.

Subordinate Indebtedness

The County has from time to time received loans and incurred other obligations with respect to the System (collectively, the "Subordinate Indebtedness") that are secured by a subordinate and junior lien on the Pledged Revenues. When issued, Subordinate Indebtedness is secured by a pledge of the Pledged Revenues of the System that is subordinate in all respects to the pledge granted thereon with respect to the County's Outstanding Parity Bonds, including the Series 2026 Bonds. Currently, the County has outstanding Subordinate Indebtedness in the aggregate principal amount of \$28,245,042. Additionally, the County currently expects to draw and/or issue additional Subordinate Indebtedness over the next five years, subject to the availability of funds under the credit facilities described below, to finance a portion of the current CIP. All of the Subordinate Indebtedness will be subordinate in all respects to the pledge of the Pledged Revenues granted thereon with respect to the Series 2026 Bonds, the County's Outstanding Parity Bonds and any subsequently issued Additional Parity Bonds. Subordinate Indebtedness is payable from amounts on deposit in the Subordinate Indebtedness Account. See "SECURITY FOR THE BONDS – Flow of Funds" and "CAPITAL IMPROVEMENT PROGRAM" herein.

Commercial Paper Program. The County has a commercial paper program for general County purposes (the "CP Program"). The County has allocated approximately \$99,300,000 of its capacity under the CP Program to the Department. The Refunded Short-Term Indebtedness includes an outstanding principal amount of advances under the CP Program equal to \$99,300,000. Such amount will be refinanced with proceeds of the Series 2026A Bonds. Following such refinancing there will be no other amounts outstanding under the CP Program related to the System.

The CP Program constitutes a covenant to budget and appropriate legally available non-ad valorem revenues of the County and is not secured by a lien on the Pledged Revenues. The CP Program is NOT Subordinate Indebtedness Under the terms of the Resolution.

Series 2025 Note. On December 17, 2025, the Board adopted Resolution No. R25-109 authorizing the issuance of the Hillsborough County, Florida Subordinate Utility Revenue Note, Series 2025 (the "Series 2025 Note") in a principal amount not to exceed \$400,000,000 outstanding at any one time and not to exceed \$1,500,000,000 in aggregate advances, to finance on an interim basis (i) the costs of all or a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital improvements to the System and (ii) the costs of issuance of the Series 2025 Note.

The Series 2025 Note is issued pursuant to a Revolving Credit Agreement, dated December 19, 2025, between the County and Bank of America, N.A. ("BOA" and such agreement, the "BOA Revolving Credit Agreement"), which initially provided for an authorized amount not to exceed \$300,000,000 outstanding at any one time, subject to adjustment as provided therein. The authorized amount reflects the commitment of BOA with respect to advances made to fund the 2026 Project. Because the BOA Revolving Credit Agreement is revolving in nature, repayment of the principal component of advances replenishes the amount that may be drawn and redrawn up to the authorized amount.

Pursuant to the adjustment provisions of the BOA Revolving Credit Agreement, on June 17, 2026 the County requested, and BOA approved, an increase in the authorized amount by \$50,000,000, to a not-to-exceed authorized amount of \$350,000,000, and Allonge No. 1 amending and restating the Series 2025 Note was executed by the parties on July 20, 2026. Unless extended, on December 31, 2031 the authorized amount automatically becomes \$0.

The Refunded Short-Term Indebtedness also includes an outstanding principal amount of advances against the Series 2025 Note equal to \$28,245,042. Such amount will be refinanced with proceeds of the Series 2026A Bonds. Following such refinancing there will be no other amounts outstanding against the Series 2025 Note.

Series 2026 Note. On July 15, 2026, the Board adopted Resolution No. R26-072 authorizing the issuance of the Hillsborough County, Florida Subordinate Utility Revenue Note, Series 2026 (the "Series 2026 Note") in a principal amount not to exceed \$650,000,000 in aggregate advances, to finance on an interim basis (i) the costs of all or a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital improvements to the System and (ii) the costs of issuance of the Series 2026 Note.

The Series 2026 Note is issued pursuant to a Non-Revolving Credit Agreement, dated July 20, 2026, between the County and BOA (the "BOA Non-Revolving Credit Agreement"), in an aggregate principal amount not to exceed \$650,000,000 outstanding at

any one time. Because the BOA Non-Revolver Credit Agreement is non-revolving in nature, repayment of the principal component of advances does not replenish the amount available to be redrawn. The authorized amount automatically reduces to \$500,000,000 on June 30, 2028 and to \$350,000,000 on December 31, 2028 and, unless extended, automatically becomes \$0 on December 31, 2031.

As of the date hereof no advances have been made under the Series 2026 Note.

RATES, FEES AND CHARGES

Water and Wastewater Rates

The Water System Monthly User Rates which are currently in effect pursuant to Resolution No. R03-91 adopted by the County on May 14, 2003 (as amended by Resolution No. R05-106 on May 5, 2005, and by subsequent resolutions), as amended and supplemented and as most recently amended by Resolution No. R25-111 adopted by the County on December 17, 2025 (the "2025 Rate Resolution" and collectively with Resolution No. R05-106 as amended and supplemented, the "Rate Resolution") include: (i) a constant base facility (readiness-to-serve) charge which varies based on the number of ERCs that are assigned to an account (which is generally predicated on the capacity reserved by such account); (ii) a customer service charge to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant base facility charge, serves as the monthly minimum bill; and (iii) a volumetric or usage charge based on metered water consumption which increases as consumption increases in order to promote water conservation (applicable to all customer classes). The County's Water System rates currently employ a water conservation rate structure consistent with the general water conservation program goals encouraged by the SWFWMD.

The rates for the Wastewater System are similar in structure to that of the Water System and include: (i) a constant base facility charge (readiness-to-serve charge) which varies based on the number of ERCs that are assigned to the account; (ii) a customer service charge to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant service charge serves as the minimum bill; (iii) a volumetric flow charge based on metered water consumption which serves as the basis for wastewater use; and (iv) a maximum residential billing threshold of 8,000 gallons per month per single-family residential unit and 5,600 gallons per month per master-metered residential unit for the billing of the volumetric flow charge for these classes of customers. It should be noted that only one customer service charge is rendered per account for utility service provided (i.e., customers that receive water-only service, water and wastewater service, or wastewater-only service would each receive one customer service charge).

As shown in the rate summary that follows, the County bills a Purchased-Water Pass-Through Consumption Charge to recover the cost of purchased water from its water suppliers (primarily Tampa Bay Water). This pass-through charge is reviewed annually by the WRD and is a forward-looking calculation (e.g., based primarily on the Tampa Bay Water budget for wholesale service). The Purchased-Water Pass-Through Consumption Charge was implemented during Fiscal Year 2001 and allows the WRD to recover costs that are not controllable by the WRD. It should be noted that during Fiscal Year 2025, the purchased water costs accounted for approximately 39% of the total Cost of Operations and Maintenance. The initial Purchased-Water Pass-Through Consumption Charge implemented during Fiscal Year 2001 was \$1.20 per 1,000 gallons of metered water consumption. For Fiscal Years 2026, the Purchased-Water Pass-Through Consumption Charge that was billed by the WRD was \$3.02 per 1,000 gallons of metered (billed) water use.

The Board adopted Resolution No. R21-046 on April 21, 2021, which approved the extension of an additional annual automatic rate adjustment of four percent for four fiscal years beginning October 1, 2021 through September 30, 2025 (the "2021 Rate Resolution"). The Board adopted Resolution No. R23-078 on September 7, 2023, which approved i) to continue the application of the Rate Index through the Fiscal Year ending September 30, 2035; and ii) to continue the application of an additional annual automatic rate adjustment of four percent for years through September 30, 2025 by adding a 5% annual automatic rate adjustment for seven years beginning October 1, 2025 through the Fiscal Year ending September 30, 2032 (the "2023 Rate Resolution"). Most recently, the Board adopted the 2025 Rate Resolution which increased Water and Wastewater Impact Fees on a phased-in approach, effective March 23, 2026.

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The following table is a summary of the current monthly System rates for water and wastewater service as delineated in the Rate Resolution:

Current Monthly Water and Wastewater Rates for Service⁽¹⁾	
	In Effect as of October 1, 2025⁽¹⁾
Customer Service Charge (per Bill Rendered)	\$ 6.54
Water Service Rates:	
Base Facility Charge (per ERC)	\$13.58
Usage Charges (per 1,000 Gallons):	
Block 1 – 0 to 5,000 Gallons	\$ 1.12
Block 2 – 5,001 to 15,000 Gallons	3.09
Block 3 – 15,001 to 30,000 Gallons	5.19
Block 4 – Above 30,000 Gallons	7.73
Pass-Through Consumption Charge ⁽²⁾	\$ 3.02
Wastewater Service Rates:	
Base Facility Charge (per ERC)	\$21.95
Usage Charges (per 1,000 Gallons) ⁽³⁾	\$ 7.07

⁽¹⁾ Amounts derived from Rate Resolution; Monthly User Rates became effective October 1, 2025 coincident with the application of a price index and 5% additional rate adjustment.

⁽²⁾ Reflects current pass-through consumption charge to recover the net cost of purchased-water (primarily Tampa Bay Water) based on formula contained in Rate Resolution; amount shown billed for all water consumption, regardless of consumption block and represents a charge that is added uniformly to all water usage charges. Amount shown reflects the charge currently in effect for the Fiscal Year 2026.

⁽³⁾ Wastewater usage charge billed based on metered water use; individually metered single-family residential service usage charge capped at 8,000 gallons per month and each living unit served within a master-metered residential complex is capped at 5,600 gallons per unit per month.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Reclaimed Water Rates

The following table summarizes the Reclaimed Water System rates that were in effect as of October 1, 2025 pursuant to the Rate Resolution:

Current Monthly Rates for Reclaimed Water Service⁽¹⁾

		Single-Family Residential		
		Unmetered – Committed	Metered	
Base Facility Charge		\$9.00	\$6.44	
Usage Charge per 1,000 Gallons:				
Block 1	0-5,000 Gallons	N/A	\$0.40	
Block 2	5,001-15,000 Gallons	N/A	0.67	
Block 3	Above 15,000 Gallons	N/A	0.92	
		Commercial and Multi-Family		
		Unmetered – Committed ⁽²⁾	Metered General Users	Metered Major Users
Base Facility Charge		\$9.00	\$6.44	\$6.44
Usage Charge per 1,000 Gallons: ⁽²⁾				
Block 1	0-5,000 Gallons per ERC	N/A	\$0.18	\$0.15
Block 2	5,001-15,000 Gallons per ERC	N/A	0.31	0.15
Block 3	Above 15,000 Gallons per ERC	N/A	0.86	0.15

⁽¹⁾ Amounts derived from Rate Resolution; Monthly Reclaimed Water System Rates became effective October 1, 2025 coincident with the application of a price index and a 5% additional rate adjustment.

⁽²⁾ An ERC for the Reclaimed Water System is defined as the AADF of 500 gpd of use. ERCs are generally determined initially based on projected usage and are subject to adjustment annually based on the actual average annual daily usage for the prior 12-month period.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

Annual Price Index Adjustment

The Rate Resolution provides that the WRD has the ability to annually increase the Water and Wastewater Monthly User Rates (excluding the Purchased-Water Pass-Through Consumption Charge), Reclaimed Water User Charges (excluding the Committed-Call connections) and the Bulk-Service Charges (excluding the Purchased-water Pass-through Consumption Charge), as identified in the Rate Resolution (collectively, the "Applicable Rates") by applying a price index factor as defined in the Rate Resolution. The price index factor is to be applied to the Applicable Rates to provide a general recovery mechanism for the effects of inflation on the cost of providing water, wastewater, and irrigation services by the System. Pursuant to the Rate Resolution, all Applicable Rates so adjusted are implemented by the County annually on or after October 1 of the year in which the price index factor was established and, in no event, can the price index factor be less than zero percent (0%) or exceed five percent (5%). It should be noted that the annual application of the price index does not preclude the County from adjusting the rates, fees, and charges in an amount greater than the price index factor.

The County has consistently applied the price index annually since the Fiscal Year 2010 with the Fiscal Year 2026 Index (effective October 1, 2025) being 3.29%. The following table summarizes the projected annual price index assumed for the Forecast Period (which encompasses the five fiscal year period ending September 30, 2030) as described in the Report (percentage adjustments are estimated and subject to change based on actual reported conditions).

Estimated Annual Price Index Rate Adjustments - for the Forecast Period					
	Actual⁽¹⁾	Estimated Fiscal Year Ending September 30,			
	2026	2027	2028	2029	2030
Price Index Adjustments ⁽²⁾	3.29%	2.91%	2.83%	2.73%	2.66%

⁽¹⁾ Reflects the actual price index approved by the County that were applied to Applicable Rates and reflected in the rates presented earlier in this section pursuant to the Rate Resolution.

⁽²⁾ Amounts shown for the Fiscal Year 2027 through the remainder of the Forecast Period were estimated based on historical trends in the percentage change in the U.S. Bureau of Labor Statistics Water and Sewer Maintenance Index (Series ID CUSR0000SEHG01).

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

Additional Rate Adjustment

In addition to the annual price index, the County Commission adopted a series of additional rate adjustments pursuant to the Rate Resolution to be implemented during the Forecast Period (referred to as the "Approved Rate Adjustments"). The purpose of the Approved Rate Adjustments is to provide additional funds for expected increases in operating costs and capital reinvestment for the integrity of the System. The fixed 5% annual rate adjustments shown in the following table were approved by the Board and do not require further annual Board action to become effective. The financial forecast assumes that each approved adjustment, together with the applicable annual Price Index adjustment, is implemented as authorized throughout the Forecast Period.

Board Approved Rate Adjustments - for the Forecast Period⁽¹⁾					
	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
	In Effect⁽²⁾	Approved	Approved	Approved	Approved
Water System Approved Rate Adjustments ⁽³⁾	5.00%	5.00%	5.00%	5.00%	5.00%
Wastewater System Approved Rate Adjustments	5.00	5.00	5.00	5.00	5.00
Reclaimed Water System Approved Rate Adjustment ⁽⁴⁾	5.00	5.00	5.00	5.00	5.00

⁽¹⁾ Amounts shown derived from the Rate Resolution and have been implemented or approved by the County Commission. The approved rates adjustments are in addition to the application of the annual price index rate adjustment.

⁽²⁾ Represents index that is now incorporated in the rates being billed for the Fiscal Year 2026 as presented earlier in the report (effective October 1, 2025), the first year of the financial forecast presented in the Report. Current price index shown for presentation and informational purposes.

⁽³⁾ The Additional Rate Adjustments are not applied to the Purchased-water Pass-through Consumption Charge.

⁽⁴⁾ The Additional Rate Adjustments are not applied to the Reclaimed Water – Committed Class customers at this time.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

Impact Fees and Accrued Guaranteed Revenue Fees

In addition to the monthly rates for water and wastewater service, the County currently charges impact fees to new connections based upon an equitable and proportionate share of the cost for: (i) water supply and transmission facilities owned by Tampa Bay Water; (ii) County-owned water treatment and transmission facilities; and (iii) County-owned wastewater transmission, treatment and effluent disposal capacity of the System. The purpose of the impact fees is for paying or reimbursing the equitable share of the capital costs relating to the construction, expansion, or equipping capacity of the System or as constructed on behalf of the County in order to serve new users. The obligation for the payment of these charges is from new customers requesting capacity from the water and/or Wastewater System associated with new development. The current impact fees were adopted by the County pursuant to the Rate Resolution. In addition to the impact fees, the County historically charged new customers or developments an AGRF which represents the sum of: (i) the estimated interest (carry) cost associated with financing the expansion-related facilities and (ii) the fixed cost of operating and maintaining the facilities allocable to growth, both of which are related to capacity in the County's Water and Wastewater Systems to serve new customers. The purpose of this fee is to recover the cost of holding and maintaining the capital investment until such time that an applicant requests and pays for capacity. This fee was suspended by the County in April 2014 and was reinstated (at a different rate) on June 17, 2020. Revenues received from the application of the AGRF are included in Gross Revenues.

Pursuant to the Resolution, Impact Fees are only pledged to secure the Bonds to the extent that Wastewater Impact Fees do not exceed the Wastewater Expansion Project Percentage (estimated to be as of the date of issuance of the Series 2026 Bonds, 100%) multiplied by the Bond Service Requirement for the Bonds plus the Wastewater Impact Fee Carryforward Amount (\$56,345,725 as of September 30, 2025) and to the extent that Water Impact Fees do not exceed the Water Expansion Project Percentage (estimated to be as of the date of issuance of the Series 2026 Bonds, 100%), multiplied by the Bond Service Requirement for the Bonds plus the Water Impact Fee Carryforward Amount (\$606,480 as of September 30, 2025).

Generally, under Florida law, impact fees such as the Impact Fees may only be validly imposed against new construction or development in order to fund capital improvements or capacity which are necessitated by such new construction or development. Impact fees such as the Impact Fees may be lawfully applied to satisfy debt service for bonds or other debt obligations issued to finance or refinance such improvements or capacity. Proceeds of such Impact Fees may be used only for the capital improvements or capacity attributable to the new construction or development or to pay associated debt service.

The amount of Impact Fees received annually by the System generally fluctuate with the amount of new construction or development which occurs within the areas served by the System. Therefore, there can be no assurances that such Impact Fees will not

decrease or be eliminated altogether in the event that new construction, for whatever reason, might decrease or cease altogether within areas served by the System.

The following tables summarize the Water System and Wastewater System Impact Fees currently in effect. The Accrued Guaranteed Revenue Fee (AGRF) is \$833.00 per ERC for the Water System and \$989.00 per ERC for the Wastewater System.

Water Impact Fees⁽¹⁾		
Northwest Service Area⁽²⁾		
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027
Single-Family Residential (per Dwelling Unit)	\$2,037.50	\$2,212.00
Master-Metered Residential (per Dwelling Unit)	1,018.75	1,106.00
Commercial (per ERC)	2,037.50	2,212.00
South-Central Service Area		
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027
Single-Family Residential (per Dwelling Unit)	\$3,449.00	\$4,684.00
Master-Metered Residential (per Dwelling Unit)	1,724.50	2,342.00
Commercial (per ERC)	3,449.00	4,684.00

⁽¹⁾ Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of Water Impact Fees consistent with the limitations of Chapter 163.31801 equally over two years in Fiscal Years 2026 and 2027.

⁽²⁾ Resolution No. R20-047 adopted on June 17, 2020, established different Impact Fees for the Northwest Service Area and the South-Central Service Area.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

Wastewater Impact Fees⁽¹⁾				
Northwest Service Area⁽²⁾				
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027	Beginning March 23, 2028	Beginning March 23, 2029
Single-Family Residential (per Dwelling Unit)	\$3,268.75	\$3,586.50	\$3,904.25	\$4,222.00
Master-Metered Residential (per Dwelling Unit)	2,288.13	2,510.55	2,732.98	2,955.40
Commercial (per ERC)	3,268.75	3,586.50	3,904.25	4,222.00
South-Central Service Area				
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027	Beginning March 23, 2028	Beginning March 23, 2029
Single-Family Residential (per Dwelling Unit)	\$4,884.75	\$6,118.50	\$7,352.25	\$8,586.00
Master-Metered Residential (per Dwelling Unit)	3,419.33	4,282.95	5,146.58	6,010.20
Commercial (per ERC)	4,884.75	6,118.50	7,352.25	8,586.00

⁽¹⁾ Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of Wastewater Impact Fees consistent with the limitations of Chapter 163.31801 equally over four years in Fiscal Years 2026 through 2029.

⁽²⁾ Resolution No. R20-047 adopted on June 17, 2020, established different Impact Fees for the Northwest Service Area and the South-Central Service Area.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

The Florida Legislature passed Senate Bill 180 ("SB 180") on May 2, 2025, which the Governor signed into law on June 26, 2025. Among other provisions, SB 180 prohibits local governments located in federal disaster-declared counties from adopting more

restrictive or burdensome land development regulations between August 1, 2024, and October 1, 2027. On August 18, 2026, a Florida circuit court in Flagler County ruled that certain non-utility development impact fee increases imposed by the City of Palm Coast constituted more burdensome land development regulations in violation of SB 180 and declared such impact fees null and void. The City of Palm Coast filed a notice of appeal on August 27, 2026. The County adopted its impact fee rate increases in December 2025 and some of such increases have occurred and are scheduled to occur prior to October 1, 2027. To date, the County has not received any challenges or threats of challenge to its utility impact fee increases. However, the County cannot predict whether they will receive any challenges in the future or, if challenged, whether any such challenge would be successful. The County would vigorously defend any challenge. The County does not believe a successful challenge would materially impact its ability to pay debt service on the Series 2026 Bonds.

Miscellaneous Service Charges

The County has also adopted a schedule of fees, charges, and deposits that are applicable to miscellaneous or customer requested services. The fees generally are imposed to recover the cost of specific service such as water and sewer taps and utility turn-on fees or a deposit to mitigate the risk for nonpayment of System services. It should be noted that the County has engaged Stantec, a business consulting and services firm, to perform a Miscellaneous Fee Study which is expected to be completed later this calendar year. For a summary of miscellaneous service charges that are currently in effect for the System see "Rates, Fees and Charges" in the Report attached hereto as APPENDIX C.

Rate Comparison

The table on the following page compares typical water and wastewater residential bills by the County and nearby utility systems.

See "APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant" attached hereto for rate comparison with respect to impact fees and reclaimed water service rates.

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Residential Water and Wastewater Service Assuming 6,000 Gallons of Monthly Utility Service ⁽¹⁾⁽²⁾			
	Water	Wastewater	Total
<u>Hillsborough County</u>			
Effective October 1, 2025 ⁽³⁾⁽⁴⁾	\$43.66	\$ 67.64	\$111.30
<u>Other County Utilities:</u>			
City of Plant City	\$24.11	\$ 62.22	\$ 86.33
City of Tampa ⁽⁴⁾	38.26	54.44	92.70
City of Temple Terrace	24.66	80.75	105.41
<u>Other Surveyed Utilities:</u>			
City of Bradenton	\$38.86	\$ 48.35	\$ 87.21
Charlotte County	68.94	86.25	155.18
City of Clearwater	65.55	81.48	147.03
Collier County	61.74	97.82	159.56
City of Fort Myers	54.99	115.67	170.66
City of Lakeland	25.93	53.55	79.48
Lee County	43.82	75.59	119.41
Manatee County	31.61	72.22	103.83
City of New Port Richey ⁽⁴⁾	42.89	55.31	98.20
City of North Port	75.44	96.61	172.05
City of Oldsmar	55.23	62.53	117.76
Pasco County ⁽⁴⁾	25.37	66.62	91.99
Pinellas County ⁽⁴⁾	45.17	70.52	115.69
Polk County	32.12	84.29	116.41
Sarasota County	44.68	96.36	141.04
City of St. Petersburg ⁽⁴⁾	57.71	94.54	152.25
Other Utilities' Average	\$45.24	\$ 76.46	\$121.69

⁽¹⁾ Based on utility survey shown on Tables 12 and 13 at the end of the Report.

⁽²⁾ Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.

⁽³⁾ Amounts shown include the current Purchased-Water Pass-Through Consumption Charge of \$3.02 per 1,000 gallons for all billed water consumption. The Customer Service Charge is included in the water charges for the purposes of this comparison.

⁽⁴⁾ Reflects utilities that currently receive water from Tampa Bay Water.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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CAPITAL IMPROVEMENT PROGRAM

The WRD has planned capital improvements associated with providing renewals and replacements of existing System facilities as well as the expansion of water and wastewater capacity and reliability of the System during the next several years. The total projected cost of such improvements for the "Forecast Period" (which encompasses the five fiscal year period ending September 30, 2030), including those projects that were initiated during or prior to the Fiscal Year 2026 that are still underway (referred to as a "Project Carryforward"), is anticipated by the WRD to be approximately \$2.5 billion. The cost of the capital improvements is based on capital plans prepared by the WRD and professional consulting engineers employed by the WRD as part of its ongoing capital improvement planning program. The WRD anticipates the need for approximately \$1.8 billion in additional financing to fund its CIP over the next six years. Included in the CIP is the One Water Program which accounts for approximately \$1.4 billion of the total and is discussed below. A summary of the estimated capital expenditures (expressed on a cash-basis) by project-type or function for the Forecast Period is set forth below. Table 8 in the Report attached hereto as APPENDIX C contains more detail concerning the capital improvement plan. The Series 2026 Project is included in the capital improvement plan.

The County's One Water Program (the "One Water Program" or the "Program") is a long-range capital initiative to expand and improve the water, wastewater and reclaimed water facilities of the System serving the South-Central Service Area. The County undertook the Program in response to sustained population growth and increasing service demands within the South-Central Service Area, and the Program constitutes the largest coordinated water and wastewater infrastructure investment ever undertaken by the County. The Program is designed to provide treatment, transmission and supply capacity, together with additional operational reliability and redundancy, sufficient to meet demands projected by the WRD within the South-Central Service Area through 2050. The Series 2026 Project consists of a portion of the Program. See "PLAN OF FINANCE – The 2026 Project" herein.

The initial phase of the Program consists of two major components: (i) the South County One Water Campus AWWTF project; and (ii) the Balm Road Super Lift Station and Forcemain project, including approximately 22 miles of wastewater and reclaimed water transmission pipelines. Construction of the wastewater campus project and conveyance infrastructure is underway utilizing a Progressive Design-Build ("PDB") delivery method, while the design contract for the South County Drinking Water Facility was executed with Jacobs in 2026 and the Construction Manager at Risk ("CMAR") is expected to be selected in 2026. Collectively, these projects represent a strategic investment in resilient, modern infrastructure that will increase wastewater treatment capacity, expand reclaimed water capabilities, strengthen drinking water reliability and resiliency, and provide long-term operational flexibility for the County's growing customer base.

The One Water Campus will be strategically co-located with the County's Solid Waste Management Department's Southeast Landfill, creating opportunities for operational efficiencies, shared infrastructure, and future energy recovery initiatives. In addition, operational synergies position the County to respond proactively to evolving biosolids regulations through potential resource recovery opportunities. The Solid Waste Management Department owns approximately 3,300 acres surrounding the site, providing a substantial buffer that minimizes future land-use conflicts and protects long-term operational flexibility. Both the South County One Water Campus AWWTF and the South County Drinking Water Facility are located on some of the highest elevations within the County, outside FEMA wind hazard zones, storm surge areas, projected sea-level rise impacts, and the County's current Urban Service Area, significantly enhancing long-term resiliency. The South County Drinking Water Facility will provide critical system redundancy and backup water supply for approximately 100,000 customer accounts while supporting continued growth throughout the service area. Startup of the South County Drinking Water Facility is coordinated with and contingent upon the completion of Tampa Bay Water's regional transmission pipeline, scheduled for completion in late 2028, with the County serving as a funding partner for the pipeline segment that will supply the new facility. Easement acquisition for the approximately 22-mile pipeline system is well advanced, with the majority of the corridor traversing County-owned or State-owned property, significantly reducing right-of-way acquisition risk and limiting impacts to private property owners.

The costs of the Program are included in the capital improvement plan summarized below. Costs of the Program that are not funded from proceeds of the Series 2026A Bonds are expected to be funded from internal System resources and from the proceeds of Additional Parity Bonds anticipated to be issued during the Forecast Period, as further described below. See also "SECURITY FOR THE BONDS – Additional Parity Bonds" and "THE SYSTEM – Subordinate Indebtedness" herein and "APPENDIX C – Combined Report of the Consulting Engineer and Bond Feasibility Consultant."

Summary of Capital Improvement Plan by Facility Function for the Forecast Period⁽¹⁾

	Fiscal Year Ending September 30,					Total Period
	2026	2027	2028	2029	2030	
Wastewater Treatment	\$178,469,823	\$333,141,386	\$284,725,108	\$166,402,678	\$111,141,293	\$1,073,880,288
Wastewater Collection and Transmission	79,270,735	154,910,167	126,035,926	129,249,933	88,738,459	578,205,220
Water Treatment	4,660,357	49,744,684	96,421,209	93,558,433	40,004,289	284,388,972
Water Transmission, Storage, and Distribution	6,061,653	38,158,558	24,167,318	44,146,428	26,403,661	138,937,618
Reclaimed Water	27,874,461	59,239,254	58,103,019	33,064,598	14,654,664	192,935,996
Septic to Sewer	64,354,258	11,984,367	1,020,413	1,020,413	1,020,413	79,399,864
Low Pressure Sanitary Sewer	14,210,594	15,421,242	5,396,666	2,281,943	2,305,943	39,616,388
General Projects (Administration/Customer Service/Other)	1,077,786	7,984,374	8,948,379	8,948,379	3,316,126	30,275,044
Departmental Capital ⁽²⁾	31,374,155	12,001,998	12,291,816	12,504,538	12,732,774	80,905,281
Total Capital Program	\$407,353,822	\$682,586,030	\$617,109,854	\$491,177,343	\$300,317,622	\$2,498,544,671

⁽¹⁾ Amounts shown derived from Table 8 at end of the Report; amounts reflect when funds are anticipated to be expended on such capital projects.

⁽²⁾ Amounts reflect project expenditures for general plant such as equipment, machinery, and vehicles and for customer service building rehabilitation.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

The WRD has identified several funding sources for the completion of the above referenced capital projects as follows:

Summary of Cash Based Capital Funding Sources for the Forecast Period		
Estimated Funding Source⁽¹⁾	Amount	Percent
Grants ⁽²⁾	\$92,555,267	3.70%
Water Impact Fees ⁽³⁾	12,854,700	0.51
Wastewater Impact Fees ⁽³⁾	22,329,594	0.89
Renewal and Replacement Account	174,252,287	6.97
General Purpose Account ⁽⁴⁾	413,512,429	16.55
Miscellaneous Reserves ⁽⁵⁾	970,764	0.04
Series 2026A Bonds	650,000,000	26.02
Additional (Parity) Bonds ⁽⁶⁾	1,051,164,349	42.08
Annual Operations (Rates) ⁽⁷⁾	80,905,281	3.24
Total Funding Sources	\$2,498,544,671	100.00%

- (1) Amounts derived from detailed capital improvement plan funding analysis developed with the WRD based on available and anticipated sources of funds available for program funding. Amounts shown include use of available unrestricted funds at beginning of Forecast Period (i.e., October 1, 2025) as well as estimated deposits to be made to such accounts during the Forecast Period from System operations and other sources.
- (2) The County has secured grant funding from the SWFWMD, the FDEP, the EPA, and the American Rescue Plan Act. Amounts include \$2,723,617 of matching funds contributed by the County.
- (3) Amounts reflect use of available funds at beginning of Forecast Period; all Impact Fees anticipated to be received during the Forecast Period is assumed to be pledged toward: (i) the Debt Service Component associated with the Cost of Contracted Water Supply or (ii) the payment of the debt service on the Outstanding and Additional Parity Bonds allocable to the System.
- (4) The County has deposited funds in a separate Capital Expenditure Account, which is an account created by the County within the General Purpose Account, for the purpose of funding additional capital expenditures of the System. Generally, any funds earned which are in addition to the required deposits as delineated in the Resolution have generally been deposited into such account for the long-term benefit of the utility ratepayers.
- (5) Reflects funding of reclaimed water improvements from miscellaneous cash reserves (cash on deposit) of the System.
- (6) Amounts shown represent the issuance of Additional Parity Bonds during the Forecast Period to provide funds for (i) the construction of the One Water Program to provide additional capacity to the South-Central Service Area of the County; and (ii) other identified System construction projects. Reference is made to the Projected Operating Results section of the Report for a description of the timing and assumptions associated with the issuance of such Additional Parity Bonds. It should be noted that a portion of the proceeds derived from the issuance of Additional Parity Bonds are projected to be spent in Fiscal Year 2031, which is beyond the Forecast Period reflected in the Report.
- (7) Amounts shown represent funds derived annually from System rates and are for ongoing purchases of general plant (vehicles, equipment, furniture, etc.) which is not funded from the Renewal and Replacement Account by the County.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

As can be seen above, approximately 33% of the capital program is anticipated by the County to be funded by internal sources (e.g., General Purpose Account, Renewal and Replacement Account, rate revenues, impact fees and other sources). The remainder of funding for the capital program is primarily associated with the proceeds of the Series 2026A Bonds and Additional Parity Bonds assumed to be issued during the Forecast Period.

OPERATING AND FINANCIAL RESULTS

Water System

The historical and projected customer statistics for the Water System are summarized below:

Water System ⁽¹⁾			
Fiscal Year Ended September 30, (Historical) ⁽²⁾	Average Annual ERCs Served ⁽³⁾	Water Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2021	258,605	23,426,456	7,549
2022 ⁽⁴⁾	264,017	23,938,955	7,556
2023	270,353	26,054,570	8,031
2024 ⁽⁵⁾	276,980	24,912,938	7,495
2025	284,512	25,683,514	7,523
Average Annual Historical Growth Rate	2.42%	2.33%	(0.09%)
Fiscal Year Ended September 30, (Projected)	Average Annual ERCs Served ⁽³⁾	Water Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2026	288,132	26,399,522	7,635
2027	291,686	26,660,236	7,617
2028	295,065	26,903,582	7,598
2029	298,262	27,129,175	7,580
2030	301,377	27,346,597	7,562
Average Annual Projected Growth Rate ⁽⁶⁾	1.16%	1.26%	0.10%

⁽¹⁾ Amounts derived from Tables 1 and 4 at the end of the Report; amounts shown include all customer classes. It should be noted that the average use per single-family residential customer, the largest customer class of the System, averaged approximately 7,906 gallons per month of water use during the last five years ended Fiscal Year 2025.

⁽²⁾ During the historical period and continuing in some form today, the SWFWMD has imposed water use restrictions on the use of potable water to reduce long-term water demands and promote water conservation to preserve water resources.

⁽³⁾ Reflects average annual statistics; ERC represents an average daily potable water flow of 300 gpd as defined in the Rate Resolution. Amounts do not include Fire Line Service Accounts.

⁽⁴⁾ The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022, a system that serves approximately 39 commercial water accounts equating to 90 ERCs.

⁽⁵⁾ The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024, a system that serves approximately 1,020 residential water accounts equating to 1,020 ERCs.

⁽⁶⁾ Reflects average annual compound growth rate from Fiscal Year 2026 through Fiscal Year 2030.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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The following tables show historical and projected water production by service area:

**Historical Water Production – Northwest Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (mgd)⁽¹⁾	Permitted Capacity (AADF – mgd)	Percent Capacity Utilized
2021	21.368	56.107	38.08%
2022	21.335	56.177 ⁽²⁾	37.98
2023	21.552	56.177	38.56
2024	19.917 ⁽³⁾	56.617 ⁽⁴⁾	35.18
2025	20.046	56.547 ⁽²⁾	35.45

**Projected Water Production – Northwest Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (mgd)⁽¹⁾	Permitted Capacity (AADF – mgd)	Percent Capacity Utilized
2026	20.369	56.547	36.02%
2027	20.677	56.547	36.57
2028	20.969	56.547	37.08
2029	21.245	56.547	37.57
2030	21.511	56.547	38.04

- ⁽¹⁾ Amounts shown based on the forecast of Tampa Bay Water purchases as shown on Table 4 at the end of the Report allocated to the Northwest Service Area, adjusted for unaccounted for or unbilled water factor of 12.9% based on recent historical trends. Amounts shown above do not include water service purchased from the cities of Tampa, Plant City, Temple Terrace, and Oldsmar because purchased water service does not flow through the County's water treatment facilities. Amounts shown do not include the permitted capacity or actual flows associated with Cypress Cove, San Remo, and Windemere service areas which are served by small individual neighborhood water treatment facilities.
- ⁽²⁾ The County acquired Sunset Plaza Utilities, Inc. on August 16, 2022, with a permitted capacity of 6,000 gpd annual average daily flow. The water system was decommissioned and connected to the County's distribution system on November 19, 2024.
- ⁽³⁾ Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.
- ⁽⁴⁾ The acquisition of the Windemere Utility Company on March 6, 2024 added permitted water capacity of 0.440 mgd.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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**Historical Water Production – South-Central Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (mgd)⁽¹⁾	Permitted Capacity (mgd)	Percent Capacity Utilized
2021	49.043	88.600	55.35%
2022	50.914	88.600	57.47
2023	56.385	98.000 ⁽²⁾	57.54
2024	54.125 ⁽³⁾	98.000	55.23
2025	57.035	98.000	58.20

**Projected Water Production – South-Central Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (mgd)⁽¹⁾	Permitted Capacity (mgd)	Percent Capacity Utilized
2026	58.003	98.000	59.19%
2027	58.953	98.000	60.16
2028	59.879	98.000	61.10
2029	60.777	118.000 ⁽⁴⁾	51.51
2030	61.669	118.000	52.26

⁽¹⁾ Amounts shown based on the forecast of Tampa Bay Water purchases as shown on Table 4 at the end of the Report allocated to the South-Central Service Area, adjusted for unaccounted for or unbilled water factor of 12.9% based on recent historical trends. Amounts shown do not include water purchases from other wholesale water providers.

⁽²⁾ The increased capacity is attributable to the expansion of the Lithia Water Treatment Plant from 63.6 mgd to 73.0 mgd.

⁽³⁾ Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.

⁽⁴⁾ The increase in capacity is attributable to the addition of approximately 20 mgd of average day production for the initial phase of the South County Drinking Facility anticipated to be completed at the beginning of Fiscal Year 2029.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Wastewater System

The historical and projected customer statistics for the Wastewater System are summarized below:

Wastewater System⁽¹⁾			
Fiscal Year Ended September 30, (Historical)	Average Annual ERCs Served⁽²⁾	Wastewater Sales (Billed Flow) (000s Gallons)	Average Monthly Bill Flow Per ERC (Gallons)
2021	283,031	17,071,613	5,026
2022 ⁽³⁾	288,568	17,556,137	5,070
2023 ⁽⁴⁾	299,928	18,242,829	5,125
2024 ⁽⁵⁾	302,798	18,281,478	5,031
2025	310,053	18,599,624	4,999
Average Annual Historical Growth Rate	2.31%	2.17%	(0.14%)
Fiscal Year Ended September 30, (Projected)	Average Annual ERCs Served⁽²⁾	Wastewater Sales (Billed Flow) (000s Gallons)	Average Monthly Bill Flow Per ERC (Gallons)
2026	315,927	19,048,392	5,024
2027	320,007	19,707,250	5,132
2028	323,931	19,921,661	5,125
2029	327,546	20,116,588	5,118
2030	331,099	20,307,039	5,111
Average Annual Projected Growth Rate ⁽⁶⁾	1.32%	1.77%	0.44%

⁽¹⁾ Amounts derived from Tables 2 and 5 at the end of the Report.

⁽²⁾ Reflects average annual statistics; ERC represents an average daily wastewater flow of 200 gpd as defined in the Rate Resolution.

⁽³⁾ The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022, a system that serves approximately 35 commercial wastewater accounts equating to 89.5 ERCs.

⁽⁴⁾ In the Fiscal Year 2023, the County implemented a new billing system. There appears to be some discrepancies within the data of the residential wastewater accounts and billed flows. Adjustments were made to adjust for reasonableness.

⁽⁵⁾ The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024, a system that serves approximately 974 residential wastewater accounts equating to 974 ERCs.

⁽⁶⁾ Reflects average annual compound growth rate from Fiscal Year 2025 through Fiscal Year 2030.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

The following tables show historical and projected wastewater treatment by service area:

**Historical Wastewater Treatment – Northwest Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (MGD)⁽¹⁾	Permitted Capacity (MGD)	Percent Capacity Utilized
2021	18.927	31.700	59.71%
2022	18.602	31.750 ⁽²⁾	58.59
2023	18.134	31.750	57.11
2024	18.732 ⁽³⁾	31.935 ⁽⁴⁾	58.66
2025	18.224	31.935	57.07

**Projected Wastewater Treatment – Northwest Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (MGD)⁽¹⁾	Permitted Capacity (MGD)	Percent Capacity Utilized
2026	19.060	31.935	59.68%
2027	19.698	31.935	61.68
2028	20.134	31.935	63.05
2029	20.437	31.935	64.00
2030	20.795	31.935	65.12

⁽¹⁾ Amounts shown based on the forecast of total Wastewater System ERCs as shown on Table 5 at the end of the Report and historical trends in the amount of wastewater treated per ERC. Amounts do not include wastewater treatment purchased from other municipalities i.e., City of Tampa, City of Plant City, and City of Temple Terrace to reflect the County-owned capacity utilization for the Northwest Service Area.

⁽²⁾ The acquisition of Sunset Plaza Utilities, Inc. by the County on August 16, 2022 added permitted wastewater capacity of 0.05 mgd based on three-month rolling average.

⁽³⁾ Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.

⁽⁴⁾ The acquisition of Windemere Utility Company by the County on March 6, 2024 added permitted wastewater capacity of 0.185 mgd based on three-month rolling average.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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**Historical Wastewater Treatment – South-Central Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (MGD)⁽¹⁾	Permitted Capacity (MGD)	Percent Capacity Utilized
2021	25.874	34.00	76.10%
2022	26.484	34.00	77.89
2023	28.172	34.00	82.86
2024	28.377	35.00 ⁽²⁾	81.08
2025	27.390	40.00 ⁽³⁾	68.48

**Projected Wastewater Treatment – South-Central Service Area
(Finished Water)**

Fiscal Year Ending September 30,	Annual Average Daily Flow (MGD)⁽¹⁾	Permitted Capacity (MGD)	Percent Capacity Utilized
2026	30.856	40.00	77.14%
2027	31.823	40.00	79.56
2028	32.467	48.00 ⁽⁴⁾	67.68
2029	32.953	48.00	68.65
2030	33.505	48.00	69.80

⁽¹⁾ Amounts shown based on the forecast of total Wastewater System ERCs as shown on Table 5 at the end of the Report and historical trends in the amount of wastewater treated per ERC. The County does not purchase wastewater treatment service from other providers in the South-Central service area and therefore the amounts shown reflects only wastewater treated at County-owned facilities.

⁽²⁾ The South County AWWTF was expanded from 10 mgd to an interim capacity of 11 mgd.

⁽³⁾ The South County AWWTF was expanded from 11 mgd to 13 mgd and the Falkenburg AWWTF was expanded from 12.0 to 15.0 mgd.

⁽⁴⁾ The South County One Water Campus AWWTF is anticipated to be online with an initial capacity of 8 mgd by Fiscal Year 2029.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Reclaimed Water System

The historical and projected customer statistics for the Reclaimed Water System are summarized below:

Reclaimed Water System⁽¹⁾			
Fiscal Year Ended September 30, (Historical)	Average Annual Accounts		
	Committed Class Customers⁽²⁾	Metered Customers⁽³⁾	Metered Sales (000s of Gallons)
2021	14,010	5,519	4,013,210
2022	13,897	6,275	4,178,299
2023	13,803	6,600	4,466,338
2024	13,766	6,978	4,314,683
2025	13,708	7,296	4,324,835
Average Annual Historical Growth Rate	<u>(0.54%)⁽⁴⁾</u>	<u>7.23%</u>	<u>1.89%</u>

Fiscal Year Ended September 30, (Projected)	Average Annual Accounts		
	Committed Class Customers⁽²⁾	Metered Customers⁽³⁾	Metered Sales (000s of Gallons)
2026	13,708	7,601	4,623,504
2027	13,658	7,901	4,694,544
2028	13,608	8,196	4,764,624
2029	13,558	8,486	4,833,744
2030	13,508	8,771	4,901,904
Average Annual Projected Growth Rate ⁽⁵⁾	<u>(0.29%)</u>	<u>3.75%</u>	<u>2.54%</u>

⁽¹⁾ Amounts derived from Tables 3 and 6 at the end of the Report for the Historical and Forecast Periods, respectively; amounts shown include all customer classes.

⁽²⁾ Committed-Class customers are all single-family residential customers that receive a flat monthly bill and unmetered reclaimed water service.

⁽³⁾ Metered customers represent accounts that receive metered reclaimed water service; includes residential, general user and major user customer classes.

⁽⁴⁾ The reduction in Committed Class customers is attributable to changes in property ownership at which the connection converts to metered service.

⁽⁵⁾ Reflects average annual compound growth rate from Fiscal Year 2025 through Fiscal Year 2030.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Ten Largest Customers of the System

As can be seen below and based on information provided, the ten largest customers for the System were estimated to account for approximately 2.86% of the total System rate revenue reported for Fiscal Year 2025.

Water and Wastewater Top Ten Utility Customers – Fiscal Year 2025 (Based on Sales Revenue)⁽¹⁾

Account	Service Class	Meter Size	Type of Service	Total Rate Revenue	Percent of Total System Rate Revenues
Federations of Kings Point C, Inc.	Multi-Family ⁽²⁾	8x2-inch	Water & Sewer	\$ 3,759,621	0.96%
Lake Carlton Arms	Multi-Family ⁽²⁾	8x2-inch	Water & Sewer	1,599,287	0.41
Progress-Tampa 1 LLC	Single Family ⁽³⁾	5/8-inch	Water & Sewer	971,106	0.25
1918 Plantation Key Owner LLC	Multi-Family ⁽²⁾	8x4-inch	Water & Sewer	876,130	0.22
Woodberry Woods Apartments LLC	Multi-Family ⁽²⁾	1-1/2inch	Water & Sewer	695,510	0.18
CCRC OPCP Sun City Center LLC	Multi-Family ⁽²⁾	8-inch	Water & Sewer	691,759	0.18
Upward America Southeast Property Owner LP	Single Family ⁽⁴⁾	5/8-inch	Water & Sewer	670,440	0.17
IH6 Property Florida LP	Single Family ⁽⁵⁾	5/8-inch	Water & Sewer	665,775	0.17
Harborside FL Apartment Partners ii LLC	Multi-Family ⁽²⁾	8x2-inch	Water & Sewer	630,835	0.16
Fetlar LLC	Single Family ⁽⁶⁾	5/8-inch	Water & Sewer	612,200	0.16
Total				\$ 11,172,643	2.86%
Total Water and Wastewater Rate Revenues⁽⁴⁾				\$390,240,919	

⁽¹⁾ Based on information provided by the WRD; reflects amounts for the twelve (12) months ended September 30, 2025 (the most recently completed fiscal year for the System).

⁽²⁾ Multi-family customers represent accounts that are served by a master meter, which generally a large meter is serving a number of dwelling units.

⁽³⁾ Represents single billed account with over 594 individually-metered residential units.

⁽⁴⁾ Represents single billed account with over 465 individually-metered residential units.

⁽⁵⁾ Represents single billed account with over 365 individually-metered residential units.

⁽⁶⁾ Represents single billed account with over 394 individually-metered residential units.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Summary of Historical Operating Results

The historical operating results for the System are summarized in the following table. More detailed information can be found on Table 7 in the Report attached hereto as APPENDIX C.

System Historical Operating Results and Estimated Bond Service Requirement Coverage (\$000s) ⁽¹⁾					
	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Total Charges for Services (Monthly Rates)	\$294,424	\$314,488	\$352,866	\$360,311	\$393,769
Other Operating Revenue and Income ⁽²⁾	13,043	15,505	31,330	46,938	45,064
Gross Revenues	\$307,467	\$329,993	\$384,196	\$407,249	\$438,833
Less Cost of Operation and Maintenance ⁽³⁾	(190,919)	(206,931)	(236,852)	(256,020)	(307,954)
Net Revenues	\$116,548	\$123,062	\$147,343	\$151,229	\$130,879
Pledged Impact Fees ⁽⁴⁾	23,727	21,133	26,304	26,140	22,917
Pledged Revenues	\$140,275	\$144,195	\$173,647	\$177,369	\$153,796
Total Debt Service Payment ⁽⁵⁾	\$18,341	\$22,498	\$22,326	\$25,550	\$25,544
Less Federal Direct Subsidy, Capitalized Interest and Interest Income on Debt Funds ⁽⁶⁾	(545)	(135)	(275)	(539)	(562)
Bond Service Requirement ⁽⁷⁾	\$17,796	\$22,363	\$22,051	\$25,011	\$24,982
Bond Service Requirement Coverage Compliance ⁽⁸⁾					
Rate Covenant – Test 1 ⁽⁹⁾					
Gross Revenues plus Pledged Impact Fees	\$331,194	\$351,127	\$410,500	\$433,388	\$461,749
Required Deposits ⁽¹⁰⁾	223,358	244,667	275,403	300,240	353,298
Test 1 Coverage:					
Coverage Ratio – Calculated	1.48	1.44	1.49	1.44	1.31
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
AND					
Rate Covenant – Test 2 ⁽⁹⁾ :					
Net Revenues plus Pledged Impact Fees	\$140,275	\$144,196	\$173,648	\$177,369	\$153,795
Bond Service Requirement ⁽⁷⁾	17,796	22,363	22,051	25,011	24,982
Test 2 Coverage:					
Coverage Ratio – Calculated	7.88	6.45	7.87	7.09	6.16
Coverage Ratio – Required	1.20	1.20	1.20	1.20	1.20
AND					
Rate Covenant – Test 3 ⁽⁹⁾					
Net Revenues	\$116,548	\$123,062	\$147,343	\$151,229	\$130,879
Bond Service Requirement ⁽⁷⁾	17,796	22,363	22,051	25,011	24,982
Test 3 Coverage:					
Coverage Ratio – Calculated	6.55	5.50	6.68	6.05	5.24
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
Gross Revenues	\$307,467	\$329,993	\$384,196	\$407,249	\$438,833
Required Deposits ⁽⁹⁾ :					
Cost of Operation and Maintenance	\$190,919	\$206,931	\$236,852	\$256,020	\$307,954
Bond Service Requirement ⁽⁷⁾	17,796	22,363	22,051	25,011	24,982
Debt Service Reserve Account ⁽¹¹⁾	-	-	-	-	-
Renewal and Replacement Account Requirement ⁽¹²⁾	14,643	15,373	16,500	19,210	20,362
Total Required Deposits	\$223,358	\$244,667	\$275,403	\$300,240	\$353,289
Other Deposits ⁽¹³⁾					
Subordinate Indebtedness Account ⁽¹⁴⁾	-	\$1	\$8	\$207	-
Total Required and Other Deposits	\$223,358	\$244,668	\$275,410	\$300,447	\$353,298
Excess of Net Revenues above Required Transfers ⁽¹⁵⁾	\$ 84,109	\$ 85,325	\$108,786	\$106,802	\$ 85,532

Footnotes on the following page.

Footnotes.

- (1) Amounts derived from Table 7 at end of the Report. Unless otherwise noted, amounts shown for each respective Fiscal Year were derived from: (i) audited Annual Financial Reports for the Department; and (ii) other financial information as provided by the WRD and other County staff.
- (2) Other Operating Revenue includes various charges includes but not limited to, building permits, settlements, planning services processing fees, parking fees, bad check fees, etc. Investment earnings are derived from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues). Other Miscellaneous Receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenue, administrative service fees, sale and removal of finished compost, special assessment administration fees, etc.
- (3) Amounts shown for the Cost of Operation and Maintenance reflect the following adjustments: (i) addition of non-operating expenses classified as a component of the Cost of Operation and Maintenance (e.g., trustee fees); (ii) adjustments to remove depreciation and amortization expenses which are considered as non-cash expenses and excluded pursuant to the Resolution; (iii) the recognition of applicable Pledged Impact Fees applied to the Debt Service Component of the Cost of Contracted Water Supply associated with the purchase of water from Tampa Bay Water; and iv) contractual payments to Tampa Bay Water (i.e., its escrow agent) to finance pipeline projects to be owned by Tampa Bay Water for the benefit of the County (reference footnote (a) in the table below).

Contractual Payments to Tampa Bay Water Included as a Component of the Cost of Operation and Maintenance (\$000s)					
	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Purchased Water	\$69,664	\$73,355	\$80,528	\$79,958	\$84,603
Joint Project Agreement with Tampa Bay Water ^(a)	-	1,500	-	5,206	38,336
Total Cost of Purchased Water	\$69,664	\$74,855	\$80,528	\$85,164	\$122,939

^(a) On October 20, 2021, the County entered into an Interlocal Joint Project Agreement (the "Joint Project Agreement") with Tampa Bay Water for the construction of the South Hillsborough Pipeline Project, which was amended and restated on February 19, 2025. According to the terms of the Joint Project Agreement, Tampa Bay Water is responsible for executing the design and construction of the South Hillsborough Pipeline Project. The County will fund the capital costs for a portion of the South Hillsborough Pipeline Project referred to as Segment B (the "Segment B Project"). Upon completion of the South Hillsborough Pipeline Project, the assets will be owned, operated, and maintained by Tampa Bay Water except for a portion of the South Hillsborough Pipeline Project that will be County-owned (as defined in the Joint Project Agreement). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. Tampa Bay Water has also entered into a Cooperative Funding Initiative Project Agreement with the SWFWMD to provide partial funding of the South Hillsborough Pipeline Project of which, it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the Joint Project Agreement require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by Tampa Bay Water based on the deposit schedule identified in the Joint Project Agreement totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the South Hillsborough Pipeline Project being funded by the County be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within 60 days of the South Hillsborough Pipeline Project closeout, or when the final cooperative funding from the SWFWMD is received, whichever is later. Likewise, if the actual total cumulative costs are more than the estimated total cumulative costs, the accrued interest will be used by Tampa Bay Water to assist funding the Segment B Project.

- ⁽⁴⁾ The determination of Pledged Impact Fees includes the sum of the Impact Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected, which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Historical Period, 98.3% of all Impact Fees received by the System were considered as pledged and were either (i) applied to the payment of the Debt Service Component of the Cost of Contracted Water Supply with funds being transferred to the Operating and Maintenance Account; (ii) applied to the payment of the Bond Service Requirement with funds being transferred to the Debt Service Account; (iii) available to be applied to the Debt Service Account but are to be deposited into the General Purpose Account because they could not be transferred in the current period due to the receipts being higher than the amount available to be deposited Debt Service Account; and (iv) the balance remaining on deposit in the respective Pledged Impact Fee Account. Amounts determined by each Fiscal Year as follows:

Allocation of Impact Fees Collected (\$000s)					
	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Total Impact Fees Collected	\$32,777	\$30,338	\$37,834	\$36,605	\$32,297
Allocation of Impact Fees Collected					
Deposit into Contracted Water Supply Impact Fee Account	\$8,492	\$9,204	\$10,370	\$10,251	\$9,380
Deposit into Pledged Impact Fee Account	23,727	21,133	26,304	26,140	22,917
Impact Fees Not Pledged and Remain on Deposit in the Impact Fee Account	\$558	\$1	\$1,160	\$214	-
Beginning Balance – Pledged Impact Fee Account:	\$11,814	\$11,446	\$10,875	\$10,526	\$10,009
Current Fiscal Year Deposits	23,727	21,133	26,304	26,140	22,917
Total Pledged Impact Fees Available	\$35,541	\$32,579	\$37,179	\$36,666	\$32,926
Less Use of Pledged Impact Fees:					
Deposit into the Debt Service Account	\$17,796	\$21,704	\$22,051	\$25,011	\$24,040
Deposit into the Debt Service Reserve Account	---	---	---	---	---
Deposit into the General Purpose Account	6,299	---	4,602	1,646	---
Total Use of Pledged Impact Fees	\$24,095	\$21,704	\$26,653	\$26,657	\$24,040
Ending Balance – Pledged Impact Fee Account	\$11,446	\$10,875	\$10,526	\$10,009	\$8,886
Total Annual Pledged Impact Fees – Recognized for Rate Covenant	\$23,727	\$21,133	\$26,304	\$26,140	\$22,917

Footnotes continue on the following page.

Footnotes continued.

- (5) Amounts shown based on when the cash payment of the interest and principal payments may be made to bond holders consistent with the provisions of the rate covenant as delineated in the Resolution and not on an accrual basis of reporting (when deposits are made to the Debt Service Account from Pledged Revenues as delineated in the flow of funds per the Resolution).
- (6) During the Fiscal Year 2021, the Series 2021B Bonds refunded all of the County's outstanding Utility Revenue Bonds, Series 2010C (Federal Taxable – Recovering Zone Economic Development Bonds – Direct Payment), (the "Series 2010C Bonds"). The Federal Direct Subsidy Payment applicable to the Series 2010C Bonds was \$538,691.
- (7) Pursuant to the Resolution the Bond Service Requirement does not include: (i) any capitalized interest from Bond Proceeds, if any, that have been deposited into the Debt Service Account; (ii) amounts received from Federal Direct Payments; and (iii) any interest from the investment of funds in the Debt Service Account and the Reserve Account. Any interest income earned on amounts on deposit in the Debt Service Account or the Reserve Account is deposited in the Debt Service Account and reduces the annual deposit from Gross Revenues.
- (8) The Resolution requires that the utility maintain revenues and fees to generate sufficient: (i) Gross Revenues, together with Pledged Impact Fees (as defined in the Resolution) at least equal to 100% of the Required Deposits; and (ii) Net Revenues, together with Pledged Impact Fees at least equal to 120% of the Bond Service Requirement. In addition, the utility must also generate Net Revenues (as defined in the Resolution) at least equal to 100% of the Bond Service Requirement.
- (9) The Rate Covenant as defined in section 11.02 of the Resolution is as follows:
- Test 1: Gross Revenues plus Pledged Impact Fees and Qualified Derivative Receipts (N/A) must be at least equal to 100% of Required Deposits;
- Test 2: Net Revenues plus Pledged Impact Fees must be at least equal to 120% of Bond Service Requirement; and
- Test 3: Net Revenues must be at least equal to 100% of Bond Service Requirement.
- (10) Required Deposits as defined in the Resolution included transfers to the Operation and Maintenance Account to pay the Cost of Operation and Maintenance, Debt Service Account (less amounts deposited associated with interest earnings on such account and the Reserve Account), Reserve Account, and the Renewal and Replacement Account; amounts shown do not include transfers to the Subordinate Indebtedness or Other Indebtedness Accounts (if any) as provided in the Resolution.
- (11) No deposit to the Reserve Account was recognized since the fund was considered fully funded during the Historical Period by (i) proceeds from the issuance of the Bonds Outstanding; (ii) secured by a debt service reserve credit facility during such period; or (iii) was not required.
- (12) Amounts shown reflect deposit to the Renewal and Replacement Account equal to 5% of the previous year Gross Revenues as defined in the Resolution; the WRD may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- (13) Reflects other deposits that are recognized in the Bond Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement.
- (14) On March 3, 2022, Resolution No. 22-026 was adopted for the issuance of the Hillsborough County, Florida, Subordinate Utility Revenue Note, Series 2022 ("the Series 2022 Note") in the principal amount not to exceed \$37,500,000 to finance on an interim basis the acquisition, construction, reconstruction, expansion replacement and/or equipping of various capital improvement projects to the System and paying the costs of issuance. The Series 2022 Note was issued in the form of a Non-revolving Credit Agreement with Truist Commercial Equity, Inc. The Series 2022 Note was paid off and expired on April 1, 2024.
- (15) Amounts shown do not include Pledged Impact Fees that are deposited in a restricted account and used for the payment of the Debt Service Component of the Contracted Cost of Water Supply, expansion-related debt service payments or for expansion-related capital improvements for the System.

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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Summary of Projected Operating Results

Projected operating results of the System are summarized in the table below. More detailed information can be found on Table 10 in the Report attached hereto as APPENDIX C.

System Projected Operating Results and Estimated Debt Coverage Analysis (\$ 000s)⁽¹⁾

	Fiscal Year Ended September 30,				
	2026	2027	2028	2029	2030
Total Charges for Services (Monthly Rates)	\$427,061	\$464,069	\$503,120	\$543,826	\$586,779
Other Operating Revenue and Income ⁽²⁾	38,898	32,386	27,651	24,404	25,402
Gross Revenues ⁽³⁾	\$465,959	\$496,455	\$530,771	\$568,230	\$612,181
Less Cost of Operation and Maintenance ⁽⁴⁾	(349,940)	(339,032)	(353,195)	(368,545)	(382,895)
Net Revenues	\$116,019	\$157,423	\$177,576	\$199,685	\$229,286
Pledged Impact Fees ⁽⁵⁾	24,487	22,316	21,909	22,829	22,795
Pledged Revenues	\$140,506	\$179,739	\$199,485	\$222,514	\$252,081
Total Debt Service Payment ⁽⁶⁾	\$ 25,545	\$ 52,020	\$ 76,113	\$ 88,013	\$ 99,746
Less Federal Direct Subsidy, Capitalized Interest and Interest Income on Debt Funds ⁽⁷⁾	(75)	(49)	(29)	(40)	(62)
Bond Service Requirement ⁽⁸⁾	\$ 25,470	\$ 51,971	\$ 76,084	\$ 87,973	\$ 99,684
Bond Service Requirement Coverage Compliance ⁽⁹⁾					
Rate Covenant – Test 1 ⁽¹⁰⁾					
Gross Revenues plus Pledged Impact Fees	\$490,446	\$518,771	\$552,680	\$591,059	\$634,976
Required Deposits ⁽¹¹⁾	397,352	414,231	454,031	482,984	510,919
Bond Service Coverage:					
Coverage Ratio – Calculated	1.23	1.25	1.22	1.22	1.24
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
AND					
Rate Covenant – Test 2 ⁽¹⁰⁾					
Net Revenues plus Pledged Impact Fees	\$140,506	\$179,739	\$199,485	\$222,514	\$252,081
Bond Service Requirement ⁽⁸⁾	\$ 25,470	\$ 51,971	\$ 76,084	\$ 87,973	\$ 99,684
Bond Service Coverage:					
Coverage Ratio – Calculated	5.52	3.46	2.62	2.53	2.53
Coverage Ratio – Required	1.20	1.20	1.20	1.20	1.20
AND					
Rate Covenant – Test 3 ⁽¹⁰⁾					
Net Revenues	\$116,019	\$157,423	\$177,576	\$199,685	\$229,286
Bond Service Requirement ⁽⁸⁾	25,470	51,971	76,084	87,973	99,684
Bond Service Coverage:					
Coverage Ratio – Calculated	4.56	3.03	2.33	2.27	2.30
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
Gross Revenues	\$465,959	\$496,455	\$530,771	\$568,230	\$612,181
Required Deposits ⁽¹¹⁾					
Cost of Operation and Maintenance	\$349,940	\$339,032	\$353,195	\$368,545	\$382,895
Bond Service Requirement	25,470	51,971	76,084	87,973	99,684
Debt Service Reserve Account ⁽¹²⁾	-	-	-	-	-
Renewal and Replacement Account ⁽¹³⁾	21,942	23,228	24,752	26,466	28,340
Total Required Deposits	\$397,352	\$414,231	\$454,031	\$482,984	\$510,919
Other Deposits ⁽¹⁴⁾					
Other Indebtedness Account ⁽¹⁵⁾	\$2,073	-	-	-	-
Subordinated Indebtedness Account ⁽¹⁶⁾	286	\$104	\$2,655	\$5,413	\$8,833
Total Other Deposits	\$2,359	\$104	\$2,655	\$5,413	\$8,833
Total Required and Other Deposits	\$399,711	\$414,335	\$456,686	\$488,397	\$519,752
Excess of Net Revenues above Required Transfers ⁽¹⁷⁾	\$66,248	\$82,120	\$74,085	\$79,833	\$92,429

Footnotes on the following page.

Footnotes.

- (1) Amounts derived from Table 10 at end of the Report.
- (2) Other Operating Revenue includes various charges includes but not limited to, building permits, settlements, planning services processing fees, parking fees, bad check fees, etc. Investment earnings are derived from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues). Other Miscellaneous Receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenue, administrative service fees, sale and removal of finished compost, special assessment administration fees, etc.
- (3) Amounts shown reflect the projected charges for service, other operating revenues, and applicable interest income. Gross Revenues were not adjusted for any transfers to or from the Rate Stabilization Account as previously discussed for purposes of determining compliance with the Rate Covenant of the Resolution.
- (4) Pursuant to the Resolution, the Cost of Operation and Maintenance excludes and depreciation and amortization expenses which are considered as non-cash expenses and any payment in lieu of taxes. Amounts shown are net of the payment of the Debt Component of the Cost of Contracted Water Supply from the Contracted Water Supply Impact Fees. Amounts include contractual payments to Tampa Bay Water (i.e., its escrow agent) to finance pipeline projects to be owned by Tampa Bay Water for the benefit of the County (reference footnote (a) in the table below).

Contractual Payments to Tampa Bay Water Included as a Component of the Cost of Operation and Maintenance (\$000s)					
Fiscal Year Ended September 30,					
	2026	2027	2028	2029	2030
Purchased Water	\$84,625	\$88,638	\$92,294	\$95,092	\$97,966
Joint Project Agreement with Tampa Bay Water ^(a)	27,900	— ^(b)	—	—	—
Total Cost of Purchased Water	<u>\$112,525</u>	<u>\$88,638</u>	<u>\$92,294</u>	<u>\$95,092</u>	<u>\$97,966</u>

(a) On October 20, 2021, the County entered into an Interlocal Joint Project Agreement (the "Joint Project Agreement") with Tampa Bay Water for the construction of the South Hillsborough Pipeline Project, which was amended and restated on February 19, 2025. According to the terms of the Joint Project Agreement, Tampa Bay Water is responsible for executing the design and construction of the South Hillsborough Pipeline Project. The County will fund the capital costs for a portion of the South Hillsborough Pipeline Project referred to as Segment B (the "Segment B Project"). Upon completion of the South Hillsborough Pipeline Project, the assets will be owned, operated, and maintained by Tampa Bay Water except for a portion of the South Hillsborough Pipeline Project that will be County-owned (as defined in the Joint Project Agreement). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. Tampa Bay Water has also entered into a Cooperative Funding Initiative Project Agreement with the SWFWMD to provide partial funding of the South Hillsborough Pipeline Project of which, it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the Joint Project Agreement require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by Tampa Bay Water based on the deposit schedule identified in the Joint Project Agreement totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the South Hillsborough Pipeline Project being funded by the County be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within 60 days of the South Hillsborough Pipeline Project closeout, or when the final cooperative funding from the SWFWMD is received, whichever is later. Likewise, if the actual total cumulative costs are more than the estimated total cumulative costs, the accrued interest will be used by Tampa Bay Water to assist funding the Segment B Project.

(b) Pursuant to Resolution No. R26-088, adopted on September 2, 2026 (Springing Amendment) the definition of the Cost of Operation and Maintenance in the Bond Resolution was amended to exclude contractual payments made by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System (whether or not such assets are owned by the Issuer) that would otherwise be considered a Cost of Contracted Water Supply. Therefore, no amounts have been recognized after the effective date of the Resolution.

- (5) The determination of Pledged Impact Fees includes the sum of the Impact Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Forecast Period, 98.4% of all Impact Fees received by the System were assumed to be recognized as a component of Pledged Revenues and calculated as follows:

Allocation of Impact Fees Collected (\$000s)					
Fiscal Year Ended September 30,					
	2026	2027	2028	2029	2030
Total Impact Fees Collected	<u>\$32,975</u>	<u>\$29,788</u>	<u>\$28,885</u>	<u>\$29,273</u>	<u>\$29,031</u>
Allocation of Impact Fees Collected					
Deposit into Contracted Water Supply Impact Fee Account	\$8,488	\$7,473	\$6,976	\$6,444	\$6,236
Deposit into Pledged Impact Fee Account	24,487	22,315	21,909	22,829	22,795
Impact Fees Not Pledged and Remain on Deposit in the Impact Fee Account	—	—	—	—	—
Beginning Balance – Pledged Impact Fee Account:					
Current Fiscal Year Deposits	24,487	22,316	21,909	22,829	\$22,795
Total Pledged Impact Fees Available	<u>\$33,374</u>	<u>\$29,274</u>	<u>\$28,490</u>	<u>\$28,266</u>	<u>\$22,795</u>
Less Use of Pledged Impact Fees:					
Deposit into the Debt Service Account	\$25,470	\$22,693	\$23,053	\$28,266	\$22,795
Deposit into the Debt Service Reserve Account	—	—	—	—	—
Deposit into the General Purpose Account	946	—	—	—	—
Total Use of Pledged Impact Fees	<u>\$26,416</u>	<u>\$22,693</u>	<u>\$23,053</u>	<u>\$28,266</u>	<u>\$22,795</u>
Ending Balance – Pledged Impact Fee Account	<u>\$6,958</u>	<u>\$6,581</u>	<u>\$5,437</u>	<u>—</u>	<u>—</u>
Total Annual Pledged Impact Fees – Recognized for Rate Covenant	<u>\$24,487</u>	<u>\$22,316</u>	<u>\$21,909</u>	<u>\$22,829</u>	<u>\$22,795</u>

Footnotes continue on the following page.

Footnotes continued.

- (6) Amounts shown based on when the cash payment of the interest and principal payments may be made to bond holders consistent with the provisions of the rate covenant as delineated in the Resolution and not on an accrual basis of reporting (when deposits are made to the Debt Service Account from Pledged Revenues as delineated in the flow of funds per the Resolution).
- (7) There are no Federal Direct Subsidies or Capitalized Interest recognized for the Forecast Period.
- (8) As defined in the Resolution, the Bond Service Requirement does not include any capitalized interest that have been deposited into the Debt Service Account from the Bonds or any interest from the investment of funds deposited into the Debt Service Account, the Construction Account, and the Reserve Account.
- (9) The Resolution requires that the utility maintain revenues and fees to generate sufficient: i) Gross Revenues, together with Pledged Impact Fees (as defined in the Resolution) at least equal to 100% of the Required Deposits; and ii) Net Revenues, together with Pledged Impact Fees (as defined in the Resolution) at least equal to 120% of the Bond Service Requirement. In addition, the utility must also generate Net Revenues (as defined in the Resolution) at least equal to 100% of the Bond Service Requirement.
- (10) The Rate Covenant is defined in section 11.02 of the Resolution and are the "tests" as follows:
- Test 1: Gross Revenues plus Pledged Impact Fees and Qualified Derivative Receipts (N/A) must equal to 100% of Required Deposits.
- Test 2: Net Revenues plus Pledged Capacity must be at least equal to 120% of the Bond Service Requirement.
- Test 3: Net Revenues must be equal to 100% of the Bond Service Requirement.
- (11) Required deposits as defined in the Resolution included transfers to the Operation and Maintenance Account, Debt Service Account, Reserve Account, and the Renewal and Replacement Account; amounts shown do not include transfers to the Subordinate Indebtedness Account or Other Indebtedness Accounts (if any) as provided in the Resolution.
- (12) No deposit to the Reserve Account is recognized since the fund was considered fully funded during the Forecast Period as the Outstanding Bonds do not and the Additional Parity Bonds are not anticipated by the Municipal Advisor to have a Reserve Requirement allocable to the specific bond issue.
- (13) Amounts shown reflect deposit to the Renewal and Replacement Account equal to 5% of the previous year Gross Revenues as defined in the Resolution; the WRD may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- (14) Reflects other deposits that are recognized in the Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement.
- (15) Other Indebtedness reflects the interest payments made on the Department's allocation of the County's CP Program
- (16) Subordinate Indebtedness reflects the interest payments made on (i) the BOA Revolving Agreement; and (ii) the BOA Non-Revolving Agreement.
- (17) Amounts shown exclude Pledged Impact Fees and reflect funds available for any lawful purpose of the System or for future transfers to the County's General Fund as a payment-in-lieu-of-tax (no transfers are assumed during the Forecast Period).

Source: APPENDIX C - Combined Report of the Consulting Engineer and Bond Feasibility Consultant.

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FINDINGS AND CONCLUSIONS OF FEASIBILITY CONSULTANT AND CONSULTING ENGINEER

The conclusions of Raftelis Financial Consultants, Inc. (the "Feasibility Consultant") and Carollo Engineers, Inc. (the "Consulting Engineer") set forth in the Report included in APPENDIX C, which Report should be read in its entirety, are set forth below. The conclusions of the Consulting Engineer are included in items 1 through 8 below and the conclusions of the Feasibility Consultant are included in items 9 through 14.

1. Based upon the intended use of the System facilities, general field observations of the aboveground facilities, discussions with the WRD (referred to in the Report as the "Department") staff, and a review of documents, permit data, and System reports filed with regulatory agencies, the existing facilities of the System appear to be in good to above-average condition. The facilities' conditions are comparable to facilities of similar age. The System appears to be properly operated in accordance with prudent utility practice and can reasonably be expected to provide sufficient and reliable service to meet the existing requirements of the System.

2. Based on the operating information reviewed and the practices described in the Report, the System appears to be adequately operated and maintained and capable of providing reliable water and wastewater service during the Forecast Period. The Department has historically provided for adequate operation by employing personnel capable of operating, maintaining, and expanding the System, as necessary. Current management of the System appears to be well qualified for the positions for which they are responsible.

3. Based on the System's permitting history and assuming that operations, maintenance, and permit reporting continue substantially as demonstrated during the preceding five-year period, the System is expected to retain or timely renew the material permits required for continued operation.

4. To the Consulting Engineer's knowledge, other than the violations stated in the Report, the Department is in compliance with all federal and state regulatory requirements relating to the provisions of water and wastewater services, and, with the exception of the Consent Orders discussed in the Report, no other regulatory orders requiring corrective action have been issued by any regulatory agency and remain outstanding. Costs associated with compliance of the Consent Orders have been incorporated into the County's CIP and/or operating budget.

5. The use of Progressive Design-Build and Construction Manager at Risk delivery methods for the respective One Water Program projects are well suited for the size, complexity, and implementations requirements of the planned facilities.

6. The Consulting Engineer is of the opinion that the estimated project costs, implementation schedules, and associated funding requirements presented herein are reasonable for planning and financing purposes based on information currently available. Such estimates are subject to the uncertainties inherent in conceptual planning, including future design refinements, permitting outcomes, procurement conditions, inflation, and construction risks discussed elsewhere in the Report.

7. Based on the monitoring and regulatory information described in the Report, the County has implemented PFAS monitoring and compliance planning efforts and is coordinating with its wholesale water suppliers regarding evolving PFAS regulatory requirements. The County will continue to work with its suppliers, which are responsible for providing finished water that complies with applicable drinking water regulations, to support preparedness for future PFAS compliance obligations as regulatory requirements are finalized and become effective.

8. The existing facilities of the System, together with currently planned renewals, replacements, and additions, can reasonably be expected to meet the projected demand requirements of the System through the Fiscal Year ending September 30, 2030.

9. The forecasted growth in customer accounts, demands, and corresponding revenues were developed based on a review of recent historical trends and anticipated development or growth as discussed with the County. It should be noted that based on the reported billing statistics for Fiscal Year 2026, customer growth appears to be slowing when compared to prior years which may be due to, among other things, continued high inflation, on the cost of housing and insurance, effects of prior period weather events, (e.g., Hurricanes Helene and Milton in 2024), and potential domestic migration to more mid-sized neighboring counties recognizing affordability concerns. The projected growth in System customers, applicable usage, and revenues during the Forecast Period for the System are considered to represent reasonable projections based on discussions with the County and on recent trends in customers served/billed for the purposes of the Report.

10. For the purposes of the Report, the projections of the Cost of Operation and Maintenance were presented to the County and reflect current staffing and compensation assumptions, contractual purchased-water obligations, anticipated costs associated with planned facilities, inflationary allowances, and recent operating trends and, on that basis, are considered reasonable and attainable for the Forecast Period.

11. Based on financial information as provided or prepared by the County as restated in the Report, the County reports that the Gross Revenues derived by the County from the operation of the System and the Pledged Impact Fees received on behalf of the System have historically (for the past five fiscal years ended September 30, 2025 as presented in the Report) been sufficient to pay the (i) Cost of Operation and Maintenance; (ii) the annual Bond Service Requirement on the Outstanding Parity Bonds; (iii) debt service payments on Other Indebtedness and Subordinate Indebtedness (herein defined), if

any; and (iv) deposits to the Renewal and Replacement Account and in accounts maintained in the General Revenue Capital Expense Account ("the General Purpose Account") by the County, which is available for paying the cost of extensions, enlargements, or additions to, or the replacement of capital assets of the System or for unusual or extraordinary repairs to the System and have been in compliance with the rate covenant contained in the Resolution.

12. The System revenues for the Forecast Period under the County approved rates, which includes and assumes the continued annual application of a price index (inflationary) rate adjustment, the continued annual application of the Purchased-Water Pass-Through Consumption Charge, and the implementation of certain fixed rate (percentage) adjustments, all as contained in the County's Rate Resolution as defined hereafter in the Report, should be sufficient to: (i) pay the projected Cost of Operation and Maintenance; (ii) pay the estimated Bond Service Requirement on the Outstanding Bonds; (iii) pay the anticipated Bond Service Requirement on the Series 2026 Bonds; (iv) pay the anticipated Bond Service Requirement on the anticipated Series 2027A, Series 2029A and Series 2030A Bonds (the "Additional Parity Bonds") coming due in such years; and (v) make the projected deposits to the Renewal and Replacement Account which is available for paying the cost of the replacement of capital assets of the System or any unusual, unanticipated or extraordinary maintenance or repairs to the System. The Board has annually adjusted the rates associated with the application of the price index since Fiscal Year 2010 and Purchased-Water Pass-Through Consumption Charge since Fiscal Year 2002. Based on the assumptions identified in the Report, the Pledged Revenues of the System are projected for the Forecast Period to be in compliance with the rate covenant delineated in the Resolution.

13. The approved rates for water and wastewater service are considered comparable to charges for similar service provided by other publicly owned utilities located in proximity to the County in the central and southwestern portions of Florida. Based on the assumptions presented in the Report, additional rate increases above the adopted annual price index (inflationary) allowance (represents Board approved and assumed to be implemented annually through the Fiscal Year ending September 30, 2035), and Purchased-Water Pass-Through Consumption Charge, fixed rate adjustments have been recognized for the Fiscal Year 2026 through the Fiscal Year 2030 (represents Board approved adjustments that are assumed to be implemented with the Fiscal Year 2032 being the final year of the additional Board approved rate adjustment implementation period) to meet the annual expenditure requirements of the System. The anticipated price index rate and Purchased-Water Pass-Through Consumption Charge adjustments and additional fixed rate increases assumed in the Fiscal Year 2026 and for the remainder of the Forecast Period as represented in the Report are not expected by the WRD to negatively affect the competitiveness of the County's monthly user rates over the Forecast Period.

14. The County's Water and Wastewater Impact Fees are comparable to the fees charged by neighboring utilities. The Feasibility Consultant considers the Impact Fees to be reasonable and were based on the utility plant-in-service and the capital requirements of the System contained in the System's adopted capital improvement plan at the time of fee determination. Based on discussions with WRD staff, the application of the Impact Fees is not expected to negatively affect System growth.

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RISK FACTORS

The purchase of the Series 2026 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the County's ability to perform its obligations under the Resolution, including the timely payment of principal of and interest on the Series 2026 Bonds, include, but are not limited to, the following:

1. The System may need additional repairs and improvements beyond those projected by the County. The cost of additional repairs would have to be financed through either additional payments from the Renewal and Replacement Account or the issuance of Additional Parity Bonds or Subordinate Indebtedness. Any of these alternatives could potentially require an increase in the rates, fees and charges of the System.
2. There is no assurance that permits for operation of major components of the System will be renewed or can be renewed without the expenditure of moneys from the Renewal and Replacement Account or the issuance of Additional Parity Bonds or Subordinate Indebtedness. Further, there is no assurance that the requirements for renewal of the permits will remain the same prior to the time that renewal is mandatory; a change in requirements could require additional expenditures for improvements or increased operating costs.
3. There is no assurance that any rating assigned to the Series 2026 Bonds by the Rating Agencies will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency, if in its judgment, circumstances warrant. A downgrade change in or withdrawal of any rating may have an adverse effect on the market price of the Series 2026 Bonds.
4. In the event of a default in the payment of principal of and interest on the Series 2026 Bonds, the remedies of the owners of the Series 2026 Bonds are limited under the Resolution and may be further limited under Florida law and federal bankruptcy law.
5. The System's facilities are subject to regulation and control by numerous federal, state and local governmental agencies. The County cannot predict future policies such agencies may adopt. Future changes could result in the County having to discontinue or change operations at certain facilities or to make significant capital expenditures.
6. 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 increases in construction costs and delays in completion of construction. Increased costs could have an adverse effect on the County's ability to complete construction within the projected costs, and delays in completion could adversely affect the County's ability to generate sufficient Gross Revenues to meet its obligations under the Resolution.

7. The State of Florida is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities including the County. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change, generally discussed in paragraph 8 below), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the County, including the System. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Hurricane Helene made landfall on September 26, 2024, near Perry, Florida, which is approximately 175 miles north northwest of the County, as a Category 4 Hurricane. For the County, Hurricane Helene was primarily a storm surge event, of 5-8 feet, affecting certain low-lying areas within the County. Most of the County was not impacted by storm surge, and damage in the County from rain and wind was not significant. The County generally fared well. There was an extreme amount of debris resulting from Hurricane Helene greatly increasing the need for debris removal. The estimated costs associated with Hurricane Helene were \$10.2 million, and the County had ample reserves to fund such storm-related costs. The County has sought public assistance from the Federal Emergency Management Agency and the Florida Department of Emergency Management to replenish some or all of its expenses. The County has sufficient resources to meet its storm-related financial obligations even if public assistance is unavailable, and the County does not expect the financial impacts of Hurricane Helene to impact its ability to pay debt service on the Series 2026 Bonds.

Hurricane Milton made landfall at approximately 8:30 P.M. on October 9, 2024, near Siesta Key, Florida, which is approximately 67 miles south of the County as a Category 3 Hurricane with sustained winds of 120 miles per hour. The west central Florida area, including the County, experienced widespread power outages and extreme rainfall amounts. The County fared well. County-wide, there was some damage to roadways, bridges, seawalls, and other County facilities, along with damage to County property via river flooding within the County given the extensive upstream rain amounts resulting from the storm. There was an extreme amount of debris resulting from Hurricane Milton greatly increasing the need for debris removal. Debris removal activities concluded on April 11, 2025. The estimated costs from Hurricane Milton were approximately \$210.1 million. While the County had ample reserves to fund the costs with respect to the storm, the increased costs resulting from debris collection and disposal were funded from the County's BOCC - FEMA Hurricane Milton - Disaster Events Fund. The County was included in a disaster declaration from the federal government and the County sought public assistance from the Federal Emergency Management Agency and the Florida Department of Emergency Management, which is expected to reimburse most of the County's storm-related expenses. The County does not expect the financial impacts of Hurricane Milton to impact its ability to pay debt service on the Series 2026 Bonds.

The System did not experience any facility damage as a result of the storms described above. There were significant power outages that caused the Department to mobilize all staff resources to manage wastewater lift stations to mitigate overflows. Overturned trees caused minor pipe damage and in some instances, generators failed due to water damage. The County submitted a reimbursement request to FEMA in the amount of \$4,247,014.15 additional labor costs and minor equipment repairs. The Department believes it will be reimbursed for 100% of such costs.

8. Numerous scientific studies on 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 growing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas like the County are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities (such as the System), 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, and the County could be required to mitigate these effects at a potentially material cost. The County is unable to predict whether sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether they will 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 Board waste regulations) that could have a material adverse effect on the operations and/or financial condition of the County or the System.

9. Computer networks and systems used for data transmission and collection are vital to the efficient operations of the County. 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, including System services, and the loss of confidence in County operations, ultimately adversely affecting County revenues.

The County's cyber security division is managed by six IT professionals. The division's primary concern is protecting electronic assets and sensitive data stored on and transmitted through the County's networks and servers. This chiefly includes all banking-related data, employee records and other sensitive personnel information and sensitive customer data. 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. 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 or the System.

The Department's IT systems are segregated from the other systems of the County. Supervisory control and data acquisition (SCADA) systems, industrial control systems (ICS), and their supporting networks are essential for efficient operations in utilities worldwide, including the System. These technologies enable large-scale industrial facilities to be managed and monitored by a small workforce. The Department safeguards these critical assets by enforcing rigorous network security policies based on least-privilege principles, continuously monitoring for threats, and maintaining updated systems to reduce vulnerability risks. Alongside these standard measures, the Department's main protection against cyberattacks is isolating the network; by ensuring it cannot be accessed from the outside, the Department significantly lower risks tied to the increasing complexity and frequency of cyber-attacks on the System.

To date, IT systems controlling System operations have not suffered any significant cyber security breaches in the last several years. The County currently maintains cyber security insurance.

10. The future financial condition and operations of the System could be affected adversely by many other issues including, but not limited to, legislation, environmental and

other regulatory actions, changes in demand for services, demographic changes, and litigation.

11. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 generally had a disruptive financial impact on local, state and national economies around the country, including without limitation fueling inflation and creating supply chain issues. COVID-19 was considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States. These measures included recommendations and warnings to limit non-essential travel and promote telecommuting. The Governor of Florida has made public statements indicating the State will not shut down as it did in 2020 as a result of COVID-19. There can be no guarantee that State and/or local shut downs or closures similar to those implemented in 2020 will not happen in the future. It is possible the United States, including the State and the County, may experience increased COVID-19 cases, hospitalizations, and deaths as a result of current or future variants, or may experience a new viral pandemic, which could, in turn, impact State and local government finances.

Prospective purchasers of the Series 2026 Bonds should review carefully all of the provisions of the Resolution the copy of which is included in Appendix D-1 attached to this Official Statement.

LITIGATION

There is no litigation pending or, to the knowledge of the County, threatened, which restrains or enjoins the issuance or delivery of the Series 2026 Bonds or questions or affects the validity of the Series 2026 Bonds or the proceedings and authority under which they are to be issued, or the pledge of or lien on the Pledged Revenues and moneys deposited into the funds and accounts created by the Resolution, and all earnings thereon. Neither the creation, organization or existence of the County, nor the title of the present members of the Board or other officers of the County in their respective offices is being contested. There is no litigation pending or, to the knowledge of the County, threatened, which, if it were decided against the County, would have a materially adverse impact upon the financial position of the County, the System or its ability to perform its obligations to the Series 2026 Bondholders.

The County experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the County Attorney, there are no other actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Pledged Revenues for the purpose of paying debt service on the Series 2026 Bonds.

The County is party to other various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the County or the System, but may, in the aggregate, have a material impact thereon. However, in the opinion of the County Attorney, the County will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2026 Bonds are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2026 Bonds. Marcelo Llorente, P.A., Miami, Florida, is serving as Co-Bond Counsel. Nabors, Giblin, & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel to the County. Ruye H. Hawkins, P.A., Orlando, Florida, is serving as Co-Disclosure Counsel. Certain legal matters will be passed upon for the County by Julia Mandell, Esq., County Attorney. Squire Patton Boggs (US) LLP, Tampa, Florida, is serving as counsel to the Underwriters.

The proposed form of the Bond Counsel opinion is attached hereto as APPENDIX E and reference is made to such form of opinion for the complete text thereof. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2026 Bonds; provided, however, that Bond Counsel will render an opinion to the underwriter for the Series 2026 Bonds and the County relating to the accuracy of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Resolution and the Series 2026 Bonds, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2026 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2026 Bonds upon a monetary or covenant default under the Resolution are in many respects based upon judicial actions which are often subject to discretion, delay and equitable considerations. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2026 Bonds may not be readily available

or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments, by limitations imposed by general principles of equity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

MUNICIPAL ADVISOR

Public Resources Advisory Group Inc., Tampa, Florida, is serving as Municipal Advisor to the County with respect to the sale of the Series 2026 Bonds. The Municipal Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2026 Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertakings by the County to provide continuing secondary market disclosure.

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.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2026 Bonds in order that interest on the Series 2026 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2026 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2026 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2026 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The County has covenanted in the Resolution with respect to the Series 2026 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2026 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum

tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2026 Bonds. Prospective purchasers of Series 2026 Bonds should be aware that the ownership of Series 2026 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2026 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2026 Bonds; (iii) the inclusion of interest on Series 2026 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2026 Bonds in 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 Series 2026 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the County, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2026 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2026 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 2026 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 Series 2026 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2026 Bonds and proceeds from the sale of Series 2026 Bonds. Any amount so

withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Bonds. This withholding generally applies if the owner of Series 2026 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 2026 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.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2026 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2026 Bonds maturing on August 1, [] through and including August 1, (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the

amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2026 Bonds maturing on August 1, [____] through and including August 1, (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the yield on the Series 2026 Bonds and the Escrow Securities and the mathematical computation of anticipated receipts of principal of and interest earned on the Escrow Securities and certain uninvested cash deposited into the Escrow Account established under the Escrow Deposit Agreement to provide for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds, when due, whether at maturity or earlier redemption, will be verified by Robert Thomas CPA, LLC (the "Verification Agent"). Such computations will be based on certain assumptions of the Verification Agent and information supplied by Public Resources Advisory Group Inc., the Municipal Advisor to the County. Bond Counsel will rely upon the report of the

Verification Agent with respect to its opinion described under "PLAN OF FINANCE - Refunding of Series 2016 Bonds" herein.

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. Pursuant to the Florida Administrative Code, the Florida Department of Banking and Finance 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 Series 2026 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 Series 2026 Bonds.

RATINGS

The Series 2026 Bonds have been assigned ratings of "Aaa" (stable outlook), "AAA" (stable outlook), and "AAA" (stable outlook) by Moody's Ratings, S&P Global Ratings and Fitch Ratings, Inc. (collectively, the "Rating Agencies"). Such ratings reflect the views of the respective Rating Agencies and an explanation of the significance of such ratings may be obtained only from the Rating Agencies at the following addresses: Moody's Ratings, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, 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 that 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 agency concerned, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased by BofA Securities, Inc., co-senior managing underwriters, J.P. Morgan Securities LLC and Wells Fargo Bank, National Association and the other co-managing underwriters listed on the cover page hereof (collectively, the "Underwriters"), at a purchase price of \$_____ (par amount of the Series 2026 Bonds of \$_____, less an underwriter's discount of \$_____ and [plus/less]: [net] original issue [premium/discount] of \$_____). The offer of the Underwriters to purchase the Series 2026 Bonds, as accepted by the County, provides for the Underwriter to purchase all of the Series 2026 Bonds. The Series 2026 Bonds may be offered and sold to certain dealers at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriters have reviewed the information in this Official Statement in accordance with and, as part of its 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.

The Underwriters have provided the following information for inclusion in this Official Statement: The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offer or other offer of the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offer or other offers of the County. The Underwriters do not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

BofA Securities, Inc., an Underwriter of the Series 2026 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may

distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026 Bonds.

BofA Securities, Inc. and Bank of America, N.A., which is the provider of certain interim indebtedness of the County related to the 2026 Project, are both wholly-owned, indirect subsidiaries of Bank of America Corporation. A portion of the proceeds of the Series 2026 Bonds will be used to currently refund certain interim indebtedness of the County related to the 2026 Project made to the County by Bank of America, N.A.

A familial relationship exists between a professional of BofA Securities, Inc. and a professional of Bryant Miller Olive P.A. and both firms are participants in this transaction. Bryant Miller Olive P.A. has provided the following sentence for inclusion in this section. Such Bryant Miller Olive P.A. professional did not directly or indirectly participate in the underwriting selection process conducted by the County.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the Underwriters of the Series 2026 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2026 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2026 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2026 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's

expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

RBC Capital Markets, LLC ("RBCCM"), an underwriter of the Series 2026 Bonds, has entered into a distribution arrangement with its affiliate RBC Securities, Inc. ("RBC Securities") (formerly known as City National Securities, Inc.). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the Series 2026 Bonds.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2026 Bondholders to provide certain financial information and operating data relating to the County and the Series 2026 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the Series 2026 Bonds remain Outstanding under the Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of the Rule of the SEC by legislative, judicial or administrative action. The County has agreed to file annual financial information and operating data and its audited financial statements (collectively, the "Annual Report") with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"), as described in "APPENDIX F - Form of Continuing Disclosure Certificate" attached hereto. The County has agreed to file notices of certain enumerated material events, when and if they occur, with the MSRB through EMMA.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX F - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the County prior to the issuance of the Series 2026 Bonds. These covenants have been made in order to assist the underwriters for the Series 2026 Bonds in complying with the continuing disclosure requirements of the Rule. With respect to the Series 2026 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule.

Due to administrative oversight, the County inadvertently failed to timely file notices related to various rating upgrades in 2023, 2024 and 2026 as required by the existing Continuing Disclosure Certificates to which the County is a party. The County corrected such failures by filing notices summarizing the rating upgrades for which it previously failed to file timely notice. The County's Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2021, inadvertently was not linked to certain CUSIP numbers with respect to three series of the County's bonds although such

annual financial reports were otherwise available on EMMA. Such annual financial reports are now properly linked to the appropriate CUSIPs. The County's Annual Comprehensive Financial Report and operating data for the Fiscal Year ended September 30, 2023, inadvertently was not linked to certain CUSIP number with respect to one series of the County's bonds although such annual financial reports were otherwise available on EMMA. Such reports are now properly linked to the appropriate CUSIPs. Additionally, the County recently discovered that its audited and unaudited Annual Comprehensive Financial Report and operating data for the Fiscal Year ended September 30, 2025, inadvertently was not linked to certain CUSIP numbers with respect to one series of the County's bonds although such reports were otherwise available on EMMA. Such reports are now properly linked to the appropriate CUSIPs.

The County has appointed the Clerk's office with the responsibility for the County's compliance with the continuing disclosure requirements of the Rule. The Clerk's office has designated one of its employees to oversee the County's continuing disclosure obligations. The Clerk's office has adopted policies and procedures to ensure compliance with the continuing disclosure requirements of the Rule.

FINANCIAL STATEMENTS

The financial statements of the County's Water Enterprise Fund as of and for the Fiscal Year Ended September 30, 2025, included in this Official Statement as APPENDIX B, have been audited by Cherry Bekaert LLP (the "Auditor"), independent auditors, as stated in their report included in APPENDIX B attached hereto to this Official Statement as a matter of public record and the consent of the Auditor to include such document was not requested. The Auditor was not requested to perform and has not performed any services in connection with the preparation of this Official Statement or the issuance of the Series 2026 Bonds.

INVESTMENT POLICY OF THE COUNTY

Pursuant to the requirements of Section 218.415, Florida Statutes, as amended, and County Ordinance 08-6, enacted by the County on March 19, 2008, as amended, the Board adopted a written investment policy applicable to all funds held or controlled by or for the benefit of the County, except for funds related to the issuance of debt where there are other existing policies or bond documents in effect for such funds. The objectives of the investment policy, listed in order of importance, are: (1) safety of principal; (2) maintenance of liquidity; and (3) return on investment.

The investment policy limits the securities eligible for inclusion in the County's portfolio. Reverse repurchase agreements and securities lending transactions are specifically prohibited. No investment may have a maturity in excess of ten years. The

overall weighted average duration of the entire portfolio must be less than three years. Competitive selection of investment installments is required.

To enhance safety, the investment policy requires the diversification of the portfolio to reduce the risk of loss resulting from over-concentration of assets in a specific class of security. The investment policy also requires the establishment of an Investment Advisory Committee and preparation of periodic reports for the Board. The Clerk is required to establish a system of investment internal controls and operational procedures.

Subject to the requirements of Section 218.415, Florida Statutes, as amended, the investment policy may be modified by ordinance as enacted by the Board.

CONTINGENT FEES

The County has retained Bond Counsel, Co-Bond Counsel, Disclosure Counsel, Co-Disclosure Counsel, and the Municipal Advisor with respect to the authorization, sale, execution and delivery of the Series 2026 Bonds. Payment of the fees of Bond Counsel, Co-Bond Counsel, Disclosure Counsel, Co-Disclosure Counsel and the Municipal Advisor and an underwriting discount to the Underwriter, including the fees of their counsel, if any, are each contingent upon the issuance of the Series 2026 Bonds.

MISCELLANEOUS

All information included herein has been provided by the County, except where attributed to other sources. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information contained herein has been compiled from official and other resources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the Board. At the time of delivery of the Series 2026 Bonds, the Chair of the Board and the County Administrator will furnish a certificate to the effect that neither the Chair nor said County Administrator has any knowledge or reason to believe that this Official Statement, as of its date and as of the date of delivery of the Series 2026 Bonds, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

HILLSBOROUGH COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

By: _____
County Administrator

APPENDIX A

GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY

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GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY

The County

Hillsborough County (the "County") was established on January 25, 1834, at which time its boundaries included the present-day counties of Pasco, Charlotte, Desoto, Hardee, Pinellas, Sarasota, Manatee and Polk. The County is located on the west coast of central Florida, bounded by Tampa Bay (to the west), Polk County (to the east), Pasco County (to the north), and Manatee County (to the south). The County is the seventh largest county in the State of Florida (the "State") by area, covering a total area of 1,266 square miles, of which 215 square miles is water. The County is part of a four-county Metropolitan Statistical Area ("MSA") referred to as the Tampa, St. Petersburg-Clearwater MSA.

The city of Tampa (the "City" or "Tampa"), Plant City and Temple Terrace are the three incorporated cities in the County, with Tampa being the largest. Tampa is also the County seat and a center of international, national, and intrastate commerce. The Tampa International Airport (the "TIA") and the Port of Tampa (the "Port") connect the County to other major cities in the nation and major markets throughout the world.

Government

The County operates under a home-rule charter enacted by the voters on September 20, 1983. Under the charter, the Board of County Commissioners (the "BOCC") consists of seven Commissioners, three elected county-wide and four elected from single member districts. As a result of the charter, each voter has a chance to influence the election of a majority of board members. The BOCC is restricted to performing the legislative functions of government and developing policy for the management of the County. The County Administrator, appointed by the BOCC, together with his or her staff, are responsible for implementing these policies throughout the County.

In addition to the members of the BOCC, there are five elected Constitutional Officers: the Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The County provides a variety of services characteristic of local multi-purpose governments including law enforcement, maintenance of roads and bridges, animal services, social services programs, planning and growth management, environmental protection, fire protection and emergency rescue, consumer protection, parks and recreation programs, mosquito control, employment services, emergency disaster preparedness, traffic control, water/wastewater utilities, solid waste disposal, medical examiner services, agricultural cooperative extension services, children's services, indigent health care, public assistance programs, aging services programs, emergency medical services, and library services.

In addition to their legislative duties, members of the BOCC serve as the County's Environmental Protection Commission. Individual members of the BOCC also take turns serving on various boards, authorities, commissions and private non-profits such as the Children's Board, Tampa Bay Regional Planning Council, Metropolitan Planning Organization, Hillsborough County Tourist Development Council, Tampa Bay Water, Tampa Port Authority, Hillsborough County Aviation Authority, Hillsborough Transit Authority, Tampa-Hillsborough County Expressway Authority, Tampa Sports Authority, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments and the Tampa Hillsborough Economic Development Corporation.

House Bill No. 4029 ("HB 4029") was passed during the 2026 Florida legislative session and signed into law by the Governor. HB 4029 proposes restructuring the BOCC from seven Commissioners, three county-wide and four elected from single member districts to nine Commissioners elected from single member districts. Additionally, if the County's population were ever to grow to at least 2,500,000 based on the most recent decennial census, the BOCC shall consist of 11 members elected from single member districts. HB 4029 will be subject to a County-wide referendum in the November 2026 general election and will require the support of a majority of the voters participating in the election to become law.

Population

The County is the fourth most populous county in the State. The County's population in 2025 was 1,575,637, an increase of 1.0% from 2024. Between 2020 (the most recent United States (the "U.S.") census year) and 2025, the County's population increased by approximately 7.94 percent.

A majority of the County's 2025 population (approximately 68%) lives in the unincorporated part of the County. The County's population grew about 18.75 percent between year 2010 and 2020 in unincorporated Hillsborough County; communities in southern unincorporated Hillsborough County saw the biggest increase in population growth. The median age for the County in 2025 was 38.

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	Countywide Population	Increase (Decrease)
1950 ⁽¹⁾	249,894	--
1960 ⁽¹⁾	397,788	59.2%
1970 ⁽¹⁾	490,265	23.2
1980 ⁽¹⁾	646,960	32.0
1990 ⁽¹⁾	834,054	28.9
2000 ⁽¹⁾	998,948	19.8
2010 ⁽¹⁾	1,229,226	23.1
2020 ⁽¹⁾	1,459,762	18.8
2021 ⁽²⁾⁽³⁾	1,490,374	2.1
2022 ⁽²⁾⁽³⁾	1,520,529	2.0
2023 ⁽²⁾⁽³⁾	1,541,531	1.4
2024 ⁽²⁾⁽³⁾	1,560,449	1.2
2025 ⁽²⁾⁽³⁾	1,575,637	1.0

- Sources: ⁽¹⁾ U.S. Census Bureau
(<https://www.census.gov/quickfacts/fact/table/US,hillsboroughcountyflorida/PST045225>)
⁽²⁾ Florida Office of Economic & Demographic Research Database
(<https://edr.state.fl.us/content/area-profiles/county/hillsborough.pdf>)
⁽³⁾ Bureau of Economic and Business Research. *Florida Estimates of Population 2025*.

Hillsborough County, State of Florida, United States Population 2020-2025

	2020	2021	2022	2023	2024	2025
Hillsborough County ⁽¹⁾⁽³⁾	1,459,762	1,490,374	1,520,529	1,541,531	1,560,449	1,575,637
State of Florida ⁽³⁾	21,538,187	21,898,945	22,244,823	22,634,867	23,014,551	23,379,261
United States ⁽²⁾⁽³⁾	330,656,950	331,893,745	333,287,557	334,914,895	340,110,988	341,784,857

- Sources: ⁽¹⁾ Florida Office of Economic & Demographic Research Database
(<https://edr.state.fl.us/content/area-profiles/county/hillsborough.pdf>)
⁽²⁾ U.S. Census Bureau (<https://www.census.gov/quickfacts/fact/table/US,hillsboroughcountyflorida/PST045225>)
⁽³⁾ Bureau of Economic and Business Research: *Florida Estimates of Population 2025- 2020*.

Property Taxes

Tax Rate Limits. The constitutional limit on municipal, county and school district ad valorem taxes is ten mills each; and for special districts as provided by law and approved at referendum. A county providing municipal services may levy additional taxes within the limits fixed for municipal purposes (10 mills). The constitutional limit may be exceeded for periods not in excess of two years only by approval of voters in a tax referendum. The constitutional limit shall not apply to the millage rate levied for the payment of principal of and the interest on any debt service secured by the full faith and credit of a county, and such taxes shall be in addition to all other taxes authorized or limited by law. A referendum is required for a county to pledge its full faith and credit.

Exemptions. Property tax exemptions, applicable only to State residents who meet the requirement, may be obtained by homesteaders, senior citizens, widows and disabled persons. Every person who owns and resides on real property in the State on January 1 and makes the property his or her permanent residence is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption of up to \$25,000, applies to the assessed value between \$50,000 and \$75,000 and only to non-school taxes. (The incremental homestead exemption was approved by voters on January 29, 2008 via special election and was effective for the 2008 tax year). In addition to the widely available homestead exemption of \$50,000, there are a variety of other special exemptions available to certain qualified homeowners, including but not limited to, widows, disabled veterans and first responders. There are also various exemptions and/or reduced assessments for religious, charitable and educational uses as well as government and special classifications for agricultural, noncommercial recreational land and certain other uses.

Limitation on Assessment Increases. A statewide voter-initiated petition placed an amendment on the November 3, 1992 general election ballot which was approved by the voters ("Save Our Homes"). The amendment limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation. The amendment provides that such property be assessed at just value after any change in ownership and that changes, additions, reductions or improvements to such property shall be assessed as provided by general law.

Tax Due Date and Payments. Tax statements are normally mailed in October by the Hillsborough County Tax Collector (the "Tax Collector"). Taxes are due each November 1 and become delinquent April 1 of the following year. The Tax Collector receives all payments and distributes the revenues among the local governmental units.

Discounts, Penalties and Fees. Taxes levied are discounted under State law by 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February.

Delinquent taxes are subject to 1.5% monthly interest charge with a minimum of 3% on real property and a 1.5% monthly interest charge for tangible personal property. The property owner is also assessed advertising, court and other charges.

Tax Certificates on Real Property. It is the Tax Collector's duty, on or before June 1 of each year, to advertise and sell tax certificates on real property on delinquencies extending from the previous April 1. The tax certificates must be not less than the amount of the taxes plus interest from April 1 to the date of sale at 18% per annum, together with the cost of advertising and expenses of sale. Delinquent taxes may be redeemed prior to sale of the tax certificates upon payment of all costs, delinquent taxes and interest at the rate of 18% per annum, except that the minimum charge for delinquent taxes paid prior to the sale of a tax certificate is 3% of the delinquent taxes and costs.

The face value of each certificate includes taxes due, 3% interest, advertising costs (approximately \$2.00 per parcel), and a 5% commission charged by the Tax Collector. Prospective buyers are determined by the lowest interest charges bid on the certificates.

The property owner may redeem a tax certificate by paying the Tax Collector the face value of the certificate and accrued interest, plus a redemption fee of \$6.25. The redeemer must pay a minimum of 5% interest unless the certificate was bid at no interest.

The Tax Collector notifies the certificate holder of the redemption and makes the distribution of funds to certificate holders. In some instances, the County itself acquires the tax certificates as a lien against the property.

Tax Deeds. After two years from the date of delinquency (April 1), a private holder of any unredeemed tax certificate may apply for a tax deed to the property.

The request for a tax deed is referred to the Clerk of the Circuit Court (the "Clerk") who will hold an auction after the proposed sale of the tax deed has been advertised for four consecutive weeks in a newspaper and notice to the title holder and other interested parties as prescribed by law. The minimum acceptable bid for a tax deed must cover the face value of the certificate, and all other outstanding certificates, accrued interest, costs of a title search and all court and advertising costs, and in the case of homestead property, one-half of the assessed value of the property.

Tangible Personal Property. Delinquent personal property taxes must be published in a newspaper within 45 days after the taxes become delinquent. If taxes due remain unpaid, the Tax Collector petitions the Clerk for warrants to seize the tangible property. Seizure can be effected upon issuance of the warrant. To satisfy the judgment, tangible property owners must pay taxes due, 1.5% interest per month of delinquency (\$2.00 delinquency fee) and advertising, warrant and court costs.

Property Tax Reform. In recent years, the Florida Legislature has considered a number of proposals for property tax reform, primarily focused on residential homestead properties, aimed at reducing property taxes for Florida property owners. On May 27, 2026, Governor DeSantis called a special legislative session starting on June 1, 2026, to address property tax reform. On June 2, 2026, legislation proposing a ballot initiative for an amendment to the Florida Constitution to (i) increase the residential homestead exemption for all property tax levies (other than school district levies) from \$50,000 to \$150,000 as of January 1, 2027 and to \$250,000 as of January 1, 2028 and requires the legislature to prescribe, through general law, a uniform procedure for counties and municipalities, for their respective levies, to increase the amount of assessed valuation exempt from property tax levies up to all remaining assessed valuation, (ii) reduce the maximum amount by which annual property assessments can increase each year for non-homestead property from 10% to 5%, (iii) amend the method used to determine the maximum millage rate that may be levied pursuant to a majority vote of a local government

governing body, and (iv) limit the types of expenditures counties and cities can make from ad valorem tax revenues, was passed by both chambers of the State Legislature. The legislation, subject to approval of the voters, specifically provides that an allowable use of ad valorem revenue is to issue bonds and make debt service payment for existing obligations. The proposed Florida Constitutional amendment will be subject to a state-wide referendum in the November 2026 general election and will require the support of at least 60% of the voters participating in the election to become law.

Legal challenges to the referendum title and ballot summary were filed. On August 3, 2026, the Circuit Court of the Second Judicial Circuit in and For Leon County, Florida ruled that the title and summary of the ballot statement were legally defective and ordered the Florida Attorney General to prepare and submit within 10 days to the Department of State a revised ballot title and ballot summary. It is unknown at this time whether there will be subsequent challenges to any revised ballot title or ballot summary. There can be no assurance that if the measure is on the November general election ballot it will be approved by 60% of voters participating in the election.

Hillsborough County, Florida
Taxable Assessed Value and Actual Value of Property
Last Five Fiscal Years
(in millions of dollars)

Fiscal Year	Estimated Actual Value ⁽²⁾			Exemptions ⁽³⁾			Assessed Value ⁽⁴⁾			Total Taxable Assessed Value	Total Direct Tax Rate ⁽⁷⁾
	Real Property	Tangible Personal Property ⁽⁵⁾	Centrally Assessed Property ⁽⁶⁾	Real Property	Tangible Personal Property ⁽⁵⁾	Centrally Assessed Property ⁽⁶⁾	Real Property	Tangible Personal Property ⁽⁵⁾	Centrally Assessed Property ⁽⁶⁾		
2021	\$143,632	\$11,751	\$130	\$30,905	\$2,159	\$2	\$112,727	\$9,592	\$128	\$122,447	10.750
2022	163,763	12,334	134	33,245	2,187	2	130,518	10,147	132	140,797	10.750
2023 ⁽¹⁾	181,936	14,088	132	36,311	2,604	2	145,625	11,484	130	157,239	10.750
2024	195,300	14,171	130	39,063	2,598	2	156,237	11,573	128	167,938	10.722
2025 ⁽¹⁾	209,007	14,460	135	41,308	2,770	2	167,699	11,690	133	179,522	10.695

⁽¹⁾ Assessed values shown for Fiscal Year 2025 on the table above will be the basis of property taxes collected during Fiscal Year 2026, starting in November 2025.

⁽²⁾ Section 192.001, Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property." Therefore, gross assessed value is defined to be Estimated Actual Value.

⁽³⁾ Exemptions allowed include those for governmental as well as qualified, religious, or other non-profit properties. In addition, there are also additional exemptions if a property owner is a widow, widower, disabled, or 65 or older. A new expanded homestead exemption and the existing 3% and new 10% homestead cap differentials are not included in this table. The new homestead exemption does not apply to property taxes for the School Board. [See "PROPERTY TAXES - Exemption" herein.]

⁽⁴⁾ Assessed value is the estimated actual value less exemptions.

⁽⁵⁾ Tangible personal property represents business property such as furniture, computers, machinery and equipment, as well as mobile homes that are not permanently affixed to land. With the passing of Amendment 1 on January 29, 2008 an exemption of \$25,000 for tangible property is included in the table above

⁽⁶⁾ Centrally assessed property is primarily railroad that is assessed by the State rather than by the Property Appraiser since the property is located in more than one county.

⁽⁷⁾ Total Direct Tax Rate shows the County tax rates applicable to residents of the unincorporated areas of the County. See "Property Tax Millage Rates for Direct and Overlapping Governments" for more information.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

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HILLSBOROUGH COUNTY, FLORIDA
Property Tax Levied and Collected⁽¹⁾
(in thousands of dollars)

Fiscal Year	Taxes Levied for the Fiscal Year⁽²⁾	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years⁽⁴⁾	Total Taxes Collected	
		Amount⁽³⁾	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 664,593	\$661,251	99.5%	\$723	\$661,974	99.6%
2017	715,683	712,837	99.6	540	713,377	99.7
2018	777,968	774,685	99.6	388	775,073	99.6
2019	854,656	850,960	99.6	765	851,725	99.7
2020	931,072	926,815	99.5	558	927,373	99.6
2021	1,013,951	1,009,453	99.6	457	1,009,910	99.6
2022	1,099,340	1,095,692	99.7	302	1,095,994	99.7
2023	1,260,220	1,253,961	99.5	261	1,254,222	99.5
2024	1,407,589	1,400,663	99.5	52	1,400,715	99.5
2025	1,497,693	1,492,287	99.6	(1,372)	1,490,915	99.5

⁽¹⁾ Since 2024 property tax rolls were not opened for collections until November 1, 2025, final data for the 2024 property tax levy is not available. Taxes levied during a fiscal year are collected in the following fiscal year. Therefore, most amounts levied in fiscal year 2024 should actually be received in fiscal year 2025.

⁽²⁾ The tax levy is the entire property tax due to the County before any tax reductions are determined by the Value Adjustment Board and before any tax amounts are determined to be uncollectible due to insolvencies. The tax levy represents only the taxes due to the County financial reporting entity and therefore, excludes taxes due to the School Board, the City, and certain other governmental entities..

⁽³⁾ There is a four percent early payment discount available to taxpayers who pay their property taxes in November, with the discount declining one percentage point each month thereafter. To accurately compare taxes collected to the taxes levied, discounts taken were added into the amounts collected, making them directly comparable.

⁽⁴⁾ Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

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Hillsborough County, Florida
Property Tax Millage Rates for Direct and Overlapping Governments
Last Five Years
(Millage Rates Rounded to Nearest Thousandth)

	2021	2022	2023	2024	2025
Direct rates Countywide (BOCC):					
BOCC General Revenue	5.731	5.731	5.731	5.603	5.461
BOCC Library Service*	0.558	0.558	0.558	0.558	0.558
Environmentally sensitive lands (voted)	0.060	0.060	0.060	0.060	0.060
Total millage	6.349	6.349	6.349	6.221	6.079
Maximum millage per statute ⁽¹⁾	10.060	10.060	10.060	10.060	10.060
Unincorporated Area (BOCC):					
BOCC Municipal Service Taxing Unit	4.375	4.375	4.375	4.475	4.616
Parks and Recreation (voted)	0.026	0.026	0.026	0.026	-
Total millage	4.401	4.401	4.401	4.501	4.616
Maximum millage per statute ⁽¹⁾	10.026	10.026	10.026	10.026	10.000
Total direct rates (Countywide and Unincorporated Area)	10.750	10.750	10.750	10.722	10.695
Overlapping rates⁽²⁾					
Countywide (Other):					
Tampa Port Authority	0.099	0.094	0.077	0.077	0.074
Southwest Florida Water Management District	0.267	0.254	0.204	0.191	0.183
School Board	5.967	5.849	5.400	5.388	6.340
Children's Board	0.459	0.459	0.459	0.459	-
Unincorporated Area (Other):					
Transit Authority	0.500	0.500	0.500	0.500	0.500
Municipalities:					
Tampa	6.208	6.208	6.208	6.208	6.208
Temple Terrace	6.555	6.555	6.455	6.455	6.455
Plant City	5.716	5.716	5.716	5.716	5.716
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments (for analysis only)	18.042	17.906	17.390	17.337	17.792

* Excludes City of Plant City and City of Temple Terrace.

⁽¹⁾ Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voted levies.

⁽²⁾ Overlapping rates depend on whether the taxpayer resides in the unincorporated area of the County or one of the three municipalities. In addition, Countywide overlapping rates apply to all taxpayers. As a result, overlapping rates are not totaled, but total millage figures are shown at the bottom of this chart for comparisons over time or other analysis purposes.

Note: Dependent on its location, property within the city of Tampa or city of Plant City may either be in the Alafia or the Hillsborough River Basins.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

The following shows the total taxes levied against the ten largest taxpayers in the most recent year as well as nine years earlier. Property located within the geographic

boundaries of the County is subject to tax levies by the County as well as several other taxing authorities. The Tax Collector collects taxes for all of these taxing authorities. Taxing authorities such as the City of Tampa and the School Board are not a part of the County's financial reporting entity. Their tax levies, however, are included in the chart below in order to show the total taxes due from each of the ten largest taxpayers.

The following table sets forth the principal property taxpayers in the County in 2024 and 2015:

Hillsborough County, Florida Principal Taxpayers

Taxpayer	Type of Business	2024			2015		
		Taxes Levied in thousands	Rank	Percentage of Total Taxes Levied	Taxes Levied in thousands	Rank	Percentage of Total Taxes Levied
Tampa Electric Company	Electric utility	\$ 67,694	1	1.9%	\$ 42,019	1	2.4%
Hillsborough County Aviation Authority	Airport	19,514	2	0.6	11,025	3	0.6
Water Street LLC	Real estate management	12,599	3	0.4	-	-	-
Post Apartment Homes LP	Real estate management	9,074	4	0.3	6,011	4	0.4
Highwoods/Florida Holding LP	Real estate management	8,636	5	0.2	4,700	8	0.3
Mosaic Company	Mining, fertilizer & chemicals	8,183	6	0.2	5,501	5	0.3
Amazon.com	Online Sales	8,128	7	0.2	-	-	-
Eastgroup Properties	Real estate	7,453	8	0.2	-	-	-
Wal-Mart	Retail sales	6,622	9	0.2	4,472	9	0.3
Camden Operating LP	Real estate	6,429	10	0.2	4,300	10	0.3
Verizon Communications Inc.	Communications	-	-	-	14,253	2	0.8
Westfield	Shopping malls	-	-	-	5,434	6	0.3
Liberty Property	Property Management	-	-	-	4,791	7	0.3
		\$ 154,602		4.4%	\$102,506		5.9%

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Hillsborough County, Florida General Obligation Debt September 30, 2025 (Amounts in Thousands)

Governmental Unit	Outstanding Debt	Percentage Applicable	Direct and Overlapping Debt
Direct Debt of Hillsborough County:			
General obligation bonds	\$152,575	100%	\$152,575
Total direct and overlapping debt			<u>\$152,575</u>

The Hillsborough County School Board, Tampa Port Authority, Children's Board, and Southwest Florida Water Management District do not have any general obligation bonds, therefore their bonds are not presented in this chart.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Employees

The County employees provide a variety of services to a population of over 1.5 million residents. As of September 2025, there were approximately 10,323 employees of the County. County organizations and their employees were as follows: Sheriff – 3,498, Tax Collector – 419, Property Appraiser – 94, Clerk of Circuit Court – 702, Supervisor of Elections – 47, BOCC – 5,510, and discretely presented component units – 53. Several categories of employees are represented by labor unions.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Employment Indicators

The County has a diversified economic base, including large service, manufacturing and retail trade sectors. The County's largest industrial sectors include the education and health services; trade, transportation and utilities; professional and business services; leisure and hospitality; and wholesale and retail trade sectors. The principal employers serving the county are the Hillsborough County School Board and Hillsborough County Government. The employment by industry for the County as of September 2025 is as follows:

Employment by Industry	Employees
Health Care and Social Assistance	114,444
Professional and Technical Services	79,281
Retail Trade	76,823
Accommodation and Food Services	71,497
Finance and Insurance	68,792
Administrative and Waste Services	57,513
Construction	53,126
Education Services	52,144
Wholesale Trade	36,796
Transportation and Warehousing	36,526
Total	646,942

Source: [https://floridajobs.org/economic-data/quarterly-census-of-employment-and-wages-\(qcew\)/top-industries-by-employment-wages](https://floridajobs.org/economic-data/quarterly-census-of-employment-and-wages-(qcew)/top-industries-by-employment-wages)

Hillsborough County, Florida
Principal Employers
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier

Employer	Type of Operation	2025			2016		
		Employees	%	Rank ⁽¹⁾	Employees	%	Rank ⁽¹⁾
Publix	Supermarket	47,166	5.3%	1	7,732	1.2%	5
Baycare Health System	Medical facilities	33,631	3.8	2	6,243	1.0	7
Hillsborough County School District	Government	23,000	2.6	3	26,195	4.0	1
HCA West Florida Division ⁽⁴⁾	Medical facilities	21,000	2.4	4	3,886	0.6	14
MacDill Air Force Base	Military base	16,800	1.9	5	19,978	3.0	2
University of South Florida ⁽²⁾	Education services	16,280	1.8	6	13,902	2.1	3
Tampa General Hospital	Medical facilities	12,409	1.4	7	5,378	0.8	9
AdventHealth West Florida Division ⁽³⁾	Medical facilities	12,000	1.4	8	6,000	0.9	8
Citigroup	Bank	10,800	1.2	9	-	-	-
Hillsborough County Government	Government	10,093	1.1	10	9,331	1.4	4
H. Lee Moffitt Cancer Center & Research Institute	Medical facilities	9,466	1.1	11	4,900	0.7	11
US Postal Service	Postal service	8,312	0.9	12	3,197	0.5	15
James A. Haley VA Medical Center	Veterans hospital	6,562	0.7	13	4,204	0.6	12
Raymond James Financial Inc.	Bank	6,556	0.7	14	--	--	--
JPMorgan Chase Bank	Bank	6,200	0.7	15	--	--	--
Deloitte LLP and Subsidiaries	Financial services	5,896	0.7	16	--	--	--
St. Joseph's Hospital	Medical facilities	5,121	0.6	17	--	--	--
Bloomin Brands Inc.	Food services	5,000	0.6	18	--	--	--
Progressive Insurance	Insurance	5,000	0.6	19	2,400	0.4	18
Tampa International Airport	International airport	-	-	-	7,000	1.1	6
Busch Entertainment Corporation	Tourist attraction	-	-	-	5,000	0.8	10
City of Tampa	Government	-	-	-	4,151	0.6	13
US Automobile Assoc. (USAA)	Insurance	-	-	-	2,850	0.4	16
Tampa Electric Company	Electric utility	-	-	-	2,457	0.4	17
Hillsborough Community College	Education services	-	-	-	2,300	0.3	19
Total		261,292	29.5%		137,104	20.8%	

⁽¹⁾ Percentages shown represent the number of employees as a percent of total County employment. Total County employment for 2025 was 888,888. Total County employment for 2015 was 657,897.

⁽²⁾ Includes USF Health Science Center.

⁽³⁾ Formerly known as Florida Hospital.

⁽⁴⁾ Comprised of Brandon Regional Hospital, South Bay Hospital, Memorial Hospital and Tampa Community Hospital.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

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The following table shows the average civilian (non-military) labor force, the average number of individuals employed and related unemployment statistics for the County:

Calendar Year	Hillsborough County				Florida	National
	Labor Force	Number Employed	Number Unemployed	Unemployment Rate%	Unemployment Rate%	Unemployment Rate%
2016	691,104	657,897	33,207	4.9	5.4	4.9
2017	713,562	680,117	33,445	4.7	5.0	4.8
2018	734,513	707,657	26,856	3.7	4.0	4.1
2019	741,658	718,396	23,262	2.9	3.3	3.3
2020	741,575	698,113	43,462	5.9	7.2	7.7
2021	803,902	772,806	31,096	3.9	4.3	4.6
2022	813,945	793,876	20,069	2.5	2.7	3.3
2023	824,322	800,135	24,187	2.9	2.9	3.7
2024	810,148	784,470	25,678	3.4	3.7	4.1
2025	818,741	781,853	36,888	4.5	4.2	4.4

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Demographics and Economics

The following table outlines some of the general demographic and economic statistics for the County.

Hillsborough County Demographic and Economic Statistics 2016-2025

Year	Population	Personal Income (in thousand)	Personal Income Per Capita	Median Age	Public High School Graduation Rates (%)	Total Public School Enrollment	Unemployment Rate(%)
2016	1,325,563	\$ 58,596,262	\$44,205	36	76.0	205,019	4.9
2017	1,352,797	62,630,443	46,297	36	79.1	209,414	4.7
2018	1,379,302	62,976,126	45,658	36	82.9	212,038	3.7
2019	1,408,864	67,533,935	47,935	36	85.8	211,959	2.9
2020	1,444,870	71,319,751	49,361	36	86.2	212,537	5.9
2021	1,490,374	77,665,624	52,111	36	88.8	215,975	3.9
2022	1,520,529	85,942,006	56,521	36	87.9	216,461	2.5
2023	1,541,531	90,064,452	58,425	37	86.2	221,384	2.9
2024	1,560,449	97,723,882	62,625	38	88.0	210,237	3.4
2025	1,575,637	107,082,073	67,961	38	90.9	220,437	4.5

Source Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Banking and Finance

A total of 301 commercial and savings bank offices were located in the County as of June 30, 2025. The following table presents commercial bank and savings institutions deposit for each year since 2016:

<u>Calendar Year</u>	<u>Commercial Bank Deposits</u>	<u>Savings Bank Deposits</u>	<u>Total Deposits</u>
2016	\$29,837,696,000	\$407,057,000	\$30,244,753,000
2017	31,131,689,000	519,059,000	31,650,748,000
2018	31,488,241,000	219,838,000	31,708,079,000
2019	30,753,666,000	219,031,000	30,972,697,000
2020	37,783,077,000	180,603,000	37,963,680,000
2021	43,277,376,000	176,701,000	43,454,077,000
2022	45,987,490,000	169,949,000	46,157,439,000
2023	41,534,000,000	167,000,000	41,701,000,000
2024	41,699,415,000	173,295,000	41,872,710,000
2025	44,764,091,000	179,387,000	44,943,478,000

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Education

Hillsborough County Public Schools (the "District") is the eighth largest school district in the nation and third largest in Florida. The District operates with more than 235,750 students, 24,864 employees, and a \$2.35 billion budget. Educational opportunities include: Head Start and adult education programs, pre-k through 12th grade traditional schools, magnet schools, career centers, technical education, exceptional student education, single gender middle schools, International Baccalaureate schools, and charter schools. The District is fully accredited.

The County also has several universities and colleges. The University of South Florida serves more than 49,300 students (including campuses outside of the County) representing over 145 different countries. The University of Tampa is a private university located on approximately 100 acres of prime riverfront land in the heart of downtown Tampa. Hillsborough College has five primary campus locations, three satellite locations, a very active distant learning program (eCampus), and a comprehensive corporate training center. Some other colleges in the area include Florida College, Stetson University College of Law, and Keller Graduate School of Management.

Sources: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Medical Facilities

There are thirteen general, specialty, and military hospitals in the County with approximately 4,714 hospital beds and 3,737 nursing home beds. The County's medical resources include more than 5,960 licensed physicians, with specialists in all types of medicine and surgery, and 932 dentists.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Communication

Thirteen television stations serve the County. Newspapers include the Tampa Bay Times (which acquired The Tampa Tribune in 2016), and the free weekly tabloid called *tbt**. There are also four other weekly newspapers. There are approximately 83 AM and FM radio stations that can be listened to in the County with 35 of the stations physically based in the County. Frontier and Spectrum are the primary providers for internet, telecommunications and/or cable service. There are 41 Post Offices in the County and 22 internet providers.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Transportation

TIA is a major airport for the west central region of Florida serving primarily Hillsborough, Pinellas (which includes the cities of St. Petersburg and Clearwater), Pasco and Hernando Counties.

TIA is one of four Federal Aviation Administration coded large hub airports in the State. TIA occupies approximately 3,400 acres and is primarily an origination-destination airport with a total of 59 gates. It is located five miles from downtown Tampa and is served by most major airlines which provide non-stop service to more than 56 national and international destinations, including London, Frankfurt, Zurich, Reykjavik, Toronto, Halifax, Ottawa, San Juan and Grand Cayman. Inbound and outbound passengers at TIA for the fiscal year ended September 30, 2025, totaled 21,527,863, an increase of 18.84% from the prior fiscal year. For Fiscal Year 2025, the top four airlines, in terms of market share were: Southwest with 26.6%, Delta Airlines with 17.8%, American Airlines with 17.1% and United Airlines with 10.2%.

Three general aviation airports serve as reliever airports, primarily to accommodate light and medium weight aircraft in the general aviation category. These include Peter O. Knight Airport, a 139-acre facility located six miles southeast of TIA; Plant City Airport,

a 199-acre facility located 22 miles east of TIA; and Tampa Executive Airport (formerly Vandenberg Airport), a 407-acre facility located 12 miles east of TIA. In addition, there are two full service general aviation executive terminals located at the Tampa Executive Airport.

AMTRAK provides passenger rail service to major cities throughout the U. S. This rail service is provided by the Palmetto and Silver Service Trains (the Silver Meteor and the Silver Star) which offer service between Florida, Georgia, and New York City. The restored Tampa Union Station has seven northbound and seven southbound departures on AMTRAK weekly. Freight rail service is provided to the County by CSX Transportation Systems ("CSX"). CSX rail units possess some of the world's most technologically advanced terminal equipment and operate on regular schedules throughout the network. Major transports include coal, wood products, phosphate, chemicals, construction materials, semi-tractor trailers, automobiles, and automobile products.

The Hillsborough Transit Authority ("HART") is the County's public transportation system. HART offers local and express routes for residents and visitors alike. Local service seven days a week provides access to area shopping malls, businesses, government buildings, attractions and recreational facilities. An estimated 9.2 million riders use the system annually.

The County is also served by numerous intrastate and interstate motor common carriers, moving goods between Tampa, other points in Florida, and markets throughout the U.S. Tampa is the transportation hub of the west coast of Florida with major trucking firms maintaining terminals serving Florida and major southern cities.

Three interstates and seven other major highways serve the County. All parts of Florida and bordering states to the north and west can be reached within one day of travel by truck or automobile.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Local Industries

Service, retail, finance, insurance, and real estate sectors lead regional and County industry. Bioscience and other high-tech industries are expanding, thanks in part to research at university and college campuses throughout the area. Manufacturing in the County is also participating in the high-tech trend as the County is home to companies in the microelectronics, medical devices, software, and defense systems industries.

Business and Information Services. Tampa Bay has been called "Wall Street South" for the size and scope of its financial services industry. Worldwide organizations which have a major presence in the County include JPMorgan Chase, Citigroup, Depository Trust

and Clearing Corp, MetLife, Progressive Insurance and USAA Insurance. The County is also a major player in a new industry segment called the Shared Accounting Services industry where national and international companies such as Coca-Cola Enterprises create additional value by co-locating their accounting and financial services for multiple businesses in one location.

Biomedical/Life Sciences Technologies/Health Care. Tampa Bay is a center of excellence for hospital, research and medical-related firms – and the gateway to the Florida High Tech Corridor, a 23-county area that is home to more than 3,000 high-tech companies. Biomedical and life science centers of excellence in the County include the University of South Florida, H. Lee Moffitt Cancer Center and Research Institute, and USF Health Byrd Alzheimer's Institute. In March 2012, USF Health opened its \$38 million Center for Advanced Medical Learning and Simulation ("CAMLS") in downtown Tampa. CAMLS combines cutting-edge simulation with research and innovation to move the latest advances in healthcare into practice. The County is also home to major health care plan developers and providers such as Wellcare.

Port/Maritime. With three seaports, Tampa Bay is a major entry point for domestic and international shipping. The Port comprises nearly half of all sea borne commerce in the State, is the State's largest seaport, and is a major cruise port.

Manufacturing (Microelectronics, Medical Devices, Software, and Defense Systems). High tech manufacturing companies in the County include CAE (flight and military simulation systems), B&M Precision (implants and components for brain probes and liposuction), and systems software development companies CIBERsites (application development), Computer Associates (internet security) and Quadrant Software (electronic document distribution).

Sources: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Agriculture

The County has 2,843 farms that utilize 263,664 acres, which ranks it 2nd in Florida and 28th nationally. The County ranks as the 4th largest producer of agricultural products in the state (out of 67 counties) and 59th in the U.S. (out of 3,076 counties). The County is in the top 2% of agricultural counties in the country. The 215,000 acres utilized for agricultural production represents approximately 33% of the County's land area. The estimated total economic impact of agriculture and agribusiness on the County is \$4.156 billion while employing approximately 42,000 workers.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Port Facilities

The Port is Florida's largest port both in terms of cargo tonnage and geographic acreage, encompassing over 5,000 acres. The Port handled over 33 million tons of cargo. It is also one of the most diverse seaports in the country with multiple lines of business providing a solid financial footing and supporting an aggressive capital investment program for new development. The Port has a significant economic impact on the County and supports over 85,000 jobs in the regional economy.

In addition to being one of the world's premier fertilizer export ports, it is also the gateway for Central Florida's energy products, construction/building materials and consumer goods. The Port is also home to one of the largest shipbuilding and repair centers in the Southeast U.S. On-dock cold storage capabilities returned to the Port in the fall of 2017, with the opening of a new 130,000 square foot trans-load warehouse facility focused on cross-docking and distribution of fruit and vegetables. The Port's cruise business is growing rapidly as well, with additional ships offering year-long service to Mexico and the Caribbean.

The Port is the closest port to the huge and expanding I-4 corridor market, which is Florida's fastest growing region and home to the largest concentration of distribution centers in the State. To serve this market, the Port expanded its container terminal facilities by including two new post-Panamax cranes to complement its three existing container gantry cranes and heavy-lift mobile harbor crane. The Port has plans to quadruple its container terminal capacity.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Military Facilities

MacDill Air Force Base is located eight miles south of downtown Tampa on the Southwestern tip of the Interbay Peninsula on the west coast of Florida. The economic impact of its operations in fiscal year 2023 was \$4.10 billion. The 6th Air Refueling Wing hosts 28 tenant units including the 927th Air Refueling Wing which uses KC-135R Stratotankers and a C-37A Gulfstream aircraft to conduct its air mobility mission, two non-aviation units: the United States Central Command and the United States Special Operations Command and 23 other units.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Recreational Facilities

A variety of entertainment activities may be found in the County including numerous parks, beaches, restaurants with international flair, excellent golf courses, racquetball courts, saltwater fishing, tennis and shopping. Recreational facilities that appeal to both County residents and visitors are either located within the County or are only a short drive away. Walt Disney World, including Hollywood Studios Theme Park, Universal Studios, and Sea World are all just about a two hour's drive to the east. Two thirds of the state's major attractions lie within a 100-mile radius of Tampa. Busch Gardens, located in Tampa, is a family adventure park offering an array of fascinating attractions based on exotic encounters with the African continent. It offers an appealing blend of thrilling rides, one of the country's premier zoos featuring more than 3,000 animals, live shows, restaurants, shops and games. Adventure Island, which is located next to Busch Gardens, features a beach volleyball complex and 15 water play areas situated on 30 acres.

The County is home to the Tampa Bay Buccaneers of the National Football League, who were the Superbowl champions in 2003 and 2021. The Tampa Bay Buccaneers and University of South Florida Bulls football teams play their home games at Raymond James Stadium in Tampa. Raymond James Stadium is a combination of modern stadium design and its own innovations. Raymond James Stadium has a seating capacity of 65,890, expandable to 75,000, 12,000 club seats, 195 luxury suites, and 600 points of sale for food, beverages and merchandise. Raymond James Stadium has hosted special events such as Super Bowl XXXV in January 2001, Super Bowl XLIII in February 2009, and Super Bowl LV in February 2021.

In the heart of downtown Tampa's Channelside District, located between the Tampa Convention Center and the Florida Aquarium, lies the Benchmark International Arena, one of the premier entertainment venues in the Southeast and home of the National Hockey League's Tampa Bay Lightning, who were the 2004, 2020 and 2021 Stanley Cup Champions. The Benchmark International Arena also hosts many concerts, family shows and sporting events each year. In addition, the New York Yankees Major League Baseball franchise has spring training at the County's George M. Steinbrenner Field baseball stadium. The recently renovated University of South Florida Yuengling Center is a multipurpose 10,000-seat arena located on the campus of the University of South Florida ("USF") and is home to the National Collegiate Athletic Association's USF Men's and Women's Basketball Teams as well as other University events. The Suncoast Credit Union Field located at Howard W. Blake High School is home of the Tampa Bay Sun Football Club, a women's professional soccer team organized under the United Soccer League. Thoroughbred horse racing is also seasonally available in the County.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Cultural Facilities

The County offers a variety of cultural facilities to residents and visitors. ZooTampa at Lowry Park is operated by the Lowry Park Zoological Society, an independent 501(c)(3) charitable organization committed to excellence in education, conservation and research. The Zoo is accredited by the Association of Zoos and Aquariums, and is featured among the "Top 25 Zoos in the U.S." by TripAdvisor (2015) and "10 Best Zoos in the U.S. by Trekaroo (2015). The 205,000 sq-ft Florida Aquarium is among the top aquariums in the world and has more than 20,000 aquatic plants and animals from Florida and around the world. The Florida Aquarium's Center for Conservation combines research and rehabilitation programs to give much needed support to animals in distress or imminent danger and ecosystems faced with both natural and man-made threats. This includes, but is not limited to propagating corals in Florida's Keys, rescuing endangered sea turtles and threatened river otters, assisting with dolphin and manatee rescues, assessing stress levels in sharks, documenting underwater cultural assets (a.k.a. shipwrecks) and raising awareness of sustainable seafood issues.

The Straz Center for the Performing Arts is located on a nine-acre site along the east bank of the Hillsborough River. As the second largest performing arts complex in the southeast after the Arsht Center in Miami, the 335,000 square-foot Straz Center provides an environment for a wide variety of world-class events. It boasts one of the nation's leading Broadway series and is nationally respected for producing grand opera, as well as presenting a wide variety of concerts, performances and events. The Tampa Convention Center, located directly on the waterfront in the heart of downtown Tampa, hosts a variety of conventions, trade shows, and other special events year-round. The 600,000 square foot building offers 200,000 square feet of exhibit space, a 36,000 square foot ballroom, and 36 breakout rooms which total over 42,000 square feet of additional meeting space. Add to that, over 84,000 square feet of flexible space and you have the best venue for any meeting, convention or special event. After a busy day of lectures, seminars or classes, attendees are welcome to visit Ybor City or Sparkman Wharf featuring one acre of open space with an event lawn, biergarten and dining garden, situated in a relaxed, outdoor setting along Garrison Channel located just a few steps away.

Museums in the area include the Museum of Science and Innovation (MOSI), a science and technology center encompassing over 58,000 square-feet on a 74-acre campus of exhibits and hands-on displays. MOSI is the only science center in the Tampa Bay community. Features include a hurricane simulator, the Saunders planetarium, IdeaZone - a space for coding and prototype hands on projects, and the high-tech exhibit CONNECTUS. The 60,000 square-foot Tampa Bay History Center Museum located in the Sparkman Warf district had its grand opening celebration in January 2009. Other museums in the area are the Tampa Museum of Art, the historic H. B. Plant Museum at the University of Tampa, the Contemporary Art Museum at the University of South Florida, the Scarfone/Hartley Gallery at the University of Tampa, the Veteran's Memorial Museum and

Park, the Ybor City State Museum, Glazer Children's Museum, and the Florida Museum of Photographic Arts.

Graphicstudio at the University of South Florida, a member of the International Fine Print Dealers Association, practices traditional printmaking techniques including intaglio, lithography, silkscreen, and relief along with photogravure, cyanotype and pigment prints. Sculpture multiples are produced in a range of media including bronze, steel, aluminum, wood, rubber, and less traditional materials including lava (basalt) and pigmented resins. Since its inception, the studio has invited over 100 emerging and established contemporary artists from around the world who have worked in a range of styles and media to produce more than 1,000 limited edition print and sculpture multiples. Impressions of Graphicstudio editions have been acquired by leading museums and corporate and private collections worldwide. In 1990, the National Gallery of Art in Washington D.C. established an archive of the editions that resulted in a major exhibition with an accompanying catalog documenting the history of Graphicstudio. In 2014, the Tampa Museum of Art presented a major survey exhibition also accompanied by a significant publication that focused on works produced in the last two decades.

Sources: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Pension Plans

With a few exceptions, all full-time and part-time employees working for the County in regularly established positions are members of the Florida Retirement System (the "FRS"), a multiple-employer cost-sharing public retirement system administered by the State. The FRS offers members both a defined benefit plan and/or a defined contribution plan to provide retirement, disability, annual cost-of-living adjustments, and death benefits for active members, retirees, surviving beneficiaries, and Deferred Retirement Option Program participants.

All potential purchasers of the Bonds should review Note 8 of the Notes to the Financial Statements set forth in " APPENDIX B -- Annual Financial Report of the System for Fiscal Year 2025" attached hereto. Such Note 8 contains descriptions of the pension plans and material financial information concerning the plans, including but not limited to, information regarding contributions, funded status, funding progress and actuarial methods and assumptions.

Other Post-Employment Benefit Plans

The County provides certain health-related benefits to retirees and certain former employees as generally described in this paragraph. (1) The County is required by Florida Statute 112.0801 to allow retirees and certain former employees to buy healthcare coverage at the same "group rates" that current employees are charged. Although retirees pay for

healthcare at group rates, they receive a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an implicit subsidy for retirees. (2) The County provides health-related benefits to retirees and certain former employees through a limited stipend to offset the cost of health insurance for regular BOCC and Tax Collector retirees from ages 62 to 65 and to Sheriff and BOCC special risk retirees from ages 55 to 65. This monthly stipend is \$10 for each year of service up to a maximum benefit of \$300 per month for Sheriff's employees and surviving spouses or \$7.50 per month for each year of service up to a maximum benefit of \$225 per month for BOCC and Tax Collector employees. Although the implicit subsidy is required by State law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time. The County does not issue separate Other Post Employment Benefit Plan financial statements. As a result all required disclosures are included in this report.

All potential purchasers of the Bonds should review Note 9 of the Notes to the Financial Statements set forth in "APPENDIX B -- Annual Financial Report of the System for Fiscal Year 2025" attached hereto. Such Note 9 contains material financial information concerning the other post-employment benefits, including but not limited to, information regarding costs and obligations, contributions, funding policy, status and progress, and actuarial methods and assumptions.

Hillsborough County Web Site

The County internet web site is located at <http://hillsboroughcounty.org>. This site provides a convenient directory of government services and other useful information.

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APPENDIX B

ANNUAL FINANCIAL REPORT - WATER ENTERPRISE FUND FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025

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**Hillsborough
County** Florida

Water Resources Department



Annual Financial Report

Water Enterprise Fund

For Fiscal Year
September 30, 2025



SM

**Hillsborough
County** Florida

Water Resources

Water Resources Department
925 E. Twiggs Street
Tampa, Florida 33602
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HCFL.gov/PublicUtilities

Hillsborough County, Florida

Water Enterprise Fund Public Utilities Department Annual Financial Report

Fiscal Year Ended September 30, 2025

Prepared by: County Finance Department
Victor D. Crist, Clerk of Court and Comptroller

**WATER ENTERPRISE FUND
PUBLIC UTILITIES DEPARTMENT
PRINCIPAL OFFICIALS
September 30, 2025**

Board of County Commissioners

Ken Hagan, *Chair*
Christine Miller, *Vice-Chair*
Gwendolyn “Gwen” Myers, *Chaplain*
Chris Boles
Donna Cameron Cepeda
Harry Cohen
Joshua Wostal

Constitutional Officers

Chad Chronister, *Sheriff*
Victor D. Crist, *Clerk of Circuit Court*
Bob Henriquez, *Property Appraiser*
Craig Latimer, *Supervisor of Elections*
Nancy C. Millan, *Tax Collector*

Appointed Officials

Bonnie M. Wise, *County Administrator*
Christine M. Beck, *County Attorney*
George Cassady, *Assistant County Administrator – Public Utilities*
Lisa Rhea, *Director, Water Resources Department*

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
For the Year Ended September 30, 2025

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Report of Independent Auditor

Board of County Commissioners
Hillsborough County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Hillsborough County, Florida, Water System (the "System"), an enterprise System of Hillsborough County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed on 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, 2025, and the respective changes in financial position and its cash flows 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 System, 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.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the System and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2025, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the financial statements have been restated to correct prior period errors. Our opinions are not modified with respect to this matter.

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; this includes 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 System'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.

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 and the pension and other post-employment benefit plan schedules be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 statistical section, the Comparison of Actual Revenues and Expenses to Budget and the Debt Service Schedules – Exhibits A through D, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 a report dated June 29, 2026 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's 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.

Cherry Bekaert LLP

Tampa, Florida
June 29, 2026

**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**

Board of County Commissioners
Hillsborough 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 Water System Fund (the "System"), an enterprise fund of Hillsborough County, Florida (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the System's financial statements, and have issued our report thereon dated June 29, 2026. Our report included an emphasis-of-matter paragraph to reflect that these financial statements are intended to present the financial position, the changes in financial position, and the cash flows of the System and do not represent a complete presentation of the financial statements of Hillsborough County, Florida.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described below as item 2025-001 to be a material weakness.

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. We consider the deficiency described below as item 2025-002 to be a significant deficiency.

2025-001 – Material Weakness, Improper Recognition of Capital Asset Activity for the Water Utilities Fund

Criteria: United States generally accepted accounting principles ("U.S. GAAP"), promulgated by the Governmental Accounting Standards Board ("GASB"), prescribe accounting for proprietary fund financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting. Which means revenues, expenses, gains, losses, assets, and liabilities, resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Additionally, the costs to acquire, construct, or improve a capital asset are not recognized immediately as expense when incurred, but instead is capitalized and allocated over the estimated useful life of the capital asset in the form of depreciation expense. Donated capital assets are recognized based on acquisition value.

Condition: During testing of capital assets and construction in process, we identified several entries necessary to bring the financial statements in alignment with generally accepted accounting standards.

Effect: The impact to the financial statements as a result of these errors are as follows:

- Error related to duplicated construction in process for the prior year resulted in an overstatement of construction in process reported for the year ended September 30, 2024 in the amount of \$8,353,000. Net position was restated for this amount.
- Error related to contributions to Tampa Bay Water being treated as a capital project as opposed to an expense in the amount of \$6,706,000. Net position was restated for this amount.
- Error related to unsupported construction in process for the current year resulting in an overstatement of construction in process reported for the year ended September 30, 2025 in the amount of \$4,699,000. This is reported as a passed adjustment.
- Error related to capital assets not capitalized in the correct period resulted in an understatement of capital assets in the amount of \$4,169,000 for the year ended September 30, 2024. This is reported as a passed adjustment.

Cause: During the County's system conversion in 2022, certain completed capital projects were inadvertently duplicated, resulting in prior-period misstatements. In addition, management did not sufficiently evaluate capitalization criteria and period recognition for capital project activity and non-reimbursable deposits. These issues, combined with limited review of project-level detail and reconciling items, indicate deficiencies in controls over capital project accounting and financial reporting.

Recommendation: We recommend that management enhance controls over capital project accounting by improving project review procedures, reconciling capital activity to supporting documentation, and ensuring non-reimbursable deposits and other project costs are recorded in the appropriate period.

Views of Responsible Officials: See corrective action plan.

2025-002 – Significant Deficiency, Classification of Restricted and Unrestricted Net Position

Criteria: GASB Statement No. 34 requires governments to report net position in three components: net investment in capital assets, restricted, and unrestricted. Restricted net position must be reported when constraints are imposed by external parties (such as creditors, grantors, or laws and regulations) or by enabling legislation. Amounts that do not meet the definition of restricted should be reported as unrestricted.

Condition: During our review of the County's financial statements, we noted that certain balances were not properly classified between restricted and unrestricted net position. Specifically, amounts subject to externally imposed restrictions and/or enabling legislation were reported as unrestricted, and in some instances, unrestricted amounts were reported as restricted without sufficient supporting documentation.

Effect: Misclassification of net position results in inaccurate financial reporting and reduces the transparency and usefulness of the County's financial statements. Users of the financial statements may be misled regarding the availability of resources for general operations, which could impact decision making and compliance assessments.

The impact to the financial statements as a result of these errors are as follows:

- Approximately \$442,000 overstatement of net investment in capital assets, approximately \$251,000 understatement of restricted for bond covenants, approximately \$114,000 overstatement of restricted for debt service, approximately \$7,000 understatement of restricted for grant programs, approximately \$26,000 overstatement of restricted for capital projects, and approximately \$256,000 understatement of unrestricted net position. This error was corrected by management.

Cause: The misclassification appears to be due to lack of formal review controls over financial statement preparation, particularly related to evaluating and documenting restrictions on net position.

Recommendation: We recommend management strengthen its financial reporting procedures by implementing a formal review process to ensure proper classification of net position in accordance with GASB 34, provide training to accounting personnel on identifying and documenting restricted resources, and develop and maintain supporting documentation for all restricted balances, including the source and nature of restrictions.

Views of Responsible Officials: See corrective action plan.

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*.

System's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the finding identified in our audit and described previously. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
June 29, 2026

Report of Independent Auditor on Bond Compliance

Board of County Commissioners
Hillsborough County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of the Hillsborough County, Florida, Water Enterprise Fund (the "Fund"), an enterprise fund of Hillsborough County, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated June 29, 2026.

In connection with our audit, nothing came to our attention that caused us to believe the System failed to comply with the terms, covenants, provisions, or conditions of Article XI of Hillsborough County Resolution No. R03-112, dated, June 4, 2003, governing the Utility Revenue Bonds, Series 2019, 2021A and 2021B, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of any such noncompliance. Accordingly, had we performed additional procedures, other matters might have come to our attention regarding the Fund's noncompliance with the above-referenced terms, covenants, provisions or conditions of the Bond Resolution, insofar as they relate to accounting matters.

This report is intended solely for the information and use of management and the Board of County Commissioners of Hillsborough County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Tampa, Florida
June 29, 2026



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Hillsborough
County **Florida**

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Management's Discussion and Analysis (unaudited)
For the Year Ended September 30, 2025

Management's Discussion and Analysis

The Hillsborough County Water Enterprise Fund (System) presents the following review of its financial activities for the fiscal year ended September 30, 2025. Readers of these financial statements are encouraged to consider this information together with the accompanying financial statement notes to obtain a comprehensive view of the System's financial position and operating results for the fiscal year ended September 30, 2025.

Fiscal Year 2025 Financial Highlights

- Fiscal year 2025 operating revenues of \$405,031,000 were \$30,013,000 higher than fiscal year 2024 revenues of \$375,018,000 or a 8.0% increase.
- The System recognized \$78,198,000 in capital contributions from special assessment revenues, impact fees, grants and developer constructed capital improvements.
- The fiscal year 2025 change in net position was \$69,319,000. This was a comparative decrease of \$43,438,000 or 38.5% from the fiscal year 2024 change in net position of \$112,757,000. This change was primarily due to a \$72,757,000 increase in expenses offset by a \$30,013,000 increase in customer revenues. The System's net position on September 30, 2025, was \$1.908 billion compared to a restated \$1.838 billion on September 30, 2024.

Management believes the System was compliant with all debt covenant requirements for the fiscal year ended September 30, 2025.

Overview of the Financial Statements

This analysis is intended to serve as an introduction to the System's financial statements. These statements consist of two parts: the financial statements and the accompanying financial statement notes. Also, the accompanying report contains unaudited supplementary and unaudited statistical information, which may provide additional insight to financial statement readers.

Required Financial Statements

The System reports its financial activities by using accounting methods similar to those in the private business sector. The financial statements offer both current and other data about its financial activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides summary information for amounts invested in capital assets and for amounts owed to creditors. The assets and liabilities are presented in a classified format, which lists current and other amounts separately. The System's operating results are recorded on the Statement of Revenues, Expenses, and Changes in Net Position. This statement displays operating activities over the past year, and indicates whether the System recovered all its costs through user fees and other revenues. The last required statement is the Statement of Cash Flows. The purpose of this statement is to summarize the System's cash activities, such as receipts, payments, and other changes in cash balances resulting from operating, capital expansion, borrowing, and investing transactions, during the year.

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Management's Discussion and Analysis (unaudited)
For the Year Ended September 30, 2025

Financial Analysis: Condensed Statement of Net Position for 2025 Compared to 2024:

A key measure of financial condition is net position. An analysis of 2025 net position compared to 2024 is as follows:

<i>(Amounts in thousands)</i>	2025	2024 Restated	Change	Percent Change
Assets				
Current and other assets	\$ 971,516	968,420	3,096	0.3 %
Capital Assets	<u>1,483,612</u>	<u>1,431,567</u>	<u>52,045</u>	<u>3.6 %</u>
Total assets	<u>2,455,128</u>	<u>2,399,987</u>	<u>55,141</u>	<u>2.3 %</u>
Deferred outflows of resources	<u>19,544</u>	<u>21,644</u>	<u>(2,100)</u>	<u>(9.7)%</u>
Liabilities				
Current Liabilities	67,451	63,964	3,487	5.5 %
Long-term liabilities	<u>488,751</u>	<u>512,414</u>	<u>(23,663)</u>	<u>(4.6)%</u>
Total liabilities	<u>556,202</u>	<u>576,378</u>	<u>(20,176)</u>	<u>(3.5)%</u>
Deferred inflows of resources	<u>10,747</u>	<u>6,849</u>	<u>3,898</u>	<u>56.9 %</u>
Net position				
Net investment in capital assets	1,051,814	984,752	67,062	6.8 %
Restricted	164,911	134,042	30,869	23.0 %
Unrestricted	<u>690,998</u>	<u>719,610</u>	<u>(28,612)</u>	<u>(4.0)%</u>
Total net position	<u>\$ 1,907,723</u>	<u>1,838,404</u>	<u>69,319</u>	<u>3.8 %</u>

Total net position - Total net position increased \$69,319,000 or 3.8% for the fiscal year ended September 30, 2025, due to various operational factors.

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Management's Discussion and Analysis (unaudited)
For the Year Ended September 30, 2025

Condensed Statement of Revenues, Expenses and Changes in Net Position

Comparative revenues, expenses, and change in net position for fiscal years ended September 30, 2025 and 2024 were as follows:

<i>(Amounts in thousands)</i>	2025	2024 (Restated)	Change	Percent Change
Revenues				
Operating revenues	\$ 405,031	375,018	30,013	8.0 %
Nonoperating revenues	43,714	56,059	(12,345)	(22.0)%
Total revenues	448,745	431,077	17,668	4.1 %
Expenses				
Operating expenses before depreciation	324,038	276,050	47,988	17.4 %
Depreciation and amortization	121,740	96,484	25,256	26.2 %
Nonoperating expenses	11,846	12,333	(487)	(3.9)%
Total expenses	457,624	384,867	72,757	18.9 %
Income (loss) before capital contributions	(8,879)	46,210	(55,089)	(119.2)%
Capital contributions and grant revenue	78,198	66,546	11,652	17.5 %
Change in net position	69,319	112,757	(43,438)	(38.5)%
Net position, beginning of year	1,853,463	1,725,647	127,816	7.4 %
Restatement for error correction (see Note 16)	(15,059)	--	(15,059)	-- %
Net position, beginning of year, as restated	1,838,404	1,725,647	112,757	6.5 %
Net position, end of year	\$ 1,907,723	1,838,404	69,319	3.8 %

Operating revenues - Fiscal year 2025 operating revenues of \$405,031,000 increased \$30,013,000 or 8.0% from the prior year. This is due to increased revenues from water, wastewater, reclaimed water, customer billing charges, and accrued guaranteed revenues.

Nonoperating revenues - Fiscal year 2025 nonoperating revenues of \$43,714,000 were a decrease of \$12,345,000 or 22.0% from fiscal year 2024. Interest revenue and the fair value change in investments decreased by \$13,501,000 or 26.1%.

Total expenses - Fiscal year 2025 total expenses of \$457,624,000 increased by \$72,757,000 or 18.9% from last year. The change was primarily related to the following factors:

- **Operating expenses before depreciation** - Personnel services decreased by \$7,283,000 or 9.3% which is related to the filling of additional positions and employee performance management increases. Contractual services increased \$51,232,000 or 40.9% over last year. Fleet services increased by \$386,000 or 9.2% related to an increase of fuel usage by \$583,000 and offset by a decrease in fleet management services of \$296,000. Repairs and maintenance decreased \$445,000 or 19.6% primarily due to increases in building maintenance of \$3,667,000, and utility and hydrant maintenance of \$1,092,000 from fiscal year 2024. This was partially offset by decreases in installed equipment maintenance of \$128,000, fencing maintenance of \$36,000 and decreases in maintenance expenses for TV monitors/cameras, security and alarm systems, sidewalks, and miscellaneous parts. Utilities increased \$6,951,000 or 33.8% from last year. Supplies increased \$248,000 or 20.3% from last year. Other expenses increased \$162,000 or 2.0% from last year related to increases in insurance costs. Additionally, pension

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Management's Discussion and Analysis (unaudited)
For the Year Ended September 30, 2025

benefit increased \$3,581,000 or 2,652.6% from last year and OPEB expense decreased by \$78,000 or 58.2% from 2024.

- **Nonoperating expenses (benefit)** - Fiscal year 2025 nonoperating expenses of \$11,846,000 was a decrease of \$(487,000) or 3.9% from fiscal year 2024 related to decreased interest expense.
- **Depreciation and amortization costs** - There was a \$25,256,000 or 26.2% increase in annual depreciation and amortization costs primarily due to a \$184,374,000 increase in depreciable capital assets during the fiscal year.

Capital contributions - Fiscal year 2025 capital contributions were \$78,198,000 compared to \$66,547,000 for fiscal year 2024. The comparative \$11,651,000 or 17.5% increase in capital contributions was due to a \$13,673,000 or 30.5% increase in developer contributions, a \$2,238,000 or 12.0% decrease in impact fee collections and a \$306,000 or 13.6% increase in grant contributions. Comparative fiscal year 2025 and 2024 capital contributions were as follows:

<i>(Amounts in thousands)</i>	2025	2024
Contributed capital assets	\$ 58,493	44,820
Impact fees collections	17,148	19,476
Grants	2,557	2,251
Total capital contributions	<u>\$ 78,198</u>	<u>66,547</u>

Capital Assets and Debt Administration

Capital assets - On September 30, 2025, capital assets, net of accumulated depreciation, were \$1,483,612,000 compared to a restated amount of \$1,431,567,000 for fiscal year 2024. The \$52,045,000 or 3.6% increase over last year was related to the following net factors: First, \$114,185,000 was expended on capital outlay for buildings and utility plants, equipment, intangible assets, equipment and improvements other than buildings. Second, the System received contributed assets of \$58,493,000 from developers. Third, these capital asset additions were offset by the combined fiscal year 2025 net charge for depreciation and amortization totaling \$121,065,000. See Note 5, Capital Assets, in the accompanying financial statement notes for additional information on fiscal year 2025 capital asset activities.

Debt Administration - On September 30, 2025, outstanding bonds payable were \$447,365,000 compared to \$461,182,000 for fiscal year 2024. The \$13,817,000 or 3.0% decrease from last year was primarily due a principal payment of \$3,940,000 for the Utility Revenue Bonds, Series 2016, a principal payment of \$4,245,000 for the Utility Revenue Bonds, Series 2019, a principal payment of \$3,380,000 for the Utility Revenue Bonds, Series 2021A and a decrease in unamortized bond issuance premiums of \$2,259,000.

Economic Factors

In 2022, after reviewing the current and projected growth of the System and in order to meet the increasing demand in the southern part of the county, the System issued a \$37,500,000 subordinate lien revenue non-revolving line of credit for the construction of a new wastewater plant. At September 30, 2025, the entire line of credit was available for use.

Requests for Information

The purpose of this analysis as well as the financial statements, financial statement notes, and supplemental financial information is to provide a general overview of the System's financial position and operating results for the fiscal year ended September 30, 2025. Additional information concerning the System's operations and the services provided to Hillsborough County residents may be obtained from:

Hillsborough County Public Utilities Department
 Attention: Director
 PO Box 1110
 Tampa, Florida 33601-1110

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Statement of Net Position
September 30, 2025
(Amounts in thousands)

	<u>September 30,</u> <u>2025</u>
ASSETS	
Unrestricted current assets:	
Cash and cash equivalents	\$ 78,447
Investments	385,820
Accounts receivable, net	31,188
Interest receivable	2,875
Other receivables, current	1,189
Due from other governmental units	4
Inventories	8,758
Prepaid items	1,703
Total unrestricted current assets	<u>509,984</u>
Restricted current assets:	
Cash and cash equivalents	49,965
Investments	323,253
Accounts receivable, net	155
Other receivables, current portion	8,587
Interest receivable	2,409
Restricted due from other governmental units	2,097
Total restricted current assets	<u>386,466</u>
Total current assets	<u>896,450</u>
Noncurrent assets:	
Non-depreciable assets:	
Land	35,456
Construction in progress	223,582
Total non-depreciable assets	<u>259,038</u>
Depreciable assets, net of accumulated depreciation:	
Buildings and utility plants	393,550
Improvements other than buildings	807,070
Equipment	23,359
Intangible assets	595
Total depreciable assets, net of accumulated depreciation	<u>1,224,574</u>
Restricted due from other funds	448
Other receivables, long term	74,618
Total noncurrent assets	<u>1,558,678</u>
Total assets	<u>2,455,128</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	10,712
Deferred refunding losses	1,292
Purchase price in excess of book value	3,882
OPEB	3,658
Total deferred outflows of resources	<u>\$ 19,544</u>

The accompanying notes are an integral part of these financial statements

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Statement of Net Position
September 30, 2025
(Amounts in thousands)

	September 30, 2025
LIABILITIES	
Current liabilities:	
Accounts and contracts payable	\$ 15,550
Accrued liabilities	2,274
Unearned revenues	3
Deposits held	225
Compensated absences, current portion	4,377
Total OPEB liability, current portion	388
Total unrestricted current liabilities	<u>22,817</u>
 Current liabilities payable from restricted assets:	
Accounts and contracts payable	10,301
Accrued interest payable	1,742
Due to other funds	2
Unearned revenues	135
Deposits held	20,309
Bonds payable, current	12,145
Total current liabilities payable from restricted assets	<u>44,634</u>
Total current liabilities	<u>67,451</u>
 Noncurrent liabilities:	
Compensated absences payable	2,941
Bonds payable, net of current maturities, premiums and discounts	435,219
Total OPEB liability, net of current portion	4,715
Net pension liability	45,876
Total noncurrent liabilities	<u>488,751</u>
Total liabilities	<u>556,202</u>
 DEFERRED INFLOWS OF RESOURCES	
Pensions	9,623
OPEB	1,124
Total deferred inflows of resources	<u>10,747</u>
 NET POSITION	
Net investment in capital assets	1,051,814
Restricted for:	
Bond covenants, renewal and replacement	59,581
Debt service	19,996
Capital projects	85,334
Unrestricted	<u>690,998</u>
Total net position	<u>\$ 1,907,723</u>

The accompanying notes are an integral part of these financial statements

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Statement of Revenues, Expenses and Changes in Net Position
For the fiscal year ended September 30, 2025
(Amounts in thousands)

	September 30, 2025
Operating revenues:	
Charges for services	\$ 405,029
Miscellaneous	<u>2</u>
Total operating revenues	<u>405,031</u>
Operating expenses:	
Personnel services	85,990
Contractual services	176,521
Fleet services	4,601
Repairs and maintenance	23,200
Utilities	27,495
Supplies	1,471
Depreciation and amortization	121,740
Other operating expenses	8,420
Pension expense (benefit)	(3,716)
OPEB expense	<u>56</u>
Total operating expenses	<u>445,778</u>
Operating income (loss)	<u>(40,747)</u>
Nonoperating revenues (expenses):	
Interest revenue	40,206
Fair value change	(1,975)
Interest expense	(11,846)
Gain on disposal of capital assets	2,307
Other revenues	<u>3,176</u>
Total nonoperating revenues (expenses)	<u>31,868</u>
Income before capital contributions	(8,879)
Capital grant revenues	2,557
Capital contributions	<u>75,641</u>
Change in net position	69,319
Net position, beginning of year, as previously reported	1,853,463
Restatement for error correction (see Note 16)	(15,059)
Net position, beginning of year, as restated	<u>1,838,404</u>
Net position, end of year	<u><u>\$ 1,907,723</u></u>

The accompanying notes are an integral part of these financial statements

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Statement of Cash Flows
For the fiscal year ended September 30, 2025
(Amounts in thousands)

Cash flows from operating activities:

Cash received from customers	\$ 403,291
Cash paid to employees for services	(85,186)
Cash paid to suppliers for goods and services	(240,051)
Cash (paid)/received for other services	3,176
Net cash provided by operating activities	<u>81,230</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(114,860)
Principal payments on notes, bonds, and certificates	(11,565)
Interest payments on notes, bonds, and certificates	(14,335)
Proceeds from sale/disposition of assets	2,322
Cash capital contributions	61,078
Net cash (used for) capital and related financing activities	<u>(77,360)</u>

Cash flows from investing activities:

Investment income	39,394
Proceeds from maturities of investments	919,446
Purchase of investments	(978,263)
Net cash (used for) investing activities	<u>(19,423)</u>

Net change in cash and cash equivalents	(15,553)

Cash and cash equivalents, beginning of year	<u>143,965</u>

Cash and cash equivalents, end of year	<u>\$ 128,412</u>

Cash and cash equivalent components:

Unrestricted cash and cash equivalents	78,447
Restricted cash and cash equivalents, current	49,965
Total cash and cash equivalents, end of year	<u>\$ 128,412</u>

The accompanying notes are an integral part of these financial statements

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Statement of Cash Flows
For the fiscal year ended September 30, 2025
(Amounts in thousands)

Reconciliation of operating loss to net cash provided by operating activities:

Operating loss	\$ (40,747)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	121,740
Miscellaneous revenues (expense)	3,176
Changes in assets, liabilities, deferred outflows and deferred inflows:	
(Increase) decrease accounts receivable	(1,463)
(Increase) decrease in inventories and prepaids	130
(Increase) decrease in due from other governments	(1,003)
(Increase) decrease in deferred outflows	1,488
Increase (decrease) in accounts and contracts payable	1,534
Increase (decrease) in accrued and other liabilities	453
Increase (decrease) in deposits	728
Increase (decrease) in pension liability	(10,140)
Increase (decrease) in compensated absences payable	342
Increase (decrease) in total OPEB liability	1,094
Increase (decrease) in deferred inflows	3,898
Total adjustments	<u>121,977</u>
Net cash provided (used) by operating activities	<u>\$ 81,230</u>
Noncash investing, capital, and financing activities:	
Change in fair market value	\$ (1,975)
Disposal of capital assets at book value	15
Amortization of bond premiums/discounts	(2,339)
Amortization of deferred refunding loss	(230)
Acquisition/construction of capital assets included in accounts and contracts payable	8,009
Total noncash investing, capital, and financing activities	<u>\$ 3,480</u>

The accompanying notes are an integral part of these financial statements

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

Note 1 GASB miscellaneous

A. Changes in accounting principles

For fiscal year 2025, the company implemented Governmental Accounting Standards Board (GASB) Statements Nos. 63 and 65. Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows and inflows of resources, originally introduced and defined in GASB Concepts Statement No. 4, Elements of Financial Statements, as a consumption of net assets applicable to a future reporting period and an acquisition of net assets applicable to a future reporting period, respectively. Further, Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position.

Statement No. 65, Items Previously Reported as Assets and Liabilities reclassifies and recognizes certain items that were formerly reported as assets and liabilities as one of four financial statement elements:

- Deferred outflows of resources
- Outflows of resources
- Deferred inflows of resources
- Inflows of resources

Concepts Statement No. 4 requires that deferred outflows and deferred inflows be recognized only in those instances specifically identified in GASB pronouncements. Statement No. 65 provides that guidance.

Note 2 Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies applied in the preparation of the accompanying Water Enterprise Fund (System) financial statements.

A. Reporting Entity

The System is an enterprise fund of the Hillsborough County, Florida, Board of County Commissioners (BOCC). The System's financial statements are included in the Hillsborough County, Florida, Annual Comprehensive Financial Report. The financial statements referred to above present only the System and do not purport to, and do not, present the financial position of Hillsborough County, Florida, as of September 30, 2025, and the changes in its financial position, or where applicable, its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

B. Presentation Basis

The accompanying financial statements were prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Governmental accounting requires reporting business activities similar to those found in the private business sector in an enterprise fund. An enterprise fund is used to account for an operation that is financed primarily through user charges.

C. Accounting Basis

The accrual basis of accounting was used to report the System's operations. Under this accounting basis, revenues are recognized in the period earned and expenses are recognized in the period liabilities are incurred, regardless of the timing of the related cash flows. The financial statements distinguish operating revenues and operating expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the System's principal ongoing operations. The System's principal operating revenues are charges to customers for water usage and wastewater treatment. Billings are generally based on metered consumption,

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

which is determined at various dates each month. Operating expenses of the System include employee wages and benefits, purchases of services, supplies and materials and other expenses related to operating the System and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Contributions of real property as well as grants received from federal and state governmental agencies that are restricted for the acquisition or construction of capital assets are recognized as capital contributions when eligibility requirements are met.



HILLSBOROUGH COUNTY, FLORIDA
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Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

D. Cash, Cash Equivalents and Investments

Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost. For purposes of financial statement presentation, cash equivalents are highly liquid investments with maturities of three months or less from date of purchase.

Cash is deposited in qualified public depositories. Deposits are fully insured by the Federal Deposit Insurance Corporation and/or secured by the multiple financial institution collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories must pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the sale of pledged securities, and by assessments against other qualified public depositories, if necessary.

County Ordinances 08-6 and 24-7 and Section 218.415, Florida Statutes, authorize investments in United States Government obligations or its agencies and certain other investments. Investments are stated at fair value. The System follows GASB Statement No. 72, *Fair Value Measurement and Application*. See Note 2, *Deposits and Investments*, for more information.

E. Accounts Receivable

Accounts receivable consist of special assessments receivables which are included in Other Receivables on the Statement of Net Position and billed and unbilled receivables which are included in Accounts Receivable in the Statement of Net Position. See Note 3, *Receivables*, for more information.

Special Assessment Receivable: A non-current special assessment receivable is recorded for contributed capital resulting from special assessment projects. Recognition of the contributed capital is described in the revenue recognition section. A portion of the balance is reclassified as a current special assessment receivable. This current portion is estimated based on the actual tax billed by the Tax Collector. No allowance is recorded because liens are recorded against the assessed property.

Accounts Receivable and Unbilled Receivables: Accounts receivable are composed primarily of monthly billings to retail and wholesale customers. Unbilled revenues for services delivered during the last month of the fiscal year are accrued based on meter readings for September consumption. An allowance for doubtful accounts is provided for receivables where there is a question as to ultimate collectability. Receivables for the System are presented in the accompanying financial statements, net of an allowance for uncollectible accounts.

F. Allowance for Doubtful Accounts

The System utilizes the allowance method for recognizing bad debt expense and for recording bad debt recoveries. At September 30, 2025, the System's allowance for doubtful accounts was \$2,770,000.

G. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out or average cost methods. The cost of inventory or prepaid items in proprietary funds is recorded as an expense at the time individual inventory or prepaid items are consumed (consumption method). Inventories on hand at fiscal year-end as well as prepaid items are reported as assets on the Statement of Net Position.

HILLSBOROUGH COUNTY, FLORIDA
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Public Utilities Department
Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

H. Capital Assets

The System records capital asset additions, other than intangibles, with an original cost of at least five thousand dollars and with an estimated useful life in excess of one year. Donated capital assets are valued at their acquisition value on the date received and are recorded as capital contributions on the Statement of Activities. Maintenance and repair costs are expensed as incurred, while renewal and betterment disbursements are capitalized and depreciated over their estimated useful lives. Reimbursable water and sewer line construction costs incurred by the System on behalf of customers, developers, and property owners are capitalized and recorded as capital contributions. Any amounts collected that are deemed to not be capital contributions and are owed back to customers are reimbursed to customers and recorded as a reduction of capital contributions. Depreciation is provided in amounts sufficient to allocate depreciable capital asset costs to operations over their estimated service lives using the straight-line method. Additionally, intangible capital assets include software and easements. Intangible assets are capitalized with an original cost of at least five thousand dollars.

The System's capital assets have estimated useful lives as follows:

Capital Asset Categories	Estimated Useful Life (in years)
Buildings and utility plants	5 - 50
Building improvements	10 - 35
Equipment	1 - 10
Intangibles	1 - 30

I. Restricted Assets

Restricted assets represent amounts set aside for debt service, construction, operating and maintenance, and renewal, replacement and improvements under the terms of outstanding bond agreements and regulatory requirements. Bond construction accounts include bond proceeds available for design and construction of capital projects. The debt service accounts contain principal and interest amounts required for payments due within one year. The bond reserve accounts contain the maximum amount of principal and interest requirements pursuant to bond resolutions. The operating and maintenance accounts, renewal, replacement and improvement accounts also contain amounts required by bond resolutions to be set aside.

J. Bond Issue Premiums and Discounts

Bond issue premiums and discounts are recorded as an increase and decrease, respectively, in bonds payable on the Statement of Net Position. These costs are amortized to interest expense using the effective interest method over the life of the bond issue. For fiscal year 2025, reductions of unamortized bond premiums and discounts amortized to interest expense were \$2,252,000.

HILLSBOROUGH COUNTY, FLORIDA
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K. Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, the System accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. Under GASB Statement No. 101, compensated absences are recognized as liabilities when (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or otherwise settled. The System's compensated absences liability at September 30, 2025 consisted of accruals for vacation, sick leave and paid time off (PTO). Vacation leave is accrued as a liability as the benefits are earned by employees. Sick leave is also accrued as a liability as the benefits are earned by employees, but only to the extent that it is probable that the System will compensate employees for the benefits through cash payments at separation, such as retirement. Vacation and sick leave apply to all employees at the System other than a relatively small percentage of employees who elected to remain in Sick Plan A when the System established PTO during fiscal year 2023. Human Resources Policies and Procedures state that sick leave termination payments are to be made under two conditions. Compensation for employees in "Plan A" for a sick leave payment at separation for all hours of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. A liability is recorded for each employee who has a separation payment under Plan A. PTO is a combined leave benefit that employees can use for either sick and/or vacation time. PTO is accrued as a liability as benefits are earned, similar to vacation time.

The compensated absences liability also includes other salary-related costs incrementally associated with the payment of compensated absences such as the System's share of Social Security and Medicare taxes.

L. Self-Insurance

The System participates in a self-insurance internal service fund, which is managed by the BOCC. This fund includes both *risk management* and *employee group health insurance* activities.

Risk management activities deal with workers' compensation, and general and automotive liability. The BOCC is substantially self-insured for workers' compensation claims up to a maximum of \$1,000,000 per occurrence for regular employees and for firefighters, with unlimited excess coverage above the self-insurance retention for claims occurring October 1, 2023 - September 30, 2026. Also, the BOCC is self-insured against general liability and automotive claims with limited liability, per Section 768.28, Florida Statutes, of \$200,000 per person and \$300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through certain Federal lawsuits or acts of the Florida Legislature.

For fiscal year 2025, settled claims did not exceed insurance coverage. During fiscal year 2025, the System paid premiums of \$4,799,000 to the BOCC Self-Insurance Internal Service Fund for workers' compensation, automotive, general liability, and property insurance coverage.

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The System, through the BOCC, provides a group health insurance plan for its employees and their eligible dependents. The BOCC has an employee group health self-insurance plan in order to account for and finance its uninsured risks of loss. The BOCC is self-insured for up to \$675,000 per person per plan year. Stop-loss insurance covers all eligible claims above the individual per-person deductible, with no annual maximum per person. During fiscal year 2025, the System paid \$12,342,000 to the BOCC Internal Service Fund for group health, life and disability insurance coverage.

Based on actuarial estimates, liabilities have been established in the BOCC self-insurance fund for claims reported but not paid, and incurred but not reported. In addition, premiums charged to customer departments are recorded as revenues in the self-insurance fund and as insurance assessment expenditures in the customer departments. Insurance coverage costs paid by the System are reflected in the financial statements as a current year operating expense.

M. Employee Retirement Plans

With a few exceptions, all full-time and part-time employees working for the System in regularly established positions are members of the Florida Retirement System (FRS), a multiple-employer cost-sharing public retirement system administered by the State of Florida. The financial statements present the System's proportionate shares of the net pension liabilities associated with the retirement plans offered by the Florida Retirement System. The System follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. GASB Statement 68 covers the measurement of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense for the retirement plans offered. The System follows GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement provides for covered payroll to be used in required supplementary information. See Note 9, *Employee Retirement Plans*, for more information.

In the Statement of Net Position, pension liabilities are recognized for the System's proportionate share of the County's share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plans.

Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources, depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience, are amortized over the average expected remaining service lives of all active and inactive participants that are provided with pensions through the pension plans, and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources, and are amortized as a component of pension expense using a systematic and rational method over a five-year period beginning with the period in which a difference arose.

HILLSBOROUGH COUNTY, FLORIDA
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N. Other Postemployment Benefits (OPEB)

The System, through the BOCC, provides health-related benefits to retirees and certain former employees through a limited stipend to offset the cost of health insurance for regular retirees from ages 62 to 65. This monthly stipend is \$7.50 for each year of service up to a maximum benefit of \$225 per month for County employees. In addition, the County is deemed to provide an “implicit subsidy” because Florida Statute 112.0801 requires governments to allow retirees and certain former employees to obtain healthcare at the same “group rates” that current employees are charged. See Note 10, *Other Postemployment Benefits (OPEB)*, for more information.

The total OPEB liability is measured as portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The total OPEB liability is reported in the Statement of Net Position.

O. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The System had pension-related items, OPEB-related items, purchase price in excess of book value, and debt refunding losses that qualify as deferred outflows of resources. These items totaled approximately \$19,544,000 at September 30, 2025. See Note 9, *Employee Retirement Plans* and Note 10, *Other-Post Employment Benefits (OPEB)*, for more information. At September 30, 2025 the System had deferred outflows of resources in the amount of \$3,882,000 for the purchase price in excess of book value acquired during the purchase of private water/wastewater utility systems, which is being amortized over its 30-year useful life.

Deferred inflows of resources represent the acquisition of net assets that apply to future reporting periods and will not be recognized as an inflow of resource (revenue) until then. The System had pension-related and OPEB-related items that qualify as deferred inflows of resources. These items were \$9,623,000 and \$1,124,000, respectively, at September 30, 2025. See Note 9, *Employee Retirement Plans* and Note 10, *Other-Post Employment Benefits (OPEB)*, for more information.

P. Use of Restricted Versus Unrestricted Net Position

Net position represents the residual interest in the System's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components. When an expense is incurred for which both restricted and unrestricted resources are available, System policy is to liquidate the expense with restricted resources first, as appropriate and feasible.

HILLSBOROUGH COUNTY, FLORIDA
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Notes to Financial Statements
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Q. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. GASB Statements

The System adopted the following GASB Statements during the fiscal year ended September 30, 2025:

GASB Statement No. 101, *Compensated Absences*

Issued in June 2022, the purpose of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective was achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement was implemented for the System for the fiscal year ending September 30, 2025 and had no significant impact to the System's financial reporting.

GASB Statement No. 102, *Certain Risk Disclosures*

Issued in December 2023, the purpose of this Statement is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement was implemented for the System for the fiscal year ending September 30, 2025 and had no significant impact to the System's financial reporting.

The System will implement new GASB Pronouncements no later than the required effective date. The following GASB Pronouncements have been issued, but are not in effect for the System as of September 30, 2025:

GASB Statement No. 103, *Financial Reporting Model Improvements*

Issued in April 2024, the purpose of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Key components include Management's Discussion and Analysis, unusual or infrequent items, presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, major component unit information, and budgetary comparison information. This Statement will be effective for the System beginning with fiscal year ending September 30, 2026. Management is currently evaluating the impact of this Statement on the System's financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

Issued in September 2024, the purpose of this Statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets to make informed decisions and assess accountability and to improve consistency and comparability between governments. This Statement will be effective for the System beginning with its fiscal year ending September 30, 2026. Management is currently evaluating the impact of this Statement on the System's financial statements.

GASB Statement No. 105, *Subsequent Events*

Issued in December 2025, the purpose of this statement is to improve the financial reporting requirements for subsequent events to enhance consistency in their application and to better meet the information needs of financial statement users. This Statement will be effective for the System beginning with the fiscal year ending September 30, 2027. Management is currently evaluating the impact of this Statement on the System's financial statements.

S. Subsequent Events

The System has evaluated subsequent events through June 29, 2026, in connection with the preparation of these financial statements,

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which is the date the financial statements were available for publication.

On December 19, 2025 the County established a revolving line of credit in an amount not to exceed \$400,000,000, as a Subordinate Utility Revenue Note, Series 2025. The purpose of this line of credit is to finance on an interim basis improvements to the System.

Note 3 Deposits and Investments

A. Deposits

At September 30, 2025, the System's total cash deposits were \$12,090,000 and the total bank balance was \$15,960,000. Bank balances are fully insured by federal depository insurance and/or through financial institutions participating in the Florida Security for Public Deposits Act pursuant to Chapter 280, Florida Statutes.

B. Investments

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, the fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs other than quoted prices included in Level 1. Level 3 inputs are significant unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the hierarchy, then the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments in Florida PRIME and open-end money market mutual funds are not placed in a category because their values are measured at amortized cost. U.S. treasuries, U.S. government sponsored agency securities, corporate notes, mutual funds, municipal bonds and money market mutual funds are shown in Level 2 because the price of similar securities would be a Level 2 input. Bond investments are valued monthly with a pricing service that uses matrix pricing.

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The System's cash deposits and investments on September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	Fair Value Level	Modified Duration in Years	Credit Rating	2025
U.S. treasury securities	2	1.1	AA+/A-1+	\$ 597,101
U.S. government sponsored agency securities	2	2.0	AA+/A-1+	61,305
Corporate notes	2	1.4	AA+/AA/AAA	18,418
Municipal bonds	2	2.2	AA	2,921
Mutual funds	2	.08	AAA	29,329
Total investments				<u>709,074</u>
Open-end money market funds	--	0.1	AAAm	1,328
State Board Administration (SBA): Florida PRIME	--	0.13	AAAm	114,993
Total investments				<u>825,395</u>
Cash deposits				12,090
Total cash deposits and investments				<u><u>\$ 837,485</u></u>

A summary of total cash, cash equivalents, and investments to amounts reported on the Statement of Net Position is as follows:

<i>(Amounts in thousands)</i>	2025
Cash and cash equivalents:	
Unrestricted, current	\$ 78,447
Restricted, current	49,965
Total cash and cash equivalents	<u>128,412</u>
Investments	
Unrestricted, current	385,820
Restricted, current	323,253
Total investments	<u>709,073</u>
Total cash, cash equivalents and investments	<u><u>\$ 837,485</u></u>

Modified duration is a measure of interest rate risk. It measures the sensitivity of an investment's price to interest rate changes. For example, if an investment security has a modified duration of two years, then a one percentage point increase in the market interest rate will cause the value of the security to decline by two percent. Conversely, a one percentage point decline in the market interest rate will cause the value of the security with a modified duration of two years to increase in value by two percent. The modified duration of the BOCC's investment portfolio as a whole at year-end was 0.75 years. The duration of callable securities was calculated using the call date as the maturity date.

A credit rating is a measure of credit risk, the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk, a subset of credit risk, is the risk that the counterparty fails to fulfill its obligations. All the System's investments are insured or registered, or held by the BOCC or its agent in the BOCC's name. At September 30, 2025, there was no amount held by counterparties. Excluding the SBA's Florida PRIME investment pool, the United States Treasury and mutual funds or investment pools that invest in such securities, the Federal Home Loan Bank and the Federal Farm Credit Bank each represent more than 5% of the total investments of the System.

C. SBA's Florida PRIME

The State Board Administration (SBA) manages Florida PRIME, an external investment pool that essentially operates as a money market fund for Florida governmental entities. Regulatory oversight of the SBA is provided by three State of Florida elected officials designated as trustees: the Governor serves as Chairman of the SBA; the Chief Financial Officer serves as Treasurer of the SBA; and the Attorney General serves as Secretary of the SBA. External oversight of the State Board of Administration is provided by the Investment Advisory Council, which reviews investment performance, strategy and decision-making, and provides insight, advice and counsel on these and other matters when appropriate. A six-member participant Local Government Advisory Council was created to review the administration of the fund and make recommendations to the trustees. Audit oversight is also provided by the State of Florida Auditor General. Since 2007, Florida PRIME has received Standard & Poor's AAAM rating each year, which is the highest rating for an investment pool.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, Florida PRIME measures its investments at amortized cost.

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Florida PRIME currently does not have withdrawal limits or redemption notice periods. With regard to redemption gates, Section 218.409(8) (a), Florida Statutes, has several provisions. The principal of each account in Florida PRIME is subject to payment at any time from money in Florida PRIME. However, the Executive Director of the SBA may, in good faith, limit contributions to or withdrawals from Florida PRIME for 48 hours due to the occurrence of an event that has material impact on liquidity or operations. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review of the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity of the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time test, but in no case may the time set by the Trustees exceed 15 days.

Although Florida Statute 218.409(4) gives the SBA authority to impose early withdrawal penalties if the amount and purpose of such fees are disclosed in the enrollment materials, the SBA has not imposed such penalties. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to full account values.

D. Investment Policy

Section 218.415, Florida Statutes, authorizes the BOCC to invest surplus money in the following:

- a. The state of Florida's Local Government Investment Pool, known as Florida PRIME.
- b. Direct obligations of the United States government.
- c. Obligations of United States government agencies such as the Government National Mortgage Association.
- d. Obligations of United States government sponsored agencies (instrumentalities) such as the Federal Farm Credit System Banks, Freddie Mac (Federal Home Loan Mortgage Corporation), the Federal Home Loan Banks, or Fannie Mae (Federal National Mortgage Association).
- e. Interest bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- f. United States Securities and Exchange Commission money market funds with the highest credit quality ratings from a nationally recognized rating agency.
- g. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended, provided the portfolio of such investment company or investment trust is limited to United States government obligations and to repurchase agreements fully collateralized by United States government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
- h. Other investments authorized for the BOCC by law, county ordinance, or resolution.

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In addition to the preceding, County Ordinance 08-06 restricts BOCC investments as follows:

- i. The entire portfolio may be invested in United States Treasury securities with a maximum maturity length of 10 years, but investments in Treasury Strips are limited to 10% of the portfolio.
- j. A maximum of 50% of the portfolio may be invested in the state of Florida's Local Government Investment Pool, known as Florida PRIME.
- k. A maximum of 50% of the portfolio may be invested in United States government agency securities, with no more than 10% of the portfolio invested in any individual United States government agency.
- l. A maximum of 60% of the portfolio may be invested in obligations of United States government instrumentalities, with a maturity length of 10 years, provided that no more than 30% of the portfolio is invested in any one issuer and no more than 25% of the portfolio is invested in callable securities.
- m. A maximum of 20% of the portfolio may be invested in repurchase agreements excluding one-business day agreements and overnight sweep agreements, with no more than 10% of the portfolio in the repurchase agreements of a single institution.
- n. A maximum of 20% of the portfolio may be invested in nonnegotiable interest-bearing time certificates of deposit of an institution with deposits secured by the Florida Security for Public Deposits Act, provided that the maximum maturity on any certificate is no greater than one year and no more than 10% of the portfolio is deposited with any one issuer.
- o. A maximum of 20% of the portfolio may be invested in prime commercial paper (i.e. rated Prime-1 by Moody's, A-1 by Standard & Poor's, or AA by two nationally recognized rating agencies if backed by a letter of credit), with no more than 5% of the portfolio in the commercial paper of a single issuer. The maximum length to maturity shall be 270 days from the date of purchase.
- p. A maximum of 50% of the portfolio may be invested in money market funds offered by registered investment companies and operated in accordance with 17 CFR 270.2a-7, provided that the money market funds are rated AA+ or AA+G or better by Standard & Poor's or the equivalent by another nationally recognized rating agency. No more than 25% of the portfolio may be invested in any one money market fund.
- q. A maximum of 15% of the portfolio may be invested in high quality corporate notes (rated Aa by Moody's and AA by Standard & Poor's), with no more than 5% of the portfolio in the notes of a single issuer.
- r. A maximum of 20% of the portfolio may be invested in intergovernmental investment pools, provided that the total investment does not exceed 25% of the intergovernmental pool.
- s. A maximum of 25% of the total portfolio may be invested in state or local government taxable and/or tax exempt general obligation and/or revenue bonds (rated at least Aa by Moody's and AA by Standard and Poor's) or short-term debt (rated at least MIG-2 by Moody's and SP-2 by Standard & Poor's).
- t. A maximum of 20% of the total portfolio may be invested in bankers' acceptances issued by a domestic bank or federally chartered domestic office of a foreign bank (rated at least P-1 by Moody's Investors Service and A-1 by Standard & Poor's), with a maximum of 5% of available funds with any one issuer. The maximum length to maturity shall be 180 days from purchase.

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- u. Reverse repurchase agreements and securities lending transactions are not permitted.
- v. The maximum maturities shown above may be exceeded if investments are purchased to fulfill long-term debt service reserve requirements, in which case investments are permitted to have maturity dates up through the life of the debt service reserves.

In addition to the above, County Ordinance 24-7 amends County Ordinance 08-6 to allow for the following investments:

- w. A maximum of \$25,000,000 may be invested in rated or unrated bonds, notes or instruments backed by the full faith and credit of the government of Israel.

Deposits in excess of the System's operating requirements are pooled with and invested by the BOCC in various investments, as specified, to attain maximum yield. Investment earnings are distributed based on the average daily balance of each fund's equity in the pool or as prescribed by the investment ordinance.

Note 4 Receivables

Accounts receivable and other receivables have three components. The first component consists of customer billings based on metered consumption determined at various dates each month. At fiscal year-end, a receivable was recorded and revenue was recognized for the estimated unbilled consumption since the last monthly meter reading. The second component consists of restricted impact fee billings, representing developer water and wastewater service fee connection charges due prior to issuance of a certificate of occupancy. The third component consists of long-term impact fee charges, impact fee special assessments, reclaimed water improvement special assessments for lawn irrigation and water conservation construction projects, and amounts due from Tampa Bay Water (TBW). The twenty-year impact fee and reclaimed water improvement special assessment receivables are fully guaranteed through a lien on real property and through delinquent ad-valorem tax certificate sales.

The September 30, 2025 accounts receivable and other receivables components were as follows:

<i>(Amounts in thousands)</i>	<u>2025</u>
Customer receivables:	
Customer receivables - billed	\$ 17,294
Customer receivables - unbilled	16,664
Other receivables - current	1,189
Less: allowance for doubtful accounts	<u>(2,770)</u>
Net customer receivables	32,377
Restricted receivables:	
Customer impact fee receivables	155
Other receivables (impact fee assessments)	<u>8,587</u>
Total current accounts receivables	<u>41,119</u>
Other accounts receivable, less current portion:	
Impact fees	84
Special assessment units	72,312
Tampa Bay Water	2,353
TBW unamortized asset sale gain	<u>(131)</u>
Total other receivables	<u>74,618</u>
Total accounts receivable, net	<u><u>\$ 115,737</u></u>

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Note 5 Due From Other Governments

Due from other governments represents unrestricted special assessment revenues and collection fee refunds due from the Hillsborough County Tax Collector, and restricted amounts due for unreimbursed capital and operating grant expenditures. At September 30, 2025, current and restricted amounts due from other governments was \$2,101,000.

Note 6 Capital Assets

Changes in capital assets for the year ended September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 35,456	--	--	--	35,456
Construction work in progress, as restated*	355,233	87,449	(219,100)	--	223,582
Total non-depreciable capital assets	390,689	87,449	(219,100)	--	259,038
Capital assets, depreciable:					
Buildings and utility plant	754,014	12,984	194,920	--	961,918
Building improvements	1,872,320	63,503	24,180	--	1,960,003
Equipment	52,752	8,874	2	1,078	60,550
Intangibles -- software	7,222	595	--	--	7,817
Total depreciable capital assets	2,686,308	85,956	219,102	1,078	2,990,288
Accumulated depreciation:					
Buildings and utility plants	(508,086)	(60,282)	--	--	(568,368)
Building improvements	(1,097,970)	(54,963)	--	--	(1,152,933)
Equipment	(32,269)	(5,983)	(2)	(1,063)	(37,191)
Intangibles -- software	(7,105)	(117)	--	--	(7,222)
Total accumulated depreciation	(1,645,430)	(121,345)	(2)	(1,063)	(1,765,714)
Total depreciated capital assets, net	1,040,878	(35,389)	219,100	15	1,224,574
Total capital assets, net	\$ 1,431,567	52,060	--	15	1,483,612

See Note 7 for \$395,000 of amortization of "excess in purchase price over book value of an acquisition".

*See Note 16, Restatement, for more information on the restatement of the beginning balance for construction work in progress.

There were a number of capital projects that had costs incurred in prior years that were completed during fiscal year 2025, meaning that costs incurred in prior years were removed from construction work in progress and added to capitalized buildings and building improvements during fiscal year 2025. The transfers column shows the dollar amounts associated with the capitalization of construction work in progress and other similar transfers during fiscal year 2025.

Note 7 Reporting Excess in Purchase Price Over Book Value of an Acquisition

During fiscal year 2004, the County's Water Enterprise Fund recorded goodwill of \$10,155,000 related to the purchase of four independent water and wastewater franchise providers. Goodwill represented the excess of the total price paid compared to the fair value of the tangible capital assets acquired. Through these transactions, the Water Enterprise Fund added over 4,700 customers. The goodwill was scheduled for straight-line amortization over thirty years. Effective with fiscal year 2015, the System implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. As a result of that statement, newly acquired "purchase price in excess of book value" (the new name for "goodwill") was required to be reported as a deferred outflow of resources rather than as an intangible capital asset.

For fiscal year 2025, the System recorded deferred outflows of resources - price paid in excess of book value of \$3,882,000 of which \$395,000 was amortized to operating expense and included in combined "depreciation and amortization" on the statement of revenues, expenses and changes in net position.

<i>(Amounts in thousands)</i>	Beginning Balance	Increases	Decreases	Ending Balance
Deferred Outflow - price paid in excess of book value	\$ 4,277	--	(395)	3,882

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Note 8 Current Liabilities

A. Accounts and Contracts Payable

Accounts and contracts payable balances at September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	2025
Accounts payable	\$ 12,514
Contracts payable	3,036
Restricted accounts payable	2,293
Restricted contracts payable	8,008
Total accounts and contracts payable	<u>\$ 25,851</u>

B. Unearned Revenues

Unearned revenues represent developer advance payments on the accrued guaranteed revenue fee (AGRF). The AGRF reimburses the System for a portion of the capital carrying costs and maintenance expenses incurred and paid by the System to provide the developer access to water and wastewater connections. The deposit is earned when the developer is issued a certificate of occupancy. At September 30, 2025, unearned AGRF restricted and unrestricted deposits were \$135,000.

Note 9 Long-term Liabilities

A. Revenue Bonds

On July 26, 2016, the System issued \$207,795,000 in capital expansion and improvement bonds as follows:

\$207,795,000 Tax Exempt Utility Revenue Bonds, Series 2016. The interest rate is 2.83% with interest payable semiannually. In the event of default as laid out in the Bond Ordinance, the owners of 25% or more of the Bond Obligation may appoint a Trustee to serve for the benefit of the holders of all outstanding bonds. The Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts due from the Issuer for principal or interest including interest on overdue payments. On September 30, 2025, the unpaid Series 2016 Bonds principal, including current maturities of \$4,140,000, was \$186,680,000. The bonds mature on August 1, 2046.

On December 10, 2019, the System issued \$90,375,000 in capital expansion and improvement bonds as follows:

\$90,375,000 Utility Refunding Revenue Bonds, Series 2019. The interest rate is 2.32% with interest payable semiannually. In the event of default as laid out in the Bond Ordinance, the owners of 25% or more of the Bond Obligation may appoint a Trustee to serve for the benefit of the holders of all outstanding bonds. The Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts due from the Issuer for principal or interest including interest on overdue payments. On September 30, 2025, the unpaid Series 2019 Bonds principal, including current maturities of \$4,455,000 was \$68,910,000. The bonds mature August 1, 2037.

On July 19, 2021, the System issued \$155,155,000 in capital expansion and improvement bonds and \$19,780,000 of refunding revenue bonds as follows:

\$155,155,000 Utility Revenue Bonds, Series 2021A. The interest rate is 2.16% with interest payable semiannually. In the event of default as laid out in the Bond Ordinance, the owners of 25% or more of the Bond Obligation may appoint a Trustee to serve for the benefit of the holders of all outstanding bonds. The Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts due from the Issuer for principal or interest including interest on overdue payments. On September 30, 2025, the unpaid Series 2021A Bonds principal, including current maturities of \$3,550,000 was \$148,555,000. The bonds mature August 1, 2051.

\$19,780,000 Utility Refunding Revenue Bonds, Series 2021B. The interest rate is 2.26% with interest payable semiannually. In the event of default as laid out in the Bond Ordinance, the owners of 25% or more of the Bond Obligation may appoint a Trustee to serve for the benefit of the holders of all outstanding bonds. The Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts due from the Issuer for principal or interest including interest on overdue payments. On September 30, 2025, the unpaid Series 2021B Bonds principal was \$19,780,000. Currently, there are no current maturities. The bonds mature August 1, 2040.

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B. Revenues Pledged for Debt Service and Future Debt Service Requirements

Under BOCC Bond Resolution R03-112, as amended by Resolution R10-151, article XI, section 11.02, operating revenues are pledged and distributed as follows: first, to payment of the costs of operations and maintenance and second, to annual debt service requirement on the outstanding bonds. Pledged revenues are operating revenues plus unrestricted interest income, less cost of operations plus certain unrestricted water capacity fees (impact fees). The System's net revenues of \$134,718,000 were pledged to pay debt service on issued revenue bonds. Debt service payments were \$62,483,000. Pledged revenues represent 527% of the System's debt service requirements.

There are other various requirements relating to the flow and to the amount of money required to be on deposit in bond covenant established accounts. The bonds are collateralized by a pledge of System net revenues and pledged impact fees. The bonds are also collateralized by proceeds from the sale or condemnation of System property and by property and casualty insurance proceeds.

A summary of the outstanding bonds debt service requirements, including current maturities of \$12,145,000, were as follows:

(Amounts in thousands)

	Principal	Interest	Total
2026	\$ 12,145	13,400	25,545
2027	12,710	12,835	25,545
2028	13,300	12,242	25,542
2029	13,875	11,667	25,542
2030	14,475	11,065	25,540
2031-2035	81,625	46,101	127,726
2036-2040	96,920	32,777	129,697
2041-2045	116,285	18,885	135,170
2046-2050	54,770	4,335	59,105
2051-2054	7,820	196	8,016
Total principal and interest	423,925	<u>163,503</u>	<u>587,428</u>
Plus unamortized issue premium	23,530		
Less unamortized bond issue discount	(91)		
Revenue bonds payable, net	447,364		
Less current maturities	(12,145)		
Revenue bonds payable, net	<u>\$ 435,219</u>		

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C. Line of Credit

On March 28, 2022 the System entered into a subordinate lien revenue non-revolving line of credit of \$37,500,000 due in annual installments, beginning August 1, 2025, plus a variable interest rate based on a Secured Overnight Financing Rate (SOFR) reference interest rate. In the event of default as defined in the Credit agreement, the owners of the Note may appoint a Trustee who may be entitled to sue for, enforce payment of, and receive any and all amounts due from the Issuer for principal or interest which including interest on overdue payments. At September 30, 2025, the entire line of credit was available for use.

D. Changes in Total Other Liabilities

The System's changes in total other liabilities for the fiscal year ended September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Description:					
2016 bonds	\$ 190,621	--	3,941	186,680	4,140
2019 bonds	73,155	--	4,245	68,910	4,455
2021 bonds	171,715	--	3,380	168,335	3,550
Unamortized bond issue premium	25,789	--	2,259	23,530	--
Unamortized bond issue discount	(98)	--	(7)	(91)	--
Compensated absences	6,976	4,719	4,377	7,318	4,377
Net pension liability	56,016	--	10,140	45,876	--
Total OPEB liability	4,010	1,467	374	5,103	388
Total other liabilities	<u>\$ 528,184</u>	<u>6,186</u>	<u>28,709</u>	<u>505,661</u>	<u>16,910</u>

Note 10 Employee Retirement Plans

Florida Retirement System – General Information

Substantially all System employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two multiple-employer cost-sharing defined benefit plans administered by the Florida Department of Management Services, Division of Retirement: the FRS Pension Plan and the Retiree Health Insurance Subsidy (HIS Program). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) administered by the State Board of Administration. Employees may choose the FRS Investment Plan as an alternative to the FRS Pension Plan. As a general rule, membership in the FRS is compulsory for employees working in a regularly 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 of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. For additional details, see:

www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports. The report may also be obtained by writing to the State of Florida Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000.

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Plan Descriptions for Cost-Sharing Defined Benefit Plans

- The FRS Pension Plan is a multiple-employer cost-sharing qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees.
- The Retiree Health Insurance Subsidy (HIS) Program is a multiple-employer cost-sharing, defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature sets and amends the contribution requirements and benefit terms of the HIS Program.

Benefits Provided

FRS Pension Plan

The County Plan for FRS is allocated to the System based on a percentage of contributions (System contributions divided by the total County FRS contributions). Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Regular Class, Senior Management Service Class and Elected Officers' Class plan members hired prior to July 1, 2011 at age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to an annual retirement benefit payable monthly for life, equal to 1.6%, 2.0%, and 3.0%, respectively, of their final average compensation for each year of credited service. Average final compensation is the average of the employee's five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Regular Class, Senior Management Service Class and Elected Officers Class plan members hired after June 30, 2011 at age 65 with 8 years of credited service or 33 years of service regardless of age are entitled to annual retirement benefits payable monthly for life, equal to 1.6%, 2.0%, and 3.0%, respectively, of their final average compensation for each year of credited service. Average final compensation will be the average of the employee's eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

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HIS Program

The benefit under the HIS Program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive an HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions

FRS Pension Plan

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular Class participants—13.63% and 14.03%; Senior Management Service participants—34.52% and 33.24%; and DROP participants—21.13% and 22.02%. These employer contribution rates include 2.00% of HIS subsidies for 2024 and 2025.

HIS Program

The County Plan for HIS is allocated to the System based on a percentage of covered payroll (System covered payroll divided by total County covered payroll). The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS contribution for the period October 1, 2024 through September 30, 2025 was 2.00%. The employer contribution rates shown in the FRS Pension Plan section above include the HIS Program contribution rate of 2.00%, for the periods of October 1, 2024 through September 30, 2025. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event that legislative appropriations and/or available funds are not sufficient, HIS benefits may be reduced or canceled.

The System's contributions, excluding employee contributions, to the FRS Pension Plan were \$5,775,000 for the fiscal year ended September 30, 2025. The System's contributions to the HIS Program were \$1,149,000 for the fiscal year ended September 30, 2025.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities - At September 30, 2025, the System reported net pension liabilities of \$30,197,000 and \$15,679,000, respectively, for its proportionate shares of the FRS Pension Plan and HIS Program net pension liabilities. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The System's proportionate share of the net pension liability was based on the System's contributions as a percentage of all County contributions to the FRS fiscal year ended June 30, 2025. At June 30, 2025, the System's proportionate shares for the FRS Pension Plan and HIS Program were 4.371% and 7.098%, respectively, of the County's proportionate share, which is an increase of 0.026% and decrease of 0.028% for the FRS pension plan and HIS program, respectively, compared to the prior year. The System's proportionate shares for the FRS Pension Plan and HIS Program is measured as of June 30, 2024. The components of the System's net pension liabilities at September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	FRS Pension Plan	HIS Program	Total
Total pension liability	\$ 237,046	16,744	253,790
Plan fiduciary net position	(206,849)	(1,065)	(207,914)
Net pension liability	<u>\$ 30,197</u>	<u>15,679</u>	<u>45,876</u>
Plan fiduciary net position as a percentage of the total pension liability	87.26 %	6.36 %	81.92 %

"Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued FRS *Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see the second paragraph of this note.

Pension Expense - For the fiscal year ended September 30, 2025, the System recognized pension benefit of \$3,716,000 which includes \$2,998,000 of pension benefit and \$718,000 of pension benefit for the Pension Plan and HIS Program, respectively.

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Deferred Outflows/Inflows of Resources – For the fiscal year ended September 30, 2025, the System reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	FRS Pension Plan		HIS Program		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>(Amounts in thousands)</i>						
Differences between expected and actual experience	\$ 3,080	--	90	(26)	3,170	(26)
Changes in assumptions	3,349	--	133	(3,972)	3,482	(3,972)
Net difference between projected and actual earnings on plan investments	--	(4,619)	--	(14)	--	(4,633)
Changes in proportion and differences between System's contributions and proportionate share of contributions	1,532	(545)	737	(447)	2,269	(992)
System's contributions subsequent to the measurement date	1,518	--	273	--	1,791	--
Total	\$ 9,479	(5,164)	1,233	(4,459)	10,712	(9,623)

The deferred outflows of resources totaling \$1,518,000 and \$273,000, resulting from System's contributions to the Pension Plan and HIS Program, respectively, which were subsequent to the June 30, 2025 measurement date, will be recognized as a pension expense in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan and HIS Program will be recognized in pension expense as follows:

	FRS Pension Plan	HIS Program
<i>(Amounts in thousands)</i>		
September 30,		
2026	\$ 8,097	(772)
2027	(1,439)	(924)
2028	(2,153)	(778)
2029	(1,708)	(624)
2030	-	(401)
Total	\$ 2,797	\$ (3,499)

Actuarial Assumptions – The total pension liabilities for the FRS Pension Plan and HIS Program in the June 30, 2025 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation rate of 2.40%.
- Average rate of salary increases of 3.50%, including inflation; there was no change from the prior year.
- Investment rate of return, net of pension plan investment expense of 6.70%, including inflation for FRS Pension Plan; there is no change from the prior year.
- Investment rate of return, net of pension plan investment expense of 5.20%, including inflation for HIS Plan; this was an increase from 3.93% in the prior year.

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- Average expected remaining service life of active and inactive participants in the FRS Pension Plan at June 30, 2025 was 4.7 years.
- Average expected remaining service life of active and inactive participants in the HIS Program at June 30, 2025 was 5.8 years.
- Mortality rates were based on the PUB-2010 base table, projected generational with scale MP-2021 for the FRS Pension Plan and the HIS Program.

The actuarial assumptions used in the July 1, 2025, FRS Pension Plan valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rates of return on FRS Pension Plan and HIS Program investments were not based on historical returns, but instead were based on a forward-looking capital market economic model. 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. A mean inflation rate of 2.40% was assumed along with a standard deviation of 1.5%. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.2 %	3.2 %	1.1 %
Fixed income	29.0 %	5.5 %	5.4 %	4.0 %
Global equity	45.0 %	8.5 %	6.9 %	18.3 %
Real estate (property)	12.0 %	8.4 %	7.1 %	16.8 %
Private equity	11.0 %	12.4 %	8.8 %	28.4 %
Strategic investments	2.0 %	6.5 %	6.1 %	8.7 %
	<u>100.0 %</u>			

Discount Rates – The FRS Pension Plan discount rate used to measure the total pension liability was 6.70%. The FRS Pension 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.

The HIS Program discount rate used to measure the total pension liability was 5.20%. 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 HIS Program sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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Sensitivity of Net Pension Liability to Changes in the Discount Rate – The System’s proportionate share of the FRS Pension Plan and HIS Program will change under varying discount rate assumptions. For example, a higher discount rate would lead to a lower net pension liability. Conversely a lower discount rate would lead to a higher net pension liability. The following chart shows the effects on the FRS Pension Plan and HIS Program net pension liabilities under discount rates that are one percentage point higher or lower than the discount rate actually used. The chart specifically shows the net pension liability of the FRS Pension Plan if its discount rates were 5.70%, 6.70% or 7.70% as well as the net pension liability of the HIS Program if its discount rates were 4.20%, 5.20% or 6.20%.

Proportionate Share of FRS Pension Plan Net Pension Liability (Amounts in thousands)			Proportionate Share of HIS Program Net Pension Liability (Amounts in thousands)		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
5.70 %	6.70 %	7.70 %	4.20 %	5.20 %	6.20 %
\$ 59,262	30,197	5,830	17,681	15,679	14,001

The System remits contractually required FRS Pension Plan and HIS Program contributions as established by the Florida Legislature. The System did not have a payable for outstanding contributions to the FRS Pension Plan, HIS Program or Investment Plan at September 30, 2025.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the FRS Pension Plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. See FRS Pension Plan contribution rates in the Contributions section of this note for more information.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would not be significant to the System.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The System remits contractually required FRS Investment Plan contributions as established by the Florida Legislature. The System’s total contributions to the Investment Plan were approximately \$1,539,000 for fiscal year 2025.

Note 11 Other Postemployment Benefits (OPEB)

The County has a single-employer defined benefit OPEB plan. The County expenses the cost of OPEB over the active service lives of its employees, rather than using a "pay-as-you-go" basis. Expensing the cost of a future benefit over the active work-lives of employees is a

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fiscally sound approach because employees earn their future benefits over their working careers. The County Plan is allocated to the System based on percentage of the System's total covered employee payroll divided by the total County covered employee payroll.

OPEB Plan Description and Benefits Provided

County OPEB Plan Description. The County provides the following health-related benefits to retirees and certain former employees, which together represent the County OPEB Plan: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain former employees to buy healthcare coverage at the same "group rates" that current employees are charged. Although retirees pay for healthcare at group rates, they receive a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an implicit subsidy for retirees. (b) The County offers a monthly stipend of \$7.50 for each year of service up to a maximum benefit of \$225 per month. The stipend is payable to regular retired employees from ages 62 to 65. The stipend is to be used to offset the cost of health insurance. Although the implicit subsidy is required by state law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time. The County does not issue separate OPEB Plan financial statements. As a result, all required disclosures are included in this report.

Substantially all full-time employees may qualify for these OPEB benefits. At September 30, 2025, the County's OPEB Plan covered approximately 6,561 active County employees, consisting of those currently eligible and those not yet fully eligible, as well as 378 County retirees or other inactive employees.

Total OPEB Liability

Actuarial Method and Assumptions - The total OPEB liability was actuarially determined based on several actuarial assumptions. September 30, 2025 was both the measurement date and actuarial valuation date. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the September 30, 2025 OPEB Plan valuation were based on the results of an actuarial experience study for the period from October 1, 2024 through September 30, 2025.

The entry age normal actuarial cost method was used in the September 30, 2025 actuarial valuation. Other actuarial assumptions included a composite inflation rate of 3.50% and a discount rate of 4.90%, a 1.09% increase from the prior year rate of 3.81%. In addition, the initial annual healthcare cost trend rate assumptions were 8.50% grading down to an ultimate rate of 4.00% for the BOCC. In addition, the average age of active participants was 44.6 years and the average age of inactive participants was 63.0 years. Mortality rates were based on the PUB-2010 generational table for general purpose employees scaled using MP-21 and applied on a gender-specific basis.

Sensitivity of Total OPEB Liability to Changes in Either the Discount Rate and Changes in the Healthcare Trend Rate – The first chart below presents the System's total OPEB liability, 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 (3.90%) or one percentage-point higher (5.90%) than the current discount rate. The second chart below presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (7.50%) or one percentage-point higher (9.50%) than the current healthcare trend rate.

The healthcare trend rate of 8.50% is an initial rate. The total OPEB liability shown on the chart below, however, is based on the following healthcare trend rate: approximately 8.50% grading down each year to an ultimate rate of 4.00% for the BOCC.

Sensitivity of Total OPEB Liability to Changes in Discount Rate			Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate		
<i>(Amounts in thousands)</i>			<i>(Amounts in thousands)</i>		
1% Decrease (3.90%)	Discount Rate (4.90%)	1% Increase (5.90%)	1% Decrease (7.50%)	Healthcare Trend Rate (8.50%)	1% Increase. (9.50%)
\$ 5,395,000	5,103,000	4,507,000	4,389,000	5,103,000	5,564,000

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For the Fiscal Year Ended September 30, 2025

OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liabilities - The total OPEB liability was measured as of September 30, 2025. The System's total OPEB liability at September 30, 2025 was as follows:

<i>(Amounts in thousands)</i>	
Total OPEB Liability	<u><u>\$ 5,103</u></u>
Covered employee payroll (active plan members)	<u><u>112,000</u></u>
Total OPEB liability as a percentage of covered employee payroll	<u><u>4.6 %</u></u>

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If cash and investments were placed in an irrevocable trust for OPEB, then the cash and investments would also be subtracted from "total OPEB liability" to determine the "net OPEB liability." The County has set aside \$62,483,000 in the Self-Insurance Internal Service Fund for OPEB. Fair value was used to value the cash and investments set aside. This \$62,483,000 represents 44.2% of the County's total OPEB liability at September 30, 2025. However, since an irrevocable trust was not established and no assets were accumulated in a GASB-compliant trust, none of this \$62,483,000 in cash and investments is considered to be "plan fiduciary net position." Total OPEB liability is reported in the accompanying statements of net position because an irrevocable trust was not established.

The change in the total OPEB liability during fiscal year 2025 as well as the beginning and ending total OPEB liability is shown below:

	Total OPEB Liability
<i>(Amounts in thousands)</i>	
Balance at October 1, 2024	\$ 4,010
Changes for the fiscal year:	
Service cost	29
Interest	2
Changes in benefit terms	181
Differences between expected and actual experience	59
Changes in assumptions and other inputs	293
Benefit payments	(374)
Net changes	190
Balance at September 30, 2025	\$ 4,200

Funding Policy, Status and Progress. In order for OPEB obligations to be considered funded, an irrevocable trust fund must be used. Since that would be considered very restrictive, the System did not "fund" the total OPEB obligation, but instead chose to appropriate and set aside amounts annually in the Self-Insurance Internal Service Fund so the total OPEB liability is completely offset by cash and investments over time.

Since the OPEB Plan was not considered funded, GASB Statement No. 75 requires that the plan's discount rate be obtained using the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 4.90%.

Contributions. Assessments were made to participating funds with the goal of accumulating the cash and investments in the Self-Insurance Internal Service Fund to offset the total OPEB liability. The level of assessments are set annually by County management. There are no statutory or other legally required contribution levels. It is the System's intent to continue setting aside additional monies each year for OPEB. Total assessments were \$205,000 for fiscal year 2025.

OPEB Expense - For the fiscal year ended September 30, 2025, the System recognized OPEB expense of \$56,000. Changes in total OPEB liability are recognized in OPEB expense during the fiscal year except for as indicated in the section on Deferred Outflows/Inflows of Resources.

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Deferred Outflows/Inflows of Resources – “Deferred outflows of resources” are a consumption of net position by the System that is applicable to a future reporting period. “Deferred inflows of resources” are an acquisition of net position by the System that is applicable to a future reporting period. For each of the following, a portion was recognized in OPEB expense during fiscal year 2025, and the balance was amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience regarding economic and demographic factors are amortized over the average expected remaining service life of all employees that are provided with OPEB through the OPEB plan, including both active and inactive employees.
- Changes in assumptions or other inputs are amortized over the average expected remaining service life of all employees covered by the OPEB plan, including both active and inactive employees.

Deferred outflows of resources and deferred inflows of resources related to the System’s OPEB Plan were as follows:

<i>(Amounts in thousands)</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,472	(118)
Changes in assumptions	1,186	(1,006)
Total	\$ 3,658	(1,124)

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

<i>(Amounts in thousands)</i>		OPEB Expense	OPEB (Benefit)	Total
Year Ended September 30				
2026	\$	232	(85)	147
2027		232	(85)	147
2028		232	(85)	147
2029		232	(82)	150
2030		232	(72)	160
Thereafter		2,498	(715)	1,783
Total	\$	3,658	(1,124)	2,534

The System did not have any interfund payables to the Self-Insurance Fund’s OPEB Plan at September 30, 2025.

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Water Enterprise Fund
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Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

Note 12 Capital Contributions

Capital contributions for fiscal year ended September 30, 2025 were as follows:

<i>(Amounts in thousands)</i>	2025
Contributed physical capital assets	\$ 58,521
Impact fee collections	17,120
Grants	2,557
Total	<u>\$ 78,198</u>

Note 13 Outstanding Purchase Orders and Contracts

At September 30, 2025, outstanding purchase orders and contracts were \$143,251,000.

The Capital Improvement Program is a financial plan of proposed capital projects covering a five or six-year period. Project costs can include project development, site acquisition, design, construction, renovations, initial fixtures and equipment, and administration. The Capital Improvement Program does not identify all project costs. It only identifies what is expected to be appropriated during the period. Total capital costs will be greater. The Capital Improvement Program for fiscal years 2025 through 2029 incorporates projects with a total cost of \$2,396,073,000.

Note 14 Regional Water Supply Authority

On May 1, 1998, the West Coast Regional Water Supply Authority (WCRWSA) members reorganized in accordance with Section 30, Chapter 97-160, Laws of Florida, and Chapter 373, Florida Statutes. The purpose of the reorganization was to establish a sole water supplier to meet the region's current and future water supply requirements. The reorganization resulted in a forty-year master regional water supply contract and interlocal governance agreement. The WCRWSA was renamed Tampa Bay Water. The new regional water supply agreement obligates Tampa Bay Water to provide water to the members from existing water supply sources and to develop new water supply sources for the future, while securing the System's ability to meet its customers' water supply requirements. The regional water supply agreement commenced on September 29, 1998, to coincide with Tampa Bay Water's issuance of Utility System Revenue Bonds, Series 1998A and 1998B. As a part of the agreement, members agreed to sell certain capital assets to Tampa Bay Water and Tampa Bay Water agreed to assume all outstanding member debt and to contribute certain capital assets to the members. Tampa Bay Water purchased capital assets from, and contributed assets to, the BOCC in the amounts of \$19,326,000 and \$18,818,000, respectively. With respect to Tampa Bay Water's \$19,326,000 capital asset purchase, the BOCC agreed to defer this payment by recording a long-term receivable. Payments will be received as water supply purchase credits plus interest over the thirty year term of Tampa Bay Water's 1998A and 1998B bond issues. The amount due from Tampa Bay Water on September 30, 2025, including current maturities of \$1,018,000 was \$3,371,000.

This transaction resulted in a \$12,926,000 unamortized gain. On September 30, 1998, this gain was recorded as a reduction of Tampa Bay Water's long-term receivable. The gain will be amortized on the installment method over the thirty year term of Tampa Bay Water's 1998A and the 1998B bond issues. At September 30, 2025 the unamortized gain balance was \$130,000 and the gain amortized to other nonoperating revenues was \$127,000.

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Notes to Financial Statements
For the Fiscal Year Ended September 30, 2025

The BOCC, as one of six participants governing Tampa Bay Water, has a direct ongoing financial responsibility to contractually purchase water solely from Tampa Bay Water. Tampa Bay Water has set water rates to produce sufficient revenue from its members to meet fiscal year 2025 operating costs and debt service requirements. Tampa Bay Water's audited financial statements for the fiscal year ended September 30, 2025 may be obtained from:

Finance Director
Tampa Bay Water
2575 Enterprise Road
Clearwater, Florida 33763-1102

Note 15 Contingencies

A. Litigation

The System is involved in certain litigation arising in the ordinary course of operations. Management believes, after consulting with legal counsel, that any potential losses would not significantly affect the System's financial condition for the fiscal year ended September 30, 2025.

B. State and Federal Grants

Grants received and disbursed by the System are for specific purposes and are subject to review by grantor agencies and their independent auditors. Such audits may result in requests for repayments due to disallowed costs. Management believes that such repayments, if any, would not significantly affect the System's financial condition at September 30, 2025.

C. Environmental Protection

Occasionally, the Florida Department of Environmental Protection may cite the System for accidental environmental infractions. These infractions and the related remediation activities are considered a routine part of System business operations. Management believes that any contingent liabilities arising from an accidental environmental infraction, if any, would not be significant.

Note 16 Restatement

During the current year, management determined that beginning of year construction work-in-progress was overstated by \$15,019,000 due to two factors. \$8,353,000 in capital projects were erroneously recorded twice during the conversion from Oracle EBS ERP system to the Oracle Cloud ERP system in November 2022. \$6,706,000 in contributions to Tampa Bay Water for the water transmission line project were recorded in a capital project as construction work-in-progress. However, since Tampa Bay Water, rather than the System, would own the resulting asset, these expenditures should have been recorded as operating expenses through a noncapitalizable capital project rather than in a capitalizable capital project. Therefore, construction work-in-progress assets and net position, beginning of year, were both reduced by \$15,019,000 in the fiscal year 2025 financial statements. The effect of this restatement for error correction is shown below:

	Water Enterprise System
Amounts in thousands	
Net position - beginning of year, as previously reported	\$ 1,853,463
Restatement for error correction	(15,059)
Net position - beginning of year, as restated	<u>\$ 1,838,404</u>
	Water Enterprise System
Amounts in thousands	
Construction work-in-progress - beginning of year, as previously reported	\$ 370,292
Less error correction	(15,059)
Construction work-in-progress - beginning of year, as restated	<u>\$ 355,233</u>

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Schedule of Proportionate Share of the
Florida Retirement System Net Pension Liabilities for the
Pension Plan and Health Insurance Subsidy Program (Unaudited)
Last Ten Fiscal Years
Required Supplementary Information
(Amounts in thousands)

FRS Pension Plan

	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
System's proportion of net pension liability	4.371 %	0.099 %	0.099 %	0.098 %	0.099 %	0.099 %	0.095 %	0.093 %	0.095 %	0.095 %
System's proportionate share of net pension liability	\$ 30,197	37,749	37,440	34,089	3,679	41,702	32,796	28,189	28,722	24,360
System's covered payroll	57,448	51,115	48,045	46,612	43,224	41,675	41,256	38,814	38,821	35,979
System's proportionate share of net pension liability as a percentage of its covered payroll	52.56 %	73.85 %	77.93 %	73.13 %	8.51 %	100.06 %	79.49 %	72.63 %	73.99 %	67.71 %
FRS Plan fiduciary net position as a percentage of the total pension liability	87.26 %	82.38 %	82.38 %	82.89 %	96.40 %	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %

Health Insurance Subsidy Program

	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
System's proportion of net pension liability	7.098 %	0.121 %	0.121 %	0.121 %	0.122 %	0.120 %	0.118 %	0.118 %	0.120 %	0.115 %
System's proportionate share of net pension liability	\$ 15,679	18,267	19,259	12,738	14,948	14,461	13,255	12,263	12,686	13,583
System's covered payroll	57,448	51,115	48,045	46,612	43,224	41,675	41,256	38,814	38,821	35,979
System's proportionate share of net pension liability as a percentage of its covered payroll	27.29 %	35.74 %	40.09 %	27.33 %	34.58 %	34.70 %	32.13 %	31.59 %	32.68 %	37.75 %
HIS Plan fiduciary net position as a percentage of the total pension liability	6.36 %	4.12 %	4.12 %	4.81 %	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %

Notes to the schedule:

1. Amounts are as of June 30 of each year.

2. The discount rates used by the FRS Plan for fiscal years 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, respectively, are 6.70%, 6.70%, 6.70%, 6.70%, 6.80%, 6.80%, 6.90%, 7.00%, 7.10%, and 7.60%. The discount rates used for the HIS Program for fiscal years 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, respectively, are 5.20%, 3.93%, 3.65%, 2.16%, 2.16%, 2.21%, 3.50%, 3.87%, 3.58%, and 2.85%.

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Schedule of Contributions
Florida Retirement System Pension Plan and Health Insurance Subsidy Program (Unaudited)
Last Ten Fiscal Years
Required Supplementary Information
(Amounts in thousands)

FRS Pension Plan

	<u>9/30/25</u>	<u>9/30/24</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/19</u>	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/16</u>
Contractually required contributions	\$ 5,775	5,387	4,487	3,858	3,435	2,935	2,881	1,530	2,421	2,620
Contributions in relation to the contractually required contributions	<u>5,775</u>	<u>5,387</u>	<u>4,487</u>	<u>3,858</u>	<u>3,435</u>	<u>2,935</u>	<u>2,881</u>	<u>1,530</u>	<u>2,421</u>	<u>2,620</u>
System's covered payroll	\$ 57,448	52,570.0	48,120	46,612	43,224	42,702	41,595	39,029	38,151	36,709
System's contributions as a percentage of covered payroll	10.05 %	10.25 %	9.32 %	8.28 %	7.95 %	6.87 %	6.93 %	3.92 %	6.35 %	7.14 %

Health Insurance Subsidy Program

	<u>9/30/25</u>	<u>9/30/24</u>	<u>9/30/23</u>	<u>9/30/22</u>	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/19</u>	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/16</u>
Contractually required contributions	\$ 1,149	917	840	774	727	709	690	2,661	277	253
Contributions in relation to the contractually required contributions	<u>1,149</u>	<u>917</u>	<u>840</u>	<u>774</u>	<u>727</u>	<u>709</u>	<u>690</u>	<u>2,661</u>	<u>277</u>	<u>253</u>
System's covered payroll	\$ 57,448	52,570	48,120	46,612	43,224	42,702	41,595	39,029	38,151	36,709
System's contributions as a percentage of covered payroll	2.00 %	1.74 %	1.75 %	1.66 %	1.68 %	1.66 %	1.66 %	6.82 %	0.73 %	0.69 %

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
Last Ten Fiscal Years
Required Supplementary Information
(Amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	(Restated) 2016
Service cost	\$ 29	115	86	134	52	54	39	44	184	-
Interest	2	153	111	79	68	89	118	134	206	-
Changes in benefit terms	181	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	59	-	1,700	(487)	(155)	-	269	-	(33)	-
Changes in assumptions and other inputs	293	115	(628)	-	584	124	474	(2,438)	(79)	-
Benefit payments	<u>(374)</u>	<u>(380)</u>	<u>(349)</u>	<u>(339)</u>	<u>(297)</u>	<u>(382)</u>	<u>(345)</u>	<u>(362)</u>	<u>(341)</u>	-
Net change in total OPEB liability	190	3	920	(613)	252	(115)	555	(2,622)	(63)	-
Total OPEB liability, beginning	<u>4,010</u>	<u>4,007</u>	<u>3,087</u>	<u>3,700</u>	<u>3,448</u>	<u>3,563</u>	<u>3,008</u>	<u>5,630</u>	<u>5,693</u>	-
System's total OPEB liability	<u>4,200</u>	<u>4,010</u>	<u>4,007</u>	<u>3,087</u>	<u>3,700</u>	<u>3,448</u>	<u>3,563</u>	<u>3,008</u>	<u>5,630</u>	<u>5,693</u>
System's covered employee payroll	112,000	52,570	48,120	46,612	43,728	41,675	41,256	38,814	38,151	35,979
System's total OPEB liability as a percentage of its covered employee payroll	3.8 %	7.6 %	6.60 %	6.62 %	8.46 %	8.64 %	7.75 %	14.50 %	14.76 %	15.82 %

Hillsborough County has set aside \$62,483,000 in the Self-Insurance Internal Service Fund for OPEB. This amount represents 46.96% of the County's total OPEB liability at September 30, 2025. However, since an irrevocable trust was not established, none of this \$62,483,000 in cash and investment is considered to be "plan fiduciary net position." The Water Enterprise Fund's total OPEB liability represents 9.12% of the County's total OPEB liability.

Notes to schedule:

1. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75
2. Amounts are as of September 30 each year.
3. The discount rates used for fiscal years 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 respectively, were 4.61%, 3.92%, 4.55%, 4.02%, 2.26%, 2.22%, 2.80%, 3.80%, 3.67% and 4.0%.

HILLSBOROUGH COUNTY, FLORIDA
Schedule of Revenues and Expenses - Budget and Actual (Unaudited)
Water Enterprise Fund
Public Utilities Department
For the fiscal year ended September 30, 2025
(Amounts in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Charges for services	\$ 400,895	400,895	405,029	4,134
Miscellaneous	-	-	2	2
Total operating revenues	<u>400,895</u>	<u>400,895</u>	<u>405,031</u>	<u>4,136</u>
Operating Expenses				
Personnel services	97,817	97,817	85,990	11,827
Contractual services	140,545	185,587	176,521	9,066
Fleet services	4,210	4,210	4,601	(391)
Repairs and Maintenance	33,285	33,535	23,200	10,335
Utilities	21,664	21,664	27,495	(5,831)
Supplies	2,702	2,702	1,471	1,231
Other Operating expenses	8,649	8,649	8,420	229
Total operating expense before depreciation, amortization, pension and OPEB expense	<u>308,872</u>	<u>354,164</u>	<u>327,698</u>	<u>26,466</u>
Operating income before unbudgeted depreciation, amortization, pension and OPEB expense	<u>\$ 92,023</u>	<u>46,731</u>	77,333	<u>30,602</u>
Depreciation and amortization expense*			(121,740)	
Pension expense (benefit)			3,716	
OPEB expense			(56)	
Operating loss			<u>\$ (40,747)</u>	

* Pension, depreciation and amortization expenses are not budgeted.

HILLSBOROUGH COUNTY, FLORIDA

EXHIBIT A

Water Enterprise Fund

Public Utilities Department

Utility Revenue Bonds Series, 2019

Issued December 10, 2019

Debt Service Schedule (Unaudited)

(Amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2026	\$ 4,455	2,676	7,131
2027	4,680	2,453	7,133
2028	4,915	2,219	7,134
2029	5,160	1,973	7,133
2030	5,420	1,715	7,135
2031	5,690	1,444	7,134
2032	5,915	1,217	7,132
2033	6,155	980	7,135
2034	6,340	796	7,136
2035	6,530	605	7,135
2036	6,725	410	7,135
2037	6,925	208	7,133
	<u>\$ 68,910</u>	<u>16,696</u>	<u>85,606</u>

HILLSBOROUGH COUNTY, FLORIDA

EXHIBIT B

Water Enterprise Fund

Public Utilities Department

Utility Revenue Bonds Series, 2016

Issued July 26, 2016

Debt Service Schedule (Unaudited)

(Amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2026	\$ 4,140	5,842	9,982
2027	4,305	5,677	9,982
2028	4,475	5,504	9,979
2029	4,610	5,370	9,980
2030	4,745	5,232	9,977
2031	4,890	5,089	9,979
2032	5,035	4,943	9,978
2033	5,240	4,741	9,981
2034	5,450	4,532	9,982
2035	5,670	4,314	9,984
2036	5,835	4,144	9,979
2037	6,010	3,969	9,979
2038	7,525	3,788	11,313
2039	7,750	3,563	11,313
2040	7,980	3,330	11,310
2041	15,925	3,091	19,016
2042	16,405	2,613	19,018
2043	16,895	2,121	19,016
2044	17,405	1,614	19,019
2045	17,925	1,092	19,017
2046	18,466	554	19,020
	<u>\$ 186,681</u>	<u>81,123</u>	<u>267,804</u>

HILLSBOROUGH COUNTY, FLORIDA**EXHIBIT C****Water Enterprise Fund****Public Utilities Department****Utility Revenue Bonds Series, 2021A****Issued July 19, 2021****Debt Service Schedule***(Amounts in thousands)*

Fiscal Year	Principal	Interest	Total Requirement
2026	\$ 3,550	4,470	8,020
2027	3,725	4,293	8,018
2028	3,910	4,106	8,016
2029	4,105	3,911	8,016
2030	4,310	3,706	8,016
2031	4,530	3,490	8,020
2032	4,755	3,264	8,019
2033	4,990	3,026	8,016
2034	5,140	2,876	8,016
2035	5,295	2,722	8,017
2036	5,455	2,563	8,018
2037	5,565	2,454	8,019
2038	5,675	2,343	8,018
2039	5,790	2,229	8,019
2040	5,905	2,113	8,018
2041	6,020	1,995	8,015
2042	6,205	1,815	8,020
2043	6,340	1,675	8,015
2044	6,485	1,532	8,017
2045	6,680	1,338	8,018
2046	6,880	1,138	8,018
2047	7,085	931	8,016
2048	7,265	754	8,019
2049	7,445	572	8,017
2050	7,630	386	8,016
2051	7,820	196	8,016
	<u>\$ 148,555</u>	<u>59,898</u>	<u>208,453</u>

HILLSBOROUGH COUNTY, FLORIDA

EXHIBIT D

Water Enterprise Fund

Public Utilities Department

Utility Revenue Bonds Series, 2021B

Issued July 19, 2021

Debt Service Schedule (Unaudited)

(Amounts in thousands)

Fiscal Year	Principal	Interest	Total Requirement
2026	\$ --	412	412
2027	--	412	412
2028	--	412	412
2029	--	412	412
2030	--	412	412
2031	--	412	412
2032	--	412	412
2033	--	412	412
2034	--	412	412
2035	--	412	412
2036	--	412	412
2037	--	412	412
2038	6,445	412	6,857
2039	6,575	283	6,858
2040	6,760	144	6,904
	<u>\$ 19,780</u>	<u>5,783</u>	<u>25,563</u>

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department

Statistical Section Contents
(Unaudited)

Financial Trends Information:

These schedules present comparative financial data over ten fiscal years, providing information to financial statement users concerning the System's financial management and performance.

Schedules:

Components of Net Position

Current Ratio

Return on Capital Assets

Accounts Receivable Collection Days

Statement of Revenues, Expenses, and Changes in Net Position

Components of Charges for Services

Debt Capacity Information:

This schedule presents the System's outstanding debt compared to net position.

Schedule:

Outstanding Debt Compared to Net Position

General Operating Statistics:

This schedule presents the System's key operating data and general statistics.

Capital Assets

Staffing

Average Number of Customer Accounts

Annual Use/Flow

Operating Costs

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Financial Trend Schedules (Unaudited)
Last Ten Fiscal Years
(Amounts in thousands)

Components of Net Position

This schedule shows the System's changes in comparative net position (total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources = net position).

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016*** Restated
Net investment in capital assets	\$1,051,814	999,811	935,374	923,905	990,248	983,915	950,057	940,620	931,704	901,940
Restricted net position	164,911	134,042	88,316	75,601	95,051	139,077	143,755	115,451	90,916	67,670
Unrestricted net position	690,998	719,610	701,957	635,456	533,305	416,302	394,987	359,859	354,363	367,663
Total net position	<u>\$1,907,723</u>	<u>1,853,463</u>	<u>1,725,647</u>	<u>1,634,962</u>	<u>1,618,604</u>	<u>1,539,294</u>	<u>1,488,799</u>	<u>1,415,930</u>	<u>1,376,983</u>	<u>1,337,273</u>

***Restated for GASB Statement No. 75

Current Ratio

This schedule shows the System's ability to pay its current liabilities such as accounts payable, accrued payroll liability, and short-term borrowing costs. The generally accepted current ratio standard is 2, whereby current assets are twice as large as current liabilities.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Current assets	\$ 896,450	754,192	804,989	745,661	674,625	339,181	319,933	501,736	553,319	573,662
Current liabilities	67,451	63,965	55,958	72,403	47,680	55,070	68,297	76,649	56,134	48,563
Current ratio	13.3	11.8	14.4	10.3	14.1	6.2	4.7	6.5	9.9	11.8

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Financial Trend Schedules (Unaudited) (Continued)
Last Ten Fiscal Years
(Amounts in thousands)

Return on Capital Assets

Return on capital assets provides a means for evaluating management's effectiveness at generating an operating profit from the amounts invested in capital assets.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Change in net position	\$ 54,260	127,816	90,685	15,866	79,802	50,495	72,869	38,947	39,710	45,974
Average total capital assets	1,472,649	1,391,452	1,327,533	1,320,600	1,312,942	1,176,014	1,246,664	1,171,096	1,096,776	1,028,546
Return on capital assets	3.68 %	9.19 %	6.83 %	1.20 %	6.08 %	4.29 %	5.85 %	3.33 %	3.62 %	4.47 %

Accounts Receivable Collection Days Over 365 Collection Days and Associated Allowance for Doubtful Accounts

This schedule shows the average number of days required to collect charges for services billed to customers and amounts deemed uncollectible.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Charges for services	\$ 405,029	375,018	366,815	326,215	302,163	283,150	254,306	243,215	235,116	209,549
Average accounts receivable	31,049	31,049	34,462	30,009	28,441	25,175	22,740	23,373	22,371	22,220
Accounts receivable collection days	28.0	30.2	34.3	33.6	34.4	32.5	32.6	35.1	34.7	38.7
Allowance for doubtful accounts	\$ 4,618	4,618	3,563	3,563	3,563	2,177	276	224	51	192
Percent of charges for services	1.14 %	1.23 %	0.97 %	1.09 %	1.18 %	0.77 %	0.11 %	0.09 %	0.02 %	0.09 %

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Financial Trend Schedules (Unaudited) (Continued)
Last Ten Fiscal Years
(Amounts in thousands)

Statement of Revenues, Expenses and Changes in Net Position:

This schedule presents annual operating data to assist the financial statement user evaluate the System's annual financial performance.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues:										
Charges for services	\$ 405,029	375,018	366,815	326,215	302,163	283,150	254,306	243,215	235,116	220,724
Miscellaneous	2	--	--	--	--	--	--	--	--	--
Total operating revenues	405,031	375,018	366,815	326,215	302,163	283,150	254,306	243,215	235,116	220,724
Operating expenses:										
Personnel services	85,990	78,708	73,752	68,528	65,659	62,695	60,473	56,438	55,103	54,296
Contractual services	176,521	125,289	114,846	105,319	104,604	101,487	94,449	86,528	77,369	81,481
Fleet services	4,601	4,215	3,923	3,364	2,594	2,612	2,823	2,511	2,315	2,439
Repairs and maintenance	23,200	22,755	18,729	15,738	13,124	14,165	16,460	13,166	10,506	10,588
Utilities	27,495	20,544	18,811	15,611	14,375	13,703	15,532	12,438	12,161	12,609
Supplies	1,471	1,223	990	1,286	987	1,002	1,037	1,071	986	722
Depreciation and amortization	121,740	96,484	99,269	103,614	105,190	89,330	77,102	81,947	67,805	59,875
Other operating expenses	8,420	8,258	6,536	4,498	4,337	3,914	3,761	3,017	3,158	2,675
Pension expense (benefit)	(3,716)	(135)	9,577	531	(3,610)	6,238	5,262	2,193	2,522	1,598
OPEB expense (benefit)	56	134	117	(131)	(97)	(209)	(173)	(2,491)	(72)	--
Total operating expense	445,778	357,475	346,550	318,358	307,163	294,937	276,726	256,818	231,853	226,283
Operating expense as a percentage of revenue	110.06 %	(95.32)%	94.48 %	97.59 %	101.65 %	104.16 %	108.82 %	105.59 %	98.61 %	102.52 %
Operating income (loss)	(40,747)	17,543	20,265	7,857	(5,000)	(11,787)	(22,420)	(13,603)	3,263	(5,559)
Nonoperating revenues (expenses):										
Interest revenue	40,206	41,776	26,499	8,643	9,414	16,318	20,198	10,376	9,228	7,674
Net increase (decrease) in the fair value of inves	(1,975)	9,956	9,032	(16,025)	--	--	--	--	--	--
Interest expense	(11,846)	(12,333)	(12,671)	(13,096)	(10,170)	(10,502)	(10,733)	(10,878)	(5,911)	618
Gain/Loss on Disposal of Assets	2,307	1,421	--	--	--	--	--	--	--	--
Other revenues	3,176	2,906	2,772	2,910	4,582	9,019	3,113	3,949	3,406	7,584
Other expenses	--	--	(19)	(775)	58	354	499	(10,354)	(6,690)	661
Total nonoperating revenues (expenses)	31,868	43,726	25,613	(18,343)	3,884	15,189	13,077	(6,907)	33	16,537
Income before contributions and transfers	(8,879)	61,269	45,878	(10,486)	(1,116)	3,402	(9,343)	(20,510)	3,296	10,978
Capital contributions	78,198	66,547	44,807	26,352	80,918	47,093	82,212	59,457	36,414	34,996
Change in net position	69,319	127,816	90,685	15,866	79,802	50,495	72,869	38,947	39,710	45,974
Net position, beginning of year	1,853,463	1,725,647	1,634,962	1,619,096	1,539,294	1,488,799	1,415,930	1,376,983	1,343,081	1,297,107
Restatement for error correction (see Note 16)	(15,059)	--	--	--	--	--	--	--	--	--
Restatement for GASB 75 implementation	--	--	--	--	--	--	--	--	(5,808)	--
Net position, beginning of year, as restated	1,838,404	1,725,647	1,634,962	1,619,096	1,539,294	1,488,799	1,415,930	1,376,983	1,337,273	1,297,107
Net position, end of year	\$ 1,907,723	1,853,463	1,725,647	1,634,962	1,619,096	1,539,294	1,488,799	1,415,930	1,376,983	1,343,081

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Financial Trend Schedules (Unaudited) (Continued)
Last Ten Fiscal Years
(Amounts in thousands)

Components of Charges for Services

This schedule identifies the principal components of charges for services.

	2025	%	2024		2023	%	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
Water charges	\$182,839	45.1	170,979	45.6	174,706	47.6	154,920	47.5	145,890	48.3	138,943	49.1	123,212	48.5	118,210	48.4	114,891	48.9	106,016	48.0
Wastewater charges	196,343	48.5	178,926	47.7	168,916	46.0	151,355	46.4	139,842	46.3	129,576	45.8	116,980	46.0	112,667	46.3	107,931	45.9	103,020	46.7
Reclaimed water charges	3,598	0.9	3,316	0.9	3,207	0.9	2,966	0.9	2,882	0.9	2,695	0.9	2,406	0.9	2,384	1.0	2,426	1.0	2,200	1.0
Accrued guaranteed revenue fees	5,838	1.4	6,480	1.7	6,209	1.7	4,245	1.3	1,663	0.6	708	0.3	958	0.4	558	0.2	64	--	103	--
Customer billing charges	15,710	3.9	14,339	3.8	13,267	3.6	12,191	3.7	11,339	3.7	10,499	3.6	9,630	3.8	9,230	3.8	8,862	3.8	8,517	3.9
General operating revenues	701	0.2	978	0.3	510	0.1	538	0.2	547	0.2	729	0.3	1,120	0.4	166	0.3	942	0.4	868	0.4
Charges for services	<u>\$405,029</u>	<u>100.0</u>	<u>375,018</u>	<u>100.0</u>	<u>366,815</u>	<u>99.9</u>	<u>326,215</u>	<u>100.0</u>	<u>302,163</u>	<u>100.0</u>	<u>283,150</u>	<u>100.0</u>	<u>254,306</u>	<u>100.0</u>	<u>243,215</u>	<u>100.0</u>	<u>235,116</u>	<u>100.0</u>	<u>220,724</u>	<u>100.0</u>

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
Debt Schedules (Unaudited)
Last Ten Fiscal Years
(Amounts in thousands)

Outstanding Debt Compared to Net Position

This schedule shows the System's outstanding debt as a percentage of net position.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016*** Restated
Bonds outstanding	\$ 447,364	461,182	474,541	484,390	493,947	335,590	339,760	342,565	345,305	347,940
Net position	1,922,782	1,853,463	1,725,647	1,634,962	1,619,096	1,539,294	1,488,799	1,415,930	1,376,983	1,337,273
Percentage	23.3 %	24.9 %	27.5 %	29.6 %	30.5 %	21.8 %	22.8 %	24.2 %	25.1 %	26.0 %

***Restated for GASB Statement No. 75

HILLSBOROUGH COUNTY, FLORIDA
Water Enterprise Fund
Public Utilities Department
General Operating Statistics (Unaudited)
Last Ten Fiscal Years

This schedule shows various general operating statistics.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital Assets (amounts are actual)										
Number of water plants	4	4	4	4	4	4	4	4	4	4
Number of wastewater treatment plants	5	5	5	5	5	7	7	7	7	7
Water distribution line miles (estimated)	2,708	2,668	2,638	2,606	2,576	2,484	2,484	2,437	2,414	2,326
Wastewater Transmission line miles (estimated)	2,444	2,416	2,386	2,354	2,328	2,235	2,235	2,199	2,180	2,091
Reclaimed water transmissions line miles (estimated)	415	412	401	394	393	377	377	368	366	--
Number of pump stations (estimated)	902	890	871	863	847	822	822	807	796	775
Staffing										
Number of budgeted positions per 1,000 customers	5.1	5.1	3.3	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Average Number of Customer Accounts Billed Monthly										
Water customers	204,510	200,287	196,984	192,436	182,080	168,038	168,038	161,279	160,358	155,384
Percent change from prior year	2.1 %	1.7 %	2.4 %	5.7 %	8.4 %	0.0 %	4.2 %	0.6 %	3.2 %	1.0 %
Wastewater customers	181,661	192,741	178,567	173,260	172,375	154,753	154,753	153,720	148,408	144,339
Percent change from prior year	(5.7)%	7.9 %	3.1 %	0.5 %	11.4 %	0.0 %	0.7 %	3.6 %	2.8 %	1.4 %
Annual Use/Flow										
Annual water consumption (millions of gallons)	29,391	28,514	27,042	24,505	24,883	20,608	20,608	20,665	20,608	19,062
Annual treated wastewater flows (thousands of gallons)	18,571	18,262	18,483	17,516	15,110	15,110	15,110	15,368	15,110	14,290
Operating Costs (amounts in thousands)										
Operating expenses	\$ 445,778	357,477	346,550	318,358	307,163	294,937	276,726	256,818	231,853	226,283
Less: depreciation and amortization	121,740	96,484	99,269	103,614	105,190	89,330	77,102	81,947	67,805	59,875
Less: purchased water	84,603	79,958	80,528	73,355	69,664	68,209	66,298	54,377	53,077	57,221
Net operating costs	\$ 239,435	181,035	166,753	141,389	132,309	137,398	133,326	120,494	110,971	109,187
Number of accounts billed annually	2,454	2,403	2,382	1,920	1,920	1,920	1,920	1,985	1,970	1,920
Monthly operating costs per account (actual)	\$ 98	75	70	74	69	72	69	61	56	57

Sources:
Water Enterprise Fund Annual Audited Financial Reports
Water Enterprise Fund Operating Data



SM

Hillsborough
County Florida



Water Resources Department
925 E. Twiggs Street
Tampa, Florida 33602
(813) 307-1000
HCFLGov.net/Water

APPENDIX C

COMBINED REPORT OF THE CONSULTING ENGINEER AND BOND FEASIBILITY CONSULTANT

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HILLSBOROUGH COUNTY, FLORIDA

**Combined Report of the Consulting
Engineer and Bond Feasibility Consultant
For the Issuance of the
Utility Revenue Bonds, Series 2026A**

Appendix C

September 3, 2026

September 3, 2026

The Honorable Chair and
Board of County Commissioners
Hillsborough County
601 E. Kennedy Boulevard
Tampa, FL 33601

Subject: Combined Report of the Consulting Engineer and Bond Feasibility Consultant for the Issuance of the Utility Revenue Bonds, Series 2026A

Ladies and Gentlemen:

Presented herein is the combined report of the Consulting Engineer and Bond Feasibility Consultant (the “Report”) prepared by Carollo Engineers, Inc. (“Carollo” or the “Consulting Engineer”) in its capacity as the consulting engineer to Hillsborough County, Florida (the “County”) and Raftelis Financial Consultants, Inc. (“Raftelis” or the “Feasibility Consultant”) in its capacity as the feasibility consultant to the County for inclusion in the Official Statement that summarizes each firm’s analyses, studies and conclusions with regard to the proposal by the County to issue approximately \$636,105,000^[1] in tax exempt Utility Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) to: i) fund or partially fund certain capital improvements including the acquisition, construction, reconstruction, expansion, replacement, and/or equipping of the County’s water and wastewater utility system (including the County’s reclaimed water utility system) (the “2026A Project”); ii) refinancing a portion of the Other Indebtedness and Subordinate Indebtedness (as each are defined herein) used to finance capital improvements to such system; and, iii) pay certain expenses related to the issuance and sale of the Series 2026A Bonds. Capitalized undefined terms referenced in this letter shall have the meanings ascribed thereto in the Bond Resolution as defined later in this Report.

The primary purpose of this Report is to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2026A Bonds. The Report provides a summary description of the existing utility properties (including the Water System and the Wastewater System, as such terms are defined in the Bond Resolution) supplying, distributing and treating water and wastewater services (including reclaimed water services), operated and maintained by the County, whether owned by or leased by the

[1] Preliminary as provided by Public Resources Advisory Group, Inc. (the “Municipal Advisor”) and reflects estimates as of June 26, 2026, which is subject to change based on the actual sale of Series 2026A Bonds.

County (collectively, the “System”), summarizes the financial projections of the County’s System for the Fiscal Years ending September 30, 2026 through September 30, 2030 (the “Forecast Period”), and outlines how the revenues derived from the System operations are anticipated to meet the estimated expenditure and funding obligations of such systems. The Report includes a discussion of: i) the current management and operation of the System; ii) the System service areas; iii) the facilities that comprise the System and a general assessment of the facilities’ conditions and regulatory and permit compliance requirements; iv) the historical and projected sales, customer growth, usage statistics, and capacity needs for the System; v) the current schedule of rates as adopted by the Hillsborough County Board of County Commissioners (the “Board”); vi) the 2026A Project to be financed by the Series 2026A Bonds, as well as other sources; and vii) the historical and projected financial operating results of the System. The forecast of operating results include projections of the ability of the System to meet the rate covenant requirements as delineated in the amended and restated Utility System Bond Resolution No. R03-112 adopted on June 4, 2003, as amended by Resolution No. R10-151 adopted by the Board on October 6, 2010, and by Resolution No. R16-065 adopted by the Board on June 2, 2016, and as amended and supplemented by Resolution No. R26-088 adopted on September 2, 2026, and as it may be further amended and supplemented from time to time (collectively, the “Bond Resolution”).

The financial projections in the Report associated with the issuance of the Series 2026A Bonds were based on discussions with and information provided by the County; the municipal advisor for the County, Public Resources Advisory Group, Inc. (the “Municipal Advisor”); the Consulting Engineer for the System; as well as certain assumptions and analyses made by Raftelis as the Feasibility Consultant for the System with respect to such financial projections.

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Findings and Conclusions

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

1. Based upon the intended use of the System facilities, general field observations of the above-ground facilities, discussions with the Water Resources Department (referred to in the Report as the “Department”) staff, and a review of documents, permit data, and System reports filed with regulatory agencies, the existing facilities of the System appear to be in good to above-average condition. The facilities’ conditions are comparable to facilities of similar age. The System appears to be properly operated in accordance with prudent utility practice and can reasonably be expected to provide sufficient and reliable service to meet the existing requirements of the System.
2. Based on the operating information reviewed and the practices described in this Report, the System appears to be adequately operated and maintained and capable of providing reliable water and wastewater service during the Forecast Period. The Department has historically provided for adequate operation by employing personnel capable of operating, maintaining, and expanding the System, as necessary. Current management of the System appears to be well qualified for the positions for which they are responsible.
3. Based on the System’s permitting history and assuming that operations, maintenance, and permit reporting continue substantially as demonstrated during the preceding five-year period, the System is expected to retain or timely renew the material permits required for continued operation.
4. To Carollo’s knowledge, other than the violations stated in this Report, the Department is in compliance with all federal and state regulatory requirements relating to the provisions of water and wastewater services, and, with the exception of the Consent Orders discussed in this Report, no other regulatory orders requiring corrective action have been issued by any regulatory agency and remain outstanding. Costs associated with compliance of the Consent Orders have been incorporated into the County’s capital improvement program and/or operating budget.

5. The use of Progressive Design-Build and Construction Manager at Risk delivery methods for the respective One Water Program projects are well suited for the size, complexity, and implementation requirements of the planned facilities.
6. The Consulting Engineer is of the opinion that the estimated project costs, implementation schedules, and associated funding requirements presented herein are reasonable for planning and financing purposes based on information currently available. Such estimates are subject to the uncertainties inherent in conceptual planning, including future design refinements, permitting outcomes, procurement conditions, inflation, and construction risks discussed elsewhere in this Report.
7. Based on the monitoring and regulatory information described in this Report, the County has implemented PFAS monitoring and compliance planning efforts and is coordinating with its wholesale water suppliers regarding evolving PFAS regulatory requirements. The County will continue to work with its suppliers, which are responsible for providing finished water that complies with applicable drinking water regulations, to support preparedness for future PFAS compliance obligations as regulatory requirements are finalized and become effective.
8. The existing facilities of the System, together with currently planned renewals, replacements, and additions, can reasonably be expected to meet the projected demand requirements of the System through the Fiscal Year ending September 30, 2030.

In addition, the Feasibility Consultant is of the opinion that:

9. The forecasted growth in customer accounts, demands, and corresponding revenues were developed based on a review of recent historical trends and anticipated development or growth as discussed with the County. It should be noted that based on the reported billing statistics for Fiscal Year 2026, customer growth appears to be slowing when compared to prior years which may be due to, among other things, continued high inflation on the cost of housing and insurance, effects of prior period weather events, (e.g., Hurricanes Helene and Milton in 2024), and potential domestic migration to more mid-sized neighboring counties recognizing affordability concerns. The projected growth in System customers, applicable usage, and revenues during the Forecast Period for the System are

considered to represent reasonable projections based on discussions with the County and on recent trends in customers served / billed for the purposes of this Report.

10. For the purposes of this Report, the projections of the Cost of Operation and Maintenance were presented to the County and reflect current staffing and compensation assumptions, contractual purchased-water obligations, anticipated costs associated with planned facilities, inflationary allowances, and recent operating trends and, on that basis, are considered reasonable and attainable for the Forecast Period.
11. Based on financial information as provided or prepared by the County as restated in this Report, the County reports that the Gross Revenues derived by the County from the operation of the System and the Pledged Impact Fees^[2] received on behalf of the System have historically (for the past five fiscal years ended September 30, 2025 as presented in this Report) been sufficient to pay the i) Cost of Operation and Maintenance; ii) the annual Bond Service Requirement on the Outstanding Bonds as hereinafter defined; iii) debt service payments on Other Indebtedness and Subordinate Indebtedness (as each are herein defined), if any; and iv) deposits to the Renewal and Replacement Account and in accounts maintained in the General Revenue Capital Expense Account (“the General Purpose Account”) by the County, which is available for paying the cost of extensions, enlargements, or additions to, or the replacement of capital assets of the System or for unusual or extraordinary repairs to the System and have been in compliance with the rate covenant contained in the Bond Resolution.
12. The System revenues for the Forecast Period under the County approved rates contained in the County’s Rate Resolution, which includes and assumes the continued annual application of a price index (inflationary) rate adjustment, the continued annual application of the Purchased-Water Pass-Through Consumption Charge, and the implementation of certain fixed rate (percentage) adjustments, all as contained in the County’s Rate Resolution as defined hereafter in the Report, should be sufficient to: i) pay the projected Cost of Operation and Maintenance; ii) pay the estimated Bond Service Requirement on the Outstanding Bonds; iii) pay the anticipated Bond Service Requirement on the Series 2026A Bonds; iv) pay the anticipated Bond Service Requirement on the

[2] Prior to the effectiveness of the amendments in Resolution R26-088, adopted on September 2, 2026, Impact Fees were referred to as “Capacity Fees”.

Series 2027A, Series 2029A and Series 2030A Bonds (the “Additional Parity Bonds”) coming due in such years; and v) make the projected deposits to the Renewal and Replacement Account which is available for paying the cost of the replacement of capital assets of the System or any unusual, unanticipated or extraordinary maintenance or repairs to the System. The Board has annually adjusted the rates associated with the application of the price index since Fiscal Year 2010 and Purchased-Water Pass-Through Consumption Charge since Fiscal Year 2002. Based on the assumptions identified in this Report, the Pledged Revenues of the System are projected for the Forecast Period to be in compliance with the rate covenant delineated in the Bond Resolution.

13. The approved rates for water and wastewater service are considered comparable to charges for similar service provided by other publicly owned utilities located in proximity to the County in the central and southwestern portions of Florida. Based on the assumptions presented in this Report, additional rate increases above the adopted annual price index (inflationary) allowance (represents Board-approved and assumed to be implemented annually through the Fiscal Year ending September 30, 2035), and Purchased-Water Pass-Through Consumption Charge, fixed rate adjustments have been recognized for the Fiscal Year 2026 through the Fiscal Year 2030 (represents Board approved adjustments that are assumed to be implemented with the Fiscal Year 2032 being the final year of the additional Board approved rate adjustment implementation period) to meet the annual expenditure requirements of the System. The anticipated price index rate and Purchased-Water Pass-Through Consumption Charge adjustments and additional fixed rate increases assumed in the Fiscal Year 2026 and for the remainder of the Forecast Period as represented in this Report are not expected by the Department to negatively affect the competitiveness of the County’s monthly user rates over the Forecast Period.
14. The County’s Water and Wastewater Impact Fees are comparable to the fees charged by neighboring utilities. The Feasibility Consultant considers the Impact Fees to be reasonable and were based on the utility plant-in-service and the capital requirements of the System contained in the System’s adopted capital improvement plan at the time of fee determination. Based on discussions with Department staff, the application of the Impact Fees is not expected to negatively affect System growth.

The financial projections in the Report, associated with the issuance of the Series 2026A Bonds, were based on discussions with and information provided by the County, the Municipal Advisor, as well as certain assumptions and analyses made by us with respect to such financial projections. The ability of the System to meet the debt service requirements and comply with the rate covenant set forth in the Bond Resolution are subject to the assumptions and considerations identified in the Report and information obtained during preparation of the Report regarding the System and the respective financial projections as presented therein. As such, the Report should be read in its entirety with respect to such projections.

Respectfully submitted,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Thierry A. Boveri, CGFM
Senior Vice President



Dianne S. Holloway
Manager

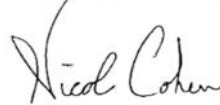


Enrico Camilli
Consultant

CAROLLO ENGINEERS, INC.



Laura Baumberger, P.E.
Senior Vice President



Nicole Cohen, P.E.
Senior Engineer

DSH/dlc
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Hillsborough County

Combined Report of the Consulting Engineer and Bond Feasibility Consultant for the Issuance of the Utility Revenue Bonds, Series 2026A

Introduction

Presented herein is the Combined Report of the Consulting Engineer and Bond Feasibility Consultant (the “Report”) prepared by Carollo Engineers, Inc. (“Carollo” or the “Consulting Engineer”) in its capacity as the consulting engineer to Hillsborough County, Florida (the “County”) and Raftelis Financial Consultants, Inc. (“Raftelis” or the “Feasibility Consultant”) in its capacity as the feasibility consultant to the County. The Report summarizes the analyses and studies of each consultant within their respective scopes of services with regard to the proposal by the County to issue in the approximate principal amount of \$636,105,000^[3] tax-exempt Utility Revenue Bonds, Series 2026A (the “Series 2026A Bonds”). The Series 2026A Bonds are being issued under the authority of the amended and restated Utility System Bond Resolution No. R03-112 adopted on June 4, 2003, as amended by Resolution No. R10-151 adopted by the Board on October 6, 2010, and by Resolution No. R16-065 adopted by the Board on June 2, 2016, and as amended and supplemented by Resolution No. R26-088 adopted on September 2, 2026, and as it may be further amended and supplemented from time to time (collectively, the “Bond Resolution”) authorizing the issuance of the Series 2026A Bonds. For a more complete description of the Bond Resolution, please refer to Appendix “C” – “Form of the Resolution” in the Official Statement relating to the Series 2026A Bonds. Capitalized, undefined terms used in this Report shall have the meaning ascribed thereto in the Bond Resolution.

The primary purposes of this Report are to: i) present the Consulting Engineer’s summary description of the System, compliance with regulations, and a description of the capital improvements, including the 2026A Project; and ii) summarize the Feasibility Consultant’s findings of the following: 1) financial projections of the System for the Forecast Period; 2) the ability of the revenues derived from the System operations to meet the estimated expenditure and funding obligations of such System; and 3) the anticipated ability of the System to meet the rate covenant requirements as described in the Bond Resolution in order to provide information for parties reviewing the Official Statement associated with the issuance of the Series 2026A Bonds. As such,

[3] Preliminary as provided by the Municipal Advisor; amounts estimated as of June 26, 2026 and is subject to change based on the actual sale of Series 2026A Bonds.

this Report includes, among other things, a discussion of the following items as documented by the Consulting Engineer: i) current management and operation of the System; ii) System service areas; and iii) facilities that comprise the System and an assessment of the general condition of the facilities and compliance with regulatory and permit requirements. The Report also presents the following items as documented by the Feasibility Consultant: i) recent historical and projections of customer growth and capacity needs; ii) schedule of currently effective rates and fees for service and a comparison of such rates to other neighboring public utilities; iii) 2026A Project to be financed by the Series 2026A Bonds, as well as other sources; and iv) recent historical and projected financial operating results of the System. The forecast of operating results includes projections of the System's ability to meet the rate covenant requirement as delineated in the Bond Resolution, authorizing the issuance of the Series 2026A Bonds.

Carollo was responsible for coordinating the review of the System as it related to the organization, permitting, regulation, and general condition of the System. Carollo is a consulting engineering firm that provides water and wastewater system planning, permitting, design, construction administration and operational assistance to counties, municipal governments, and other public agencies in Florida and throughout the country. Carollo is a professional engineering firm that has a favorable reputation for skill and expertise in design, construction, and operation of facilities comparable in size and character to the System. The staff of Carollo is familiar with the management and operations of the County's Public Utilities Department (the "Department") and the System, having served as Consulting Engineer for the County since 2010.

With respect to the evaluation of the condition of the System and based on their experience working with the County as the Consulting Engineer, Carollo has performed a general due diligence investigation of the System. Included in this investigation was a review of available reports and documents, a visual field review of the System, review of Florida Department of Environmental Protection ("FDEP") and Southwest Florida Water Management District ("SWFWMD") permits and records, and discussions with affected parties. The field review of the facilities performed by Carollo involved a walk-through evaluation of most major aboveground structures, buildings, and equipment, including water and wastewater treatment facilities, storage tanks, and water and reclaimed water pumping stations. Based on Carollo's review and general understanding of the System, the overall System is considered to be in good to above-average condition, is functioning as intended, and based on information available at the time of this report, Carollo is not aware of any existing condition that is expected to materially impair the System's ability to provide reliable service during the Forecast Period, provided that the capital improvements, operational activities, and other actions described herein are implemented substantially as planned. This was confirmed with interviews with Department staff, through a review of the applicable System reports and field inspections while serving as the Consulting Engineer. Carollo did not perform an inspection of the existing water or reclaimed water

distribution, wastewater collection, or other associated belowground facilities nor did it include independent reviews of any engineering matters related to such facilities. Accordingly, nothing in this Report is intended to indicate conformance with respect to the physical aspects of the System's belowground facilities.

Raftelis was responsible for the compilation of the historical customer, operating and financial results, and the operating and financial projections of the System. Raftelis, a recognized utility management consulting firm, specializes in the development of rates, charges, and financial projections for publicly owned and not-for-profit utility systems, both in Florida and nationally. The firm has been involved in a number of utility financings involving the preparation of financial forecasts on behalf of local governments and utility corporations in Florida that are issuing utility bonds secured for repayment by the revenues of such utility. The project team for the firm has provided utility rate and consulting services on behalf of the System on an ongoing basis since 1995.

In preparation of this Report, Carollo has relied upon information regarding the System derived from: i) the operating reports and records prepared by the Department; ii) historical data provided by the Department and neighboring agencies; and iii) other information provided by the County. Raftelis has relied upon financial, statistical, and operational data regarding the System derived from: i) operating reports and records prepared by the Department management and staff; ii) information presented in operating and financial records and the Annual Financial Reports (annual audits) prepared by the County; and iii) other information provided by the County and the Department. In addition, Raftelis has been furnished information, assumptions, and projections from the Department and others, including the estimated levels of debt service requirements by the Municipal Advisor, and Raftelis has utilized information obtained from other utility systems in Florida and other sources. The debt-related assumptions provided by the Municipal Advisor and relied upon by Raftelis are subject to market conditions, as well as the credit rating of the Outstanding Bonds and the Series 2026A Bonds at the time of the issuance of the Series 2026A Bonds and may vary from the actual results associated with the sale of the Series 2026A Bonds. In using the Report prepared by Raftelis, the County expressly acknowledges that Raftelis is not serving in the capacity of a "Municipal Advisor" as defined under Section 15B(e)(4)(A) of the Exchange Act as amended by the Dodd-Frank Act and thus is not providing advice with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and conditions, and other similar matters concerning financial products or issues. Carollo and Raftelis believe the sources of such information, assumptions, and projections to be reasonable for the purposes of this Report. We have no reason to believe that such information is unreliable for purposes of this Report. The actual results achieved during the Forecast Period reflected in this Report may vary from those projected and such variations could be material. Such

projections are, therefore, subject to adjustment and we can give no assurances that the projections will be realized.

This Report was prepared for the County in accordance with professional standards at the time the services were performed and in accordance with the contract between the County and its consultants responsible for this Report. This document is governed by the specific scope of work authorized by the County; it is not intended to be relied upon by any other party except for the County, underwriters and counsels directly associated with this specific transaction, credit rating agencies and prospective bond purchasers contemplated by the scope of work. We have relied on information or instructions provided by the County and other parties and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.

This document sets forth the results of certain services performed by Carollo as the Consulting Engineer with respect to the property or facilities described herein (the "Property"). The County recognizes and acknowledges that these services provided by Carollo were designed and performed within various limitations, including budget and timing considerations. These services were not designed or intended to determine the existence and nature of all possible environmental risks (which term shall include the presence or suspected or potential presence of any hazardous waste or hazardous substance, as defined under any applicable law or regulation, or any other actual or potential environmental problems or liabilities) affecting the Property.

This Report summarizes the results of each firm's studies and analyses up to the date of this Report. Prospective purchasers of the Series 2026A Bonds should not rely upon the information contained in this Report subsequent to the date of this Report for a current description of any matters set forth herein. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes.

The remainder of this Report provides a discussion of the: i) the System facilities in service including compliance with operating and other regulatory permits and statistics regarding capacity utilization and availability; ii) the capital improvement program identified by the County, of which a portion (the 2026A Project) will be funded or refinanced from the proceeds of the Series 2026A Bonds; iii) a review of the System rates, fees and charges for utility service rendered by the County; iv) projections of customers served and service area needs; v) a presentation of the historical operating results of the System; and vi) a forecast of anticipated financial operations and the ability of the estimated Pledged Revenues to meet the rate covenant requirements set forth in the Bond Resolution during the Forecast Period.

Capital Improvement and Funding Plan

The County's Water Resources Department has developed a capital improvement program totaling approximately \$2.5 billion of expenditures anticipated to occur during the five Fiscal Years ending September 30, 2026 through and including September 30, 2030 (the "Forecast Period"). The capital improvement program includes projects initiated before or during the Forecast Period and consists of improvements to the System's water, wastewater and reclaimed-water facilities for renewal and replacement, expansion, regulatory compliance, system reliability and other capital needs. A significant component of the capital improvement program is the South County One Water Program (the "Program"), which includes water, wastewater and reclaimed-water improvements intended to provide the additional treatment, transmission and supply capacity necessary to address sustained population growth and increasing service demands in the South-Central Service Area, while also improving the reliability and redundancy of the System serving that area. The 2026A Project (defined herein) described below consists of portions of certain projects within the One Water Program and represents only a portion of the County's broader capital improvement program.

The County expects to fund the capital improvement program from a combination of proceeds of the Series 2026A Bonds and anticipated Additional Parity Bonds, Gross Revenues and available funds, Pledged Impact Fees and other Impact Fees, amounts available in the General Purpose Account and the Renewal and Replacement Account, grants and other available sources. The current funding plan anticipates that approximately two-thirds of the Forecast Period capital expenditures will be funded from bond proceeds, with the balance funded from non-bond sources. The timing and amounts of the respective funding sources may change based upon actual project costs and schedules, expenditures and contract-encumbrance requirements, available System resources and other relevant considerations.

The capital improvement and funding plan was developed in consideration of the County's adopted rate plan and available interim financing capacity. The Rate Resolution provides for separate annual fixed-rate adjustments of 5% through Fiscal Year 2032, in addition to the annual Price Index adjustment authorized through Fiscal Year 2035. These approved adjustments are reflected in the projected operating results and, together with available Gross Revenues and funds, are expected to provide revenue support for the County's capital funding and debt-service requirements.

Multi-Year Financing Plan

To complement the approved rate plan and provide funding and contract-encumbrance capacity as projects progress, the County has used, and expects to continue to use, a combination of interim financing and long-

term fixed-rate bonds. Interim financing includes amounts allocated to the Department under the County's Commercial Paper Program and amounts available under the County's revolving and non-revolving subordinate credit facilities. Commercial Paper issued for System capital improvements constitutes Other Indebtedness and is not secured by a Pledge Revenues of the System, although the County currently expects to use System Net Revenues to pay costs attributable to Commercial Paper issued for such purposes. Advances under the revolving and non-revolving credit facilities constitute Subordinate Indebtedness and are junior and subordinate to the Bonds. Proceeds of the Series 2026A Bonds and anticipated Additional Parity Bonds are expected to repay applicable interim advances and provide additional funding for capital expenditures. This financing structure permits the County to enter into and fund capital-project contracts in advance of the related long-term bond financings and provides flexibility to align the timing and amounts of such financings with actual project expenditures and contract-encumbrance requirements, available financing capacity and market conditions.

Based on the current capital and financing plan, the County anticipates four senior-lien bond financings consisting of the Series 2026A Bonds and three series of Additional Parity Bonds currently expected to be issued in approximately the following amounts and periods: approximately \$636,105,000 of Series 2026A Bonds in 2026; approximately \$411.3 million of Series 2027A Bonds in Fiscal Year 2028; approximately \$392.1 million of Series 2029A Bonds in Fiscal Year 2029; and approximately \$285.6 million of Series 2030A Bonds in Fiscal Year 2031. The amounts, timing and structure of the anticipated Additional Parity Bonds are preliminary and may change based upon actual project costs and schedules, capital expenditure requirements, available System resources and interim financing capacity, market conditions and other relevant considerations. The issuance of any Additional Parity Bonds also will be subject to satisfaction of the applicable requirements of the Resolution.

The Series 2026A Bonds represent the first senior-lien financing contemplated under the County's current multi-year capital and financing plan. The County plans to issue the Series 2026A Bonds, together with the use of other available funds, to: i) fund certain capital improvements including the acquisition, construction, reconstruction, expansion, replacement, and/or equipping of the County's water and wastewater utility system (including the County's reclaimed water utility system) (the "2026A Project"); ii) refinance a portion of the Other Indebtedness and Subordinate Indebtedness (as each are defined herein) used to finance capital improvements to such system; and iii) pay certain expenses related to the issuance and sale of the Series 2026A Bonds. The Series 2026A Bonds are being issued on a parity basis with the County's Outstanding

Bonds^[4] and any Additional Parity Bonds hereafter issued pursuant to the Bond Resolution (the “Outstanding Bonds” and including the Series 2026A Bonds and any such Additional Parity Bonds, are referred to collectively herein as the “Bonds”). The County is considering the issuance of the Utility Refunding Revenue Bonds, Series 2026B (the “Series 2026B Bonds”) to refund a portion of the outstanding Utility Revenue Bonds, Series 2016 (the “Series 2016 Bonds”) to achieve debt service savings. The financial forecast presented in this report does not include any benefits anticipated to be received associated with the refunding of the Series 2016 Bonds. The Bonds issued by the County, together with the interest thereon, shall be payable solely from, and secured equally by, a lien on the Pledged Revenues of the System. Neither the credit nor taxing power of the County will be pledged for the debt repayment of the Bonds.

Existing System Debt and Plan of Finance

The County has previously issued long-term debt to fund certain capital improvements to the System. As of October 1, 2025 (beginning of Fiscal Year 2026), the County had in the aggregate principal amount of approximately \$423,925,000 in Outstanding Bonds which are secured by a senior lien pledge on the Net Revenues, Pledged Impact Fees, proceeds from the sale or condemnation of property of the System and proceeds from property and casualty insurance insuring the System’s property, any Qualified Derivative Receipts, and Federal Direct Payments received by the County (collectively, the “Pledged Revenues”).

The following is a summary of the Outstanding Bonds as of October 1, 2025, the first day of the Fiscal Year 2026, for the System:

Summary of Outstanding Bonds

Outstanding Bonds	Outstanding as of October 1, 2025
Utility Revenue Bonds, Series 2016 (“Series 2016 Bonds”)	\$186,680,000
Utility Refunding Revenue Bonds, Series 2019 (“Series 2019 Bonds”)	68,910,000
Utility Revenue Bonds, Series 2021A (“Series 2021A Bonds”)	148,555,000
Utility Refunding Revenue Bonds, Series 2021B (“Series 2021B Bonds”)	19,780,000
Total Outstanding Bonds	<u>\$423,925,000</u>

[4] The Outstanding Bonds as of the date of the Report include: the Utility Revenue Bonds, Series 2016, the Utility Refunding Revenue Bonds, Series 2019, the Utility Revenue Bonds, Series 2021A, and the Utility Refunding Revenue Bonds, Series 2021B (collectively, the “Outstanding Bonds”).

The Department has identified the need for additional financing in the amount of approximately \$1.8 billion to fund the Capital Improvement Program (the “CIP”) over the next six years. Included in the CIP is the Department’s One Water Program (the “Program”) which is a large-scale initiative to ensure resiliency and sustainability for the County’s utility customers. The \$1.4 billion program addresses both immediate and long-term water and wastewater needs in the County’s South-Central Service area. The Program is expected to take approximately six years to complete. Please reference Section in the “Capital Improvement Program,” for a detailed discussion on “The One Water Program.”

Given the scope of the Program, the nature of the contracts that will be required, and the long lead times required for delivery of some of the major materials and equipment, the Program will require the County to enter into contracts (and encumber the requisite funds) well in advance of the need for cash spending. The County and its Municipal Advisor met to review the upcoming needs for the program. It was determined that short-term credit facilities would be utilized and target a fixed rate bond issue later in the fiscal year. It is anticipated that over the next six years, four separate bond issues will be needed. As fixed rate bonds are issued (which could include being issued as part of the Series 2026A Bonds), proceeds will i) be utilized to pay-down funds used under the short-term credit facilities releasing funds to encumber additional construction contracts for the Program and ii) be used for construction of the Program (for each individual series of Additional Parity Bonds which will, among other things, pay-down the short-term credit facilities as a use of bond proceeds, associated with such Bonds (the “Bond Plan”).

The County and its Municipal Advisor has initiated the following Plan of Finance:

1. Short-term Credit Facilities – Other Indebtedness:

- a. The County has allocated approximately \$152,325,198 of its Capital Improvement Program Commercial Paper Notes (the “CP Program”) to the Department (“Other Indebtedness”). The interest rate for the CP Program is based on the rate for each issuance of commercial paper notes. For the purposes of the financial forecast a six-month average all-in rate of 3.25% was recognized as provided by the Municipal Advisor, which rate includes an estimate of the allocated fees paid to JPMorgan Chase Bank, N.A. as the provider of the line of credit supporting the CP Program and J.P. Morgan Securities, LLC as remarketing agent for the CP Program.

The Commercial Paper allocated to the System is backed by the County’s covenant to budget and appropriate legally available non-ad valorem revenues and not by Pledged Revenues of the System. The County intends, however, to use Net Revenues of the System to make

payments of costs related to Commercial Paper Notes issued to fund capital improvements for the System (the “Other Indebtedness”).

2. Short-term Credit Facilities – Subordinate Indebtedness: The County has established two subordinate credit facilities with Bank of America, N.A. (the “Bank”) with aggregate current commitments of \$1.0 billion, consisting of a \$350 million revolving facility and a \$650 million non-revolving facility. The facilities are junior and subordinate to the Outstanding Bonds and are intended to provide interim funding capacity for the System’s capital program. The two facilities have different repayment and availability provisions, as described below.

- a. On December 17, 2025, Resolution No. 25-109 was adopted providing for the issuance of the Hillsborough County, Florida, Subordinate Utility Revenue Note, Series 2025 (the “Series 2025 Note”) in the principal amount of not to exceed \$400,000,000 at any one time and not to exceed \$1,500,000,000 in aggregate advances to finance on an interim basis: i) the costs of a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital improvements; and ii) to pay the costs of issuance of the Series 2025 Note. The resulting Revolving Credit Agreement between the County and the Bank is dated December 19, 2025 (“BOA Revolving Credit Agreement”) was initially issued in the principal amount not to exceed \$300,000,000 outstanding at one time, subject to adjustment. The authorized amount reflects the commitment of the bank with respect to advances made to fund the 2026A Project. It is understood that under the revolving nature of this BOA Revolving Agreement, repayments of the principal component of the advances will replenish the amounts that can be drawn and redrawn up to the authorized amount. The Series 2025 Note is subject to tender at the option of the Bank on December 19, 2028. Unless extended, on the maturity date of December 31, 2031, the authorized amount automatically becomes \$0 and all outstanding principal and unpaid accrued interest shall be payable. Pursuant to the Series 2025 Note, and in accordance with an adjustment provision within the Series 2025 Note, on June 17, 2026, the County requested the authorized amount to be increased by \$50,000,000 to a not to exceed authorized amount of \$350,000,000. Allonge No. 1 to amend and restate the Series 2025 Note was executed by the parties on July 20, 2026. Interest is calculated on the outstanding balance of the amounts advanced. The interest rate as provided by the BOA Revolving Credit Agreement is based on sum of (A) the product of (x) 80% and (y) the Daily SOFR, the Term SOFR Rate, or any Successor Rate selected with each draw request (“SOFR”), and (B) 46 basis points (0.46%). The interest rate as provided by the Municipal Advisor was estimated 4.46%. The County also pays the Bank, an Unused Fee at

the annual rate of 0.22% of the daily unused amount of the authorized amount. The interest and Unused Fee are paid each January 1, April 1, July 1, and October 1.

- b. On July 15, 2026, Resolution No. R26-072 was adopted providing for the issuance of the Hillsborough County, Florida, Subordinate Utility Revenue Note, Series 2026 (the “Series 2026 Note”) in the principal amount of not to exceed \$650,000,000 in aggregate advances to finance on an interim basis: i) the costs of a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital improvements; and ii) to pay the costs of issuance of the Series 2026 Note. The resulting Non-revolving Credit Agreement between the County and the Bank is dated July 20, 2026 (“BOA Non-Revolving Credit Agreement”) and was issued in an aggregate principal amount not to exceed \$650,000,000 outstanding at one time. It is understood that under the non-revolving nature of the BOA Non-Revolving Credit Agreement, repayments of the principal component of advances will not replenish amounts drawn to be redrawn. With the assumption that the authorized amount is higher, on June 30, 2028, the authorized amount shall automatically be reduced to \$500,000,000, and on December 31, 2028, the authorized amount shall automatically be reduced to \$350,000,000. The Series 2026 Note is subject to tender at the option of the Bank on December 19, 2028. Unless extended, on the maturity date of December 31, 2031, the authorized amount automatically becomes \$0 and all outstanding principal and unpaid accrued interest shall be payable. Interest is calculated on the outstanding balance of the amounts advanced. The interest rate as provided by the BOA Non-Revolving Credit Agreements is based on the sum of (A) the product of (x) 80% and (y) the Daily SOFR, the Term SOFR Rate, or any Successor Rate selected with each draw request (SOFR); and (B) 46 basis points (0.46%). The interest rate as provided by the Municipal Advisor was estimated 4.46%. The County also pays the Bank, an Unused Fee at the annual rate of 0.22% of the daily unused amount of the authorized amount. The interest and Unused Fee are paid each January 1, April 1, July 1, and October 1.

The Series 2025 Note, and the Series 2026 Note are junior and subordinate in all respects to the Outstanding Bonds and any future Additional Parity Bonds and are referred to collectively herein as the “Subordinate Indebtedness”).

3. Fixed Rate Bonds – Senior Lien Debt

As previously stated, the Bond Plan anticipates the issuance of four separate bond issues. Each individual series of Additional Parity Bonds which will, among other things, refinance the outstanding advances from the short-term credit facilities as a use of bond proceeds, associated with such Bonds with the remaining bond proceeds being deposited into the individual series construction fund.

- a. Utility Revenue Bonds, Series 2026A, (the “Series 2026A Bonds”), are anticipated to be issued on October 14, 2026 in an approximate aggregate principal amount of \$636,105,000 and as described in detail below. It should be noted that the County is considering the issuance of the Utility Refunding Revenue Bonds, Series 2026B (the “Series 2026B Bonds”) to refund a portion of the outstanding Utility Revenue Bonds, Series 2016 (the “Series 2016 Bonds”) to achieve debt service savings. The financial forecast presented in this report does not include any benefits anticipated to be received associated with the refunding of a portion of the Series 2016 Bonds.
- b. Utility Revenue Bonds, Series 2027A, (the “Series 2027A Bonds”), are anticipated to be issued on October 1, 2027 in an approximate aggregate principal amount of \$411,280,000.
- c. Utility Revenue Bonds, Series 2029A, (the “Series 2029A Bonds”), are anticipated to be issued on March 1, 2029 in an approximate aggregate principal amount of \$392,115,000.
- d. Utility Revenue Bonds, Series 2030A, (the “Series 2030A Bonds”), are anticipated to be issued on October 1, 2030 in an approximate aggregate principal amount of \$285,560,000.

The four assumed senior financings total approximately \$1.72 billion in aggregate principal amount, including the Series 2026A Bonds. The projected operating results include the estimated debt service associated with each financing based on the assumptions described in detail under Projected Operating Results – Section “Principal Considerations and Assumptions Regarding Projected Operating Results”, Item 11 on the issuance of Additional Parity Bonds.

For the purposes of this Report the following is a summary of the estimated sources and uses of the proceeds of the Series 2026A Bonds as provided by the Municipal Advisor:

Summary of Series 2026A Bonds Sources and Uses of Funds [1]

Estimated – Series 2026A Bonds	
Sources of Funds:	
Series 2026A Bond Proceeds – Par Amount	\$636,105,000.00
Net Premium	19,621,772.65
Total Sources of Funds	\$655,726,771.65
Uses of Funds:	
Repay CP Program	\$151,216,558.00
Repay Line of Credit	30,661,969.00
Deposit to Construction Fund	468,121,473.00
Costs of Issuance	5,726,771.65
Total Uses of Funds	\$655,726,771.65
[1] Amounts provided by the Municipal Advisor are preliminary and subject to change based on the actual sale of the Series 2026A Bonds. Amounts shown reflect the Municipal Advisor's estimates as of June 26, 2026 and assumes 5.212% Average Coupon and a 5.036% All-In True Interest Cost ("TIC").	

After the issuance of the Series 2026A Bonds, the aggregate principal amount of senior lien debt outstanding (total debt liability) is estimated to be \$1,060,030,000. It is estimated that the debt to net plant ratio (i.e., the principal amount of debt divided by the estimated net utility plant) including the anticipated increase in debt and net utility plant associated with the issuance of the Series 2026A Bonds will be approximately 27% at time of issue (net utility plant includes construction work-in-progress and land), which is considered by the Feasibility Consultant to be favorable but does not reflect the Additional Parity Bonds contemplated under the financing plan or the related additions to net utility plant. As discussed in subsequent sections of this Report, the financial projections do assume the issuance of Additional Parity Bonds during the Forecast Period; please reference the section of the report entitled "Projected Operating Results" for a listing of the assumptions associated with the assumed Additional Parity Bonds recognized in the development of the financial forecast presented in this report.

The County is considering the issuance of the Utility Refunding Revenue Bonds, Series 2026B (the "Series 2026B Bonds") to refund a portion of the outstanding Utility Revenue Bonds, Series 2016 (the "Series 2016 Bonds") to achieve debt service savings. The financial forecast presented in this report does not include any

benefits anticipated to be received associated with the refunding of the Series 2016 Bonds. To the extent the 2016 Bonds are refunded, the Feasibility Consultant is of the opinion that the ratio of debt to net utility plant will still remain favorable and the ability to meet the Rate Covenant requirement pursuant to the Bond Resolution should improve. No debt service savings from the potential Series 2026B refunding are included in the projected operating results. Accordingly, the projected Rate Covenant results do not depend upon completion of the refunding or realization of any related savings.

Hillsborough County

Figure 1

Location of Hillsborough County



The County is located midway along the Central West coast of Florida as shown in Figure 1. The County has a total area of 1,266 square miles, of which 1,020 square miles is land and 246 square miles (19.4%) is water. There is approximately 158.27 miles of shoreline on Tampa Bay. With the largest bay in Florida opening to the Gulf of Mexico, its coast spans 76 miles. The major rivers in the County are the Hillsborough, Alafia, and the Little Manatee, all of which flow into Tampa Bay. The unincorporated area encompasses 87% of the total County land area. The municipalities of Tampa (the County Seat), Temple Terrace, and Plant City account for the remainder of the land area.

Based on information published by University of Florida's Bureau of Economic and Business Research ("BEBR") as reported in the *Florida Estimates of Population 2025*, the County's estimated total population as of April 1, 2025 was 1,575,637, the third most populous county in the State of Florida (out of 67 counties). Since 2020, the County has grown by approximately 115,875 residents, which represents an increase of 7.9%. Based on projections published by the Office of Economics and Demographic Research, the total population of Hillsborough County is projected to increase by nearly 110,000 people (medium projections) to 1,685,000 by 2030. Continued population growth within the System's service area, including the South-Central Service Area, is expected to contribute to increasing water, wastewater, and reclaimed water demands and supports the need for capital improvements described in this Report. Reference "The System", the "Capital Improvement Program – The One Water Program", and the "Historical/Projected System Sales and Customer Usage Statistics" Sections for information presented herein.

The County reports that it has a diversified economic base including a large service sector, a large manufacturing sector, and a thriving retail trade sector. The largest public sector employers in the County are

the Hillsborough County School District, MacDill Air Force Base, University of South Florida, Tampa General Hospital, and the James A. Haley VA Medical Clinic. The County's largest private sector employers are Publix, Baycare Health System, HCA West Florida Division, AdventHealth West Florida Division, and Citigroup. (Hillsborough County, Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2025).

The County is home to Port Tampa Bay. Port Tampa Bay is the largest tonnage port in Florida. It is designated for foreign trade and is one of the most diverse seaports in the country with multiple lines of business providing a solid financial footing and supporting an aggressive capital investment program for new development. The 5,000-acre port supports 85,000 jobs in the Tampa Bay economy. (Hillsborough County, Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2025).

Tourism is another major component of the economy. The number of tourists visiting Florida is expected to continue growing. Busch Gardens of Tampa is one of the leading tourist attractions in the nation. There are numerous other attractions and venues in Hillsborough County such as the Florida Aquarium, the Museum of Science and Industry, the ZooTampa at Lowry Park, Raymond James Stadium, the New York Yankees spring training facility, the Glazer Children's Museum, the Tampa Museum of Art, the Tampa Bay History Museum, the Straz Center for the Performing Arts, Sparkman Warf, and the Benchmark International Arena in downtown Tampa. The County is also the home of the 2021 National Football League Super Bowl Champion, the Tampa Bay Buccaneers, as well as the 2020 and 2021 National Hockey League Stanley Cup Champion, the Tampa Bay Lightning.

The County is authorized to operate the System pursuant to Chapter 125, Florida Statutes. In 2025, the retail population served by the System in the South-Central and Northwest Service Areas was estimated at 759,000 residents representing approximately 48% of the County population estimated as of 2025 by BEBR. The service area generally encompasses the urban service area boundary as adopted by the Board and includes the western portion of the County less those areas served by municipalities as well as areas served by a limited number of small-scale customer-owned utilities (e.g., mobile home park regulated by residents). Pursuant to Chapter 367, Florida Statutes the County, not the Florida Public Service Commission ("FPSC"), regulates the private utilities located in the County in terms of rates and the exclusive right to provide utility service.

The County has not granted a franchise to establish a new utility in more than 20 years. It should be noted that the County has historically acquired franchised utilities to regionalize the provision of water and wastewater service when considered by the County to be economically feasible and/or beneficial, the most recent being the acquisitions of Sunset Plaza Utilities on August 16, 2022 and Windemere Utility Co. on

March 6, 2024. On November 19, 2024, the Sunset Plaza water system was decommissioned and connected to the County's Northwest Service Area. The retail rate revenues derived from the operations of these utilities have been included in the Gross Revenues of the System.

Utility Management and Administration

The Department is responsible for providing customers primarily located within unincorporated areas of the County with: (1) potable water treatment and distribution; (2) wastewater collection, treatment, and disposal; and (3) production and distribution of reclaimed water for irrigation and other non-potable purposes. The Department reports to the County Administrator. The mission of the Department is:

“To protect the health & safety of our customers by providing high quality drinking water and wastewater treatment with beneficial use of reclaimed water.”

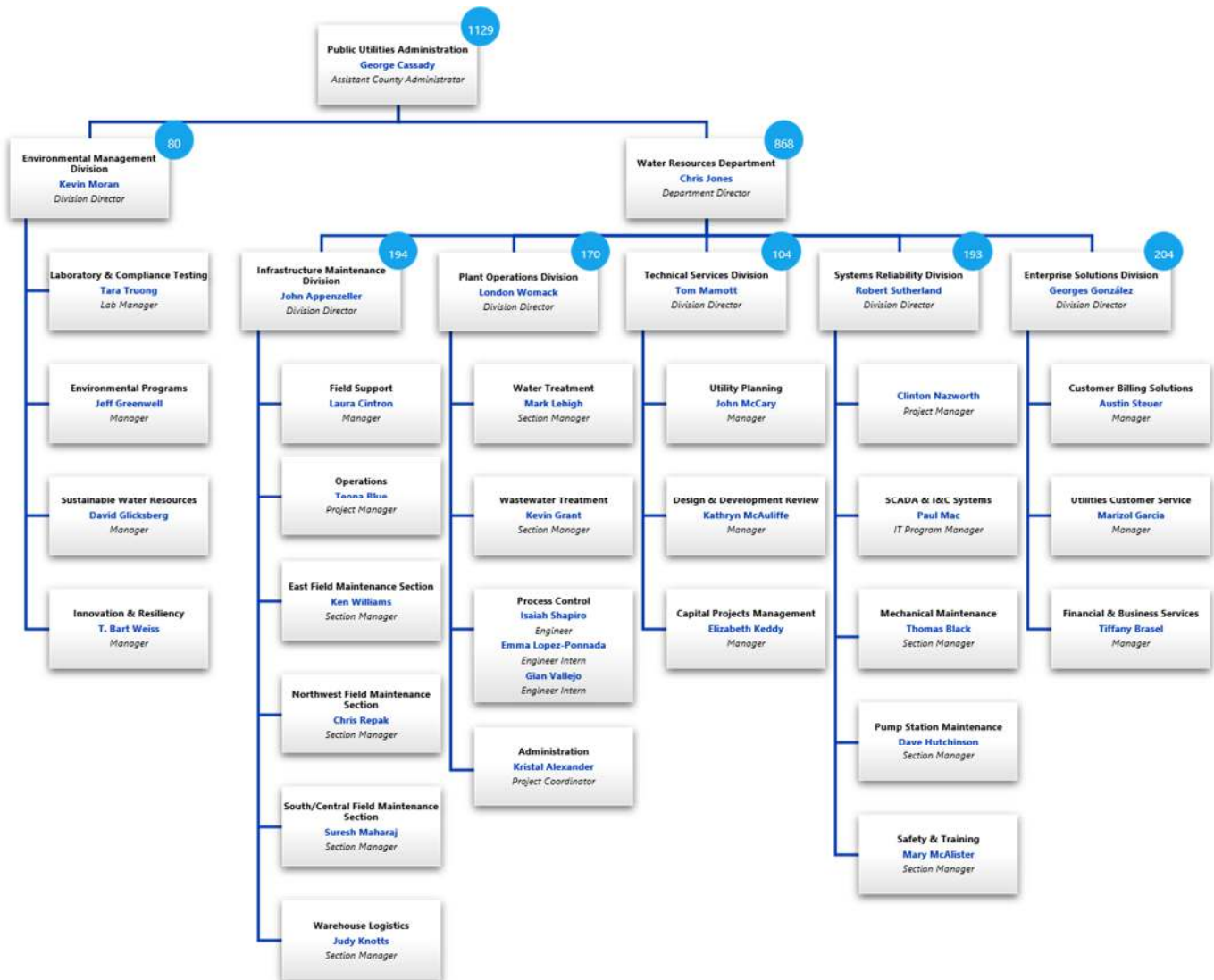
The Department provides essential water, wastewater, and reclaimed water services to customers for quality of life and to meet the requirements for a Certificate of Occupancy. The clients of the System are customers that require service now or in the future. Customers include residents and existing commercial establishments and businesses, developers, and builders. Other stakeholders include Bondholders, Commissioners, other County departments (e.g., Public Works), and neighboring utilities.

The utility service areas served by the System are collectively referred to as the Urban Services Area. The Urban Services Area is made up of two distinct geographic regions: i) the Northwest Service Area, with an area of about 77 square miles; and ii) the South-Central Service Area, with an area of approximately 232 square miles. Figures 3 and 4 included later in this Report illustrate the location of the County's utility service for the respective Water and Wastewater Systems and the utility service areas for the other municipal utility systems located within the County. The Department has the exclusive right to provide water, wastewater, and reclaimed water within the Urban Service Area when it is not provided by a municipality or by a private utility that is franchised by the County.

Utility Organization

The organization of the Department includes a Water Resources Director and division directors who have experience in utility management, engineering, financing, and operations. Figure 2 on the following page shows the Department organizational chart as of June 2026.

Figure 2 – Department Organizational Chart



(Remainder of page intentionally left blank)

A brief biography for personnel strategically involved in the management of the utility is presented in the following paragraphs:

George Cassady, P.E. continues his role as an Assistant County Administrator Public Utilities overseeing the WRD, Solid Waste Services, and the Environmental Management Division. Prior to joining the County, he was the Director of Water Resources for the City of St. Petersburg from 2008 to 2012. He has a bachelor's degree in chemical engineering from Auburn University and a master's degree in environmental engineering from the University of South Florida. A registered professional engineer in the State of Florida since 1989, Mr. Cassady has over 40 years of experience in both the public and private sectors.

Chris Jones is the Director of the Water Resources Department ("WRD"). Mr. Jones has more than 18 years of experience in the water utility industry, including ten years with the WRD. Prior to his appointment as the director, Mr. Jones served as the division director for the Department's Infrastructure Maintenance Division. Previous utilities experience includes Orange County Utilities (Orlando, FL) and City of Boulder Public Works (Boulder, CO). Prior to entering the water industry, Mr. Jones worked in the construction industry and served in the U.S. Army as a transportation specialist. Mr. Jones holds a bachelor's degree in business management and several State of Florida and Colorado licenses in water distribution and wastewater collections.. As the Water Resources Department Director, Mr. Jones is responsible for overseeing the Department's five divisions and approximately 868 employees. His responsibilities include strategic and operational oversight of the County's water and wastewater utility. His experience provides a broad perspective on the planning, operation, maintenance, and long-term stewardship of the utility and its infrastructure.

John Appenzeller, Division Director of Infrastructure Maintenance Division. Mr. Appenzeller manages and directs all aspects of the division's responsibilities. He has more than 12 years of experience in the water utility industry and extensive field operations experience involving the operation and maintenance of water distribution, wastewater collection, and reclaimed water systems, including the rehabilitation and replacement of aging infrastructure. Prior to his utility career, Mr. Appenzeller accumulated more than 16 years of leadership experience in safety, security, and operations management. He holds a bachelor's degree in business administration and several State of Florida licenses in water distribution and wastewater collections. In his current role, Mr. Appenzeller provides operational leadership and oversight for approximately 194 employees responsible for maintaining the reliability, safety, and performance of the utility's water, wastewater, and reclaimed water systems.

London Womack is the Division Director of Plant Operations Division. Ms. Womack manages and directs all aspects of the division's responsibilities in compliance with federal, state, and local regulations. Ms. Womack has more than 30 years of experience in the water and wastewater utility industry and served as the Section Manager for the Department's Wastewater Operations Team for seven years prior to her appointment as the Division Director. Ms. Womack has a civil engineering bachelor's degree in science from the University of Kentucky and an applied mathematics bachelor's degree in science from Kentucky State University. Ms. Womack oversees approximately 170 employees and is ultimately responsible for the operation of five wastewater treatment plants ("WWTPs"), four regional potable water facilities, and reclaimed water operations.

Thomas Mamott, P.E. is the Division Director of Technical Services and joined the County in 2017. Mr. Mamott has more than 33 years of experience in the water and wastewater utility industry, with the past 25 years in public utilities. Since 1996, Mr. Mamott has been a registered professional engineer in the state of Florida and holds both a master's degree and a bachelor's degree in environmental engineering from the University of Central Florida. He originally joined WRD as the Capital Projects Section Manager and has been the Division Director for seven years. Mr. Mamott oversees approximately 104 employees.

Robert Sutherland is the Division Director of the Systems Reliability Division and brings over 25 years of experience in the water and wastewater utility industry. He is widely recognized for his leadership in managing large teams, implementing cost-effective maintenance strategies, and consistently delivering results in complex, high-demand environments. In his current role, Mr. Sutherland oversees 193 employees and manages a broad portfolio of responsibilities, including the maintenance of mechanical, electrical, instrumentation, and control systems; property management; safety and training programs; strategic planning; budgeting; policy development; procurement; technology assessment; and the overall operations of the division.

Georges Gonzalez is the Division Director of the Enterprise Solutions Division. Mr. Gonzalez has more than eight years of experience in the public water utility industry and over 25 years leading small- and large-scale teams. Mr. Gonzalez joined the WRD in 2023. Prior to working at the County, he was the Deputy Administrator and Chief Financial Officer for Metropolitan Council in St. Paul, Minnesota, a regional organization, overseeing seven county water and wastewater functions, development, transit, parks, and police operations. Prior to that role, he was the Business and Customer Services Division Director for the Pinellas County Utilities Department. Mr. Gonzalez received his master's degree in business administration from The University of Tampa and has a bachelor's degree in business from Eckerd College. Some of his

responsibilities include WRD's meter-to-cash functions, customer accounts management, providing financial support to WRD's enterprise funds, customer outreach and overseeing approximately 204 employees.

Kevin Moran, P.E. is the Division Director of the Environmental Management Division and oversees approximately 80 employees. Prior to being the Division Director, he held various engineering positions within the County including Infrastructure Planning Section Manager and Wastewater Planning Team Leader. He has a Bachelor of Science in mathematics from Mary Washington College and a Master of Science in engineering from the University of South Florida. Mr. Moran has been a licensed engineer in the state of Florida for over 25 years and previously worked in consulting engineering as well as for the Southwest Florida Water Management District.

The following paragraphs summarize the responsibilities of each organizational function within the Department.

Director – The Director oversees all of the Department functions and is supported by six divisions that serve various functions. The six divisions include Infrastructure Maintenance, Plant Operations, Technical Services, System Reliability, Enterprise Solutions, and Environmental Management. Further description of the Department organizational structure and functions is provided below:

Infrastructure Maintenance Division (“IMD”) – Infrastructure Maintenance responsibilities include all water, wastewater, and reclaimed water infrastructure and related assets outside of the treatment facilities. IMD currently has 194 employees. Facilities managed by the Division include approximately 3,000 miles of water distribution mains, 1,638 miles of gravity sanitary sewer, 738 miles of wastewater force mains, 81 miles of low-pressure force mains, 417 miles of reclaimed water mains, as well as 60,083 potable water, wastewater, and reclaimed water valves, 18,312 fire hydrants, 40,641 gravity manholes, air release assemblies, and other appurtenances associated with this underground infrastructure. IMD is subdivided into six sections: Field Support, Operations, East, West, and South Maintenance sections, Warehouse Logistics, and Business Operations.

Plant Operations Division (“POD”) – Operations of the water and wastewater treatment facilities is the responsibility of this division. The Plant Operations Division operates and maintains five wastewater treatment plants, four regional potable water facilities, two neighborhood systems, one regional potable repump station, six small potable repump stations, 11 reclaimed water pump stations, and all reclaimed water operations. This division is currently comprised of 170 employees and is made up of four sections: Water Treatment, Wastewater Treatment, Process Control, and Administration. All maintenance information collected is provided through the Department's asset management program (within the Utility Planning

group of the Technical Services Division). The Water and Wastewater Treatment Sections are responsible for plant operations, standard operating procedures (“SOPs”), emergency responses, and minor maintenance activities. In addition to the two sections, the Process Control group is included under the Plant Operations Division and is responsible for process-related issues and improvements at the plants.

Technical Services Division (“TSD”) – This division currently has 104 employees and is comprised of Utility Planning, Design and Development Review, and Capital Projects Management. Responsibilities include all engineering tasks, utility planning, asset management, utility development review, utility design, capital project management, and project controls and performance. The division functions include both short- and long-range utility planning, facility capacity planning, prioritization of capital needs, alternative funding, legislative monitoring, maintaining and managing the asset management system, maintaining the utility geographic information system (“GIS”) database and record drawings, field utility locates, utility coordination with Florida Department of Transportation (“FDOT”) and the County Public Works Department, regulatory reporting and permitting support, technology research and piloting, utility development review, hydraulic modeling and analysis, maintaining the County’s utility design standards and specifications, utility design, infrastructure inspections, delivery of large stand-alone capital improvement projects, delivery of smaller projects funded and executed under the master capital program (in place to increase the efficiency in the delivery of smaller projects), oversight and coordination of all phases of projects (planning, property acquisition, design, construction, start-up, and close out), providing timely analysis and reports, technical support, and planning and coordination with all other County entities and regulatory agencies.

Systems Reliability Division (“SRD”) – The Systems Reliability Division is comprised of 193 employees and composed of essential sections: Plant Mechanical Maintenance, Pump Station Maintenance, Supervisory Control and Data Acquisition (“SCADA”) and Instrumentation and Controls, and Safety and Training. The maintenance sections are responsible for asset preservation and the execution of efficient preventive and corrective maintenance activities, as well as supporting emergency response operations. Maintenance and repair activities are primarily conducted by County staff, supported through the use of various applicable contractors. The division plays a vital role in WRD’s emergency management strategy, contributing to both preparedness and recovery efforts across the organization.

Enterprise Solutions Division (“ESD”) – This division is comprised of three sections consisting of Approximately 204 employees. Sections include Customer Billing Solutions, Financial and Business Services, and Utilities Customer Service. The primary functions of the Customer Billing team are the end-to-end process of providing utilities to customers and collecting payment. This includes meter reading, billing

generation, invoice processing, payment collection, and customer service related to billing and payments. The Financial and Business Services primary functions involve developing and maintaining the WRD's operational and CIP budgets, communicating timely fiscal updates, invoicing and payment of services, tax-related matters, annual rate studies, financial analysis, managing cash flow, investment, and financial planning, managing contracts, ensuring compliance, and after-hours emergencies. Utilities Customer Service manages meter readings and field services, the call center, and oversees billing data management.

Environmental Management Division (“EMD”) – The Environmental Management Division is part of the Public Utilities Administration under George Cassidy but not within the WRD. This division is included in this report because it serves support functions for the WRD. The Environmental Management Division is comprised of four sections consisting of 80 employees. The sections are Environmental Programs, Laboratory and Compliance Testing, Sustainable Water Resources, and Sustainability and Resiliency. The Environmental Programs Section provides regulatory compliance support for WRD as well as operational support for the aquifer recharge system. The Laboratory and Compliance Testing Section maintains a certification as a testing laboratory under the National Environmental Laboratory Accreditation Program and provides testing of water and solids to meet the regulatory standards for WRD. The Sustainable Water Resources Section includes water reuse, conservation, wetland mitigation and augmentation, and lake and stream monitoring. The Sustainability and Resiliency Section supports WRD's innovation efforts, encouraging efficiency and cost-effective solutions developed by staff.

The System

The County's water, wastewater, and reclaimed water utility system (previously defined as the “System”) currently operates the following County-owned facilities:

- Potable water treatment plants, booster pumping station, transmission, and distribution systems, as well as storage and associated plant metering systems (the “Water System”);
- Wastewater treatment plants, wastewater collection system, as well as associated storage and plant metering systems (the “Wastewater System”); and
- Reclaimed water storage, pumping, and transmission systems (the “Reclaimed Water System”).

Based on information provided by the County and financing team, the Water System, Wastewater System and Reclaimed Water System are operated as an integrated system, and Net Revenues of the System are pledged to secure the Bonds as described in the Bond Resolution. The Department maintains a system-wide

comprehensive asset management system to track and document asset data such as condition, maintenance activities, and capital projects. Included in the asset management system are treatment facility assets; potable and reclaimed water pump stations; aboveground distribution and collection assets such as fire hydrants, valves, and blow-offs; gravity systems including gravity sewer pipes and manholes; and underground pressure pipe such as water mains, reclaimed water mains, and sewer force mains. One goal of asset management is to alert IMD, SRD, and POD staff when infrastructure is anticipated to be near the end of its useful life in order to program assets for replacement and estimate funding needs for the capital improvement program.

Water System Overview

The County's potable Water System is comprised of treatment and a transmission and distribution system which during the Fiscal Year 2025 provided service to an average of 204,512 (excluding 451 fire line accounts) retail accounts or 284,512 corresponding equivalent residential connections ("ERCs") within the Water System service area. With respect to the reported ERCs served, 69.7% are classified as individually metered residential, and 30.3% consisting of master-metered residential, commercial, and irrigation services. An ERC for the Water System represents the equivalent usage requirements of an individually metered residential customer and equates to approximately 300 gallons per day ("gpd") of metered water service pursuant to the County's required level of service. Since commercial and master metered residential customers can be served by larger-sized meters than the standard residential customer, it is more useful to equate such customers on a basis equivalent to the residential class for a more consistent presentation of the total customer base served.

To serve the customer base of the Water System, the Department entered into the Amended and Restated Interlocal Agreement in 1998 with Tampa Bay Water, a Regional Water Supply Authority ("Tampa Bay Water") to secure a long-term water supply. For the Fiscal Year 2025, Tampa Bay Water provided approximately 97.46% of the total potable water needs of the Water System; the remainder being derived from certain municipal public utilities due to the proximity of the service requirements.

The Water System consists of four regional and three operational neighborhood potable water treatment facilities, one regional booster pumping station, six neighborhood re-pump stations and approximately 3,000 miles of potable water transmission and distribution pipelines ranging in size from 0.625 inches to 54-inches in diameter. A new facility, the South County Drinking Water Facility PH1 – One Water (the "South County Drinking Water Facility"), is anticipated to be online at the beginning of Fiscal Year 2029 and initially serve approximately 20.0 mgd of annual average finished water demand. The facility is expected to be capable of providing up to 72 mgd of finished water at full buildout.

Wastewater System Overview

The County's Wastewater System is comprised of collection, treatment, and disposal (effluent and residuals) systems which during the Fiscal Year 2025 provided service to an average of 194,930 retail accounts or 310,053 corresponding ERCs within the Wastewater System service area. An ERC for the Wastewater System represents the equivalent usage requirements of an individually metered residential customer and equates to approximately 200 gpd based on metered water service delivered to the customer premises pursuant to the County's required level of service.

The Wastewater System consists of five regional wastewater treatment facilities and two acquired wastewater treatment facilities and provides wastewater effluent disposal through water reuse (the primary method of effluent disposal), groundwater recharge wells, and surface water discharge (the secondary method of effluent disposal). The Wastewater System also includes approximately 2,376 miles of gravity sewers and force mains, 905 master and local pumping stations (excluding low pressure systems), and 40,641 manholes. A new facility, the South County One Water Campus AWWTF, is expected to be online in late 2028 with an initial capacity of 8.0 mgd and anticipated expansion to up to 24 mgd by the end of 2030.

Reclaimed Water System Overview

The County's Reclaimed Water System is comprised of pumping, transmission and distribution, and storage facilities which during the Fiscal Year 2025 provided service to 21,004 retail customer accounts including 20,490 residential (which includes 13,708 flat rate and 6,782 metered service accounts), 487 commercial, and 27 large user (bulk) accounts. The Reclaimed Water System consists of 11 reclaimed water pump stations, approximately 415 miles of transmission mains, and 123 million gallons ("MG") of reclaimed water storage.

Service Area Agreements

As shown in Figure 3 later in this Report, the County's water service area encompasses a large portion of the unincorporated western section of the County where the majority of the population resides. As illustrated in Figure 3, the County's water service area does not include the City of Tampa (the County's largest municipality), the City of Plant City, or the City of Temple Terrace. Water service is provided by the respective municipalities to the customers located within the corporate limits of such respective cities. As shown on Figure 4 later in this Report, the County's wastewater service area also encompasses a large portion of the unincorporated western section of the County and is very similar to the service area boundaries of the

Water System. As with the Water System, the Wastewater System service area does not include the cities of Tampa, Plant City, or Temple Terrace.

The County has entered into a series of interlocal and/or service agreements with municipalities in the County (listed below) that established the service area boundaries for the Water and Wastewater Systems. The following is a summary of the service area agreements by entity:

1. **City of Tampa** – With respect to the City of Tampa, the two parties entered into an Interlocal Agreement dated June 26, 1979, which has been amended and supplemented from time to time (on which the terms have not changed since April 5, 2000), which established the water and wastewater service boundaries between the two entities (the “Tampa Service Area Agreement”). The Tampa Service Area Agreement provides, among other things, for the area to be served by each party, the construction of interconnections at certain delivery points, and rates for wholesale service as may be required by the entities. The County currently purchases wholesale water and/or wastewater service from the City of Tampa primarily to: i) serve the Seaboard (water and wastewater service) and Herschel Heights (water-only service) utility systems that were previously acquired from Florida Water Services Corporation by the County at locations which were not located in the Tampa utility service area but were served on a wholesale basis by Tampa; ii) serve the Pebble Creek and Eastlake utility systems (water service) that was previously acquired from Pluris Holdings, LLC by the County which are served by Tampa on a wholesale basis (the on-site water facilities were decommissioned from service); and iii) serve certain other small isolated service areas located in unincorporated County that were considered by the Department to be best served through purchases from Tampa as opposed to connecting such areas to the County’s regional system. The agreement had an initial term of 40 years and has been extended through June 4, 2027. Upon discussions with County staff, there is no action required to maintain the wholesale water and wastewater services currently in place, however the intention is to extend the interlocal agreement with the City of Tampa for two years and review the agreement annually.
2. **City of Plant City** – With respect to Plant City, the County only provides water and wastewater service to an area referred to as the Oak Utility Service Area. This utility was acquired by the County (as a separate utility that was not part of the System) through a receivership that was granted to the County on May 23, 1989 and the County formally incorporated the system into the County System during Fiscal Year 2003. The County and Plant City entered into an Interlocal Agreement to Provide Water and Wastewater Service to the Oak Utility Service Area dated March 20, 1996 (the “Plant City Service Area Agreement”), which has been amended from time to time. The County purchases

wholesale water and wastewater service from Plant City to service the Oak Utility service area. The Plant City Service Area Agreement provides, among other things: i) the basis for the wholesale rates for service; ii) the identification of the service area as the Oak View Estates subdivision (serves approximately 200 residential customers); and iii) the option for Plant City to acquire the utility if such facilities are annexed into the city (currently, the subdivision does not reside in the Plant City corporate limits) and that the utility meets the City's specifications and requirements. The term of the Plant City Service Area Agreement initially was for a period of 10 years with the ability to be renewed for additional five-year terms upon expiration of the initial term and every fifth year thereafter. The parties renewed and extended the Plant City Service Area Agreement for an additional five-year period through March 19, 2011 with the execution of the First Amendment to such agreement dated April 24, 2006. Although the agreement has not formally been extended by the parties since 2011, the County continues to receive service from Plant City and is billed as a commercial customer on a retail basis receiving utility service outside the Plant City limits. For FY 2025, purchases from Plant City represented approximately 0.13% of the County's total purchased water volume.

3. **City of Temple Terrace** – With respect to the City of Temple Terrace, the County and the City entered into the Agreement to Establish Potable Water and Wastewater Service Areas in an Urban Expansion Area in Unincorporated Hillsborough County and for the City of Temple Terrace to Provide Bulk Domestic Wastewater Service to Hillsborough County for said Wastewater Service Area on April 3, 2002, which has been amended from time to time (the "Temple Terrace Service Area Agreement"). This agreement was entered into by the parties to allow the County to serve a portion of the Urban Expansion Area located east of the City of Temple Terrace with water and wastewater service. Currently, service provided on a wholesale basis by Temple Terrace is for a very limited number of water and wastewater customers (three metered connections that represent 20 equivalent residential connections). The Temple Terrace Service Area Agreement provides, among other things: i) the basis for the wholesale rates for service; ii) the identification of the service area to be served on a retail basis by the County; and iii) the term of service. The term of the Temple Terrace Service Area Agreement shall run in perpetuity, provided however that either party may terminate and withdraw from the agreement upon 36 months' written notice by either party. The County does not anticipate this agreement to be terminated by either party during the Forecast Period.
4. **Pasco County** – Two Rivers Development Project – With respect to the Two Rivers development project, Hillsborough County does not have existing potable water or wastewater facilities in the

vicinity of the development that can be reasonably or economically extended to provide service. To address this, Hillsborough County and Pasco County entered into an Interlocal Bulk Water and Wastewater Agreement dated December 13, 2022 (the “Two Rivers Agreement”). Under this agreement, Pasco County provides bulk potable water and wastewater service to Hillsborough County, which the County then uses to serve utility customers within the Hillsborough portion of the Two Rivers development. The Two Rivers development consists of approximately 1,948 acres located on the west side of U.S. Highway 301 along the Hillsborough–Pasco County border. It was approved as a Planned Development in 2008 permitting 972 residential units, 45,000 square feet of neighborhood commercial uses, private equestrian facilities, trails, and a private golf course. The site is designated Planned Environmental Community (“PEC”) under the Hillsborough County Comprehensive Plan, which requires central potable water and wastewater service to protect the Hillsborough River and surrounding resources. The Two Rivers Agreement provides, among other things: i) that Pasco County will deliver bulk potable water and wastewater service at specified points of connection; ii) that Hillsborough County is responsible for constructing and maintaining its own connections and facilities up to the metering point, with Pasco owning and maintaining the meters; iii) the establishment of bulk consumption rates and capital recovery surcharges, which are subject to adjustment by Pasco County’s Board of County Commissioners; and iv) the service commitment for up to an average of 300,000 gallons per day. All costs associated with extending utility infrastructure to serve the development are borne by the developer. The initial term of the Two Rivers Agreement is 25 years from execution, with Hillsborough County holding the option to renew the agreement for an additional 25 years subject to Pasco County approval. Either party may terminate under certain conditions, including default, or if Hillsborough County is able to provide its own service, with two years’ notice. The agreement was recorded in the public records of both Hillsborough and Pasco Counties in accordance with Section 163.01(11), Florida Statutes. As of the date of this report, the County has not purchased water or wastewater services from Pasco County because utility demand requiring service under the agreement has not yet materialized. Future purchases are expected as development progresses and utility service is initiated within those areas designated to be served through the agreement.

5. **City of Oldsmar** – With respect to the City of Oldsmar (which is located in Pinellas County), the City provides water service to a single retail customer located in Northwest Hillsborough County (service is provided to one metered account representing one equivalent residential connection). The account is billed under the City of Oldsmar’s standard outside-city retail rate structure.

Water System

As previously mentioned, the Water System is comprised of a treatment, transmission, and distribution system that provided service on average to 204,512 retail accounts (excluding 451 fire line accounts) during the Fiscal Year 2025. The water treatment and distribution system are divided into two general service areas: the Northwest and the South-Central. The limits of these service areas and the water treatment facilities are illustrated in Figure 3 later in this Report. The following section provides a discussion of the facilities that comprise the Water System.

Potable Water Supply

The County currently receives the majority of its water resources and supply needs from Tampa Bay Water. Tampa Bay Water was organized in 1998 as the successor to the West Coast Regional Water Supply Authority. Tampa Bay Water currently provides water to Hillsborough County, Pasco County, Pinellas County, the City of New Port Richey, the City of St. Petersburg, and the City of Tampa (collectively, the “Member Governments”) all within the Tampa Bay area. In turn, the Member Governments supply water to over 2.6 million residents of the Tampa Bay area. During Fiscal Year 2025, Tampa Bay Water delivered an annual average of approximately 198.47 million gallons per day (“mgd”) of water to member governments^[5]. During the Fiscal Year 2025, Tampa Bay Water provided approximately 79.40 mgd or 97.46% of the total Water System potable water needs of the County, which equated to approximately 40.01% of the total reported water production by Tampa Bay Water.

Tampa Bay Water is the County’s principal wholesale water supplier and provided approximately 97.46% of the Water System’s Fiscal Year 2025 potable-water requirements. Accordingly, the reliability and cost of Tampa Bay Water supply represent material operating considerations for the Water System. The County’s treatment, storage and distribution facilities receive and further treat or distribute water supplied by Tampa Bay Water as described below.

A fundamental duty of Tampa Bay Water is to provide an adequate supply of potable water to all customers served by the Member Governments. To do this, Tampa Bay Water is charged with the obligation to design, acquire, construct, operate, and maintain water supply facilities. Tampa Bay Water is required to update its

[5] Source: Tampa Bay Water. 2025 Tampa Bay Water Supply Overview. Published October 27, 2025 from <https://www.tampabaywater.org/blog/2025-tampa-bay-water-supply-overview/>

Master Water Plan every five years to meet projected needs of the member governments for the next 20 years. Water supplies must be developed in a manner that balances the need for water production with environmental concerns.

Tampa Bay Water publishes a uniform rate per 1,000 gallons to the Member Governments with the exception of water delivered to the City of Tampa from the Tampa Bypass Canal. This uniform rate is calculated annually based on projected revenue requirements for operation and maintenance expenses, debt service payments, renewal and replacement expenditures, reserve deposits, and capital expenditures and the anticipated quantity of water to be sold during the fiscal year. Monthly invoices are provided by Tampa Bay Water to the Department that account for fixed costs, water quantity sold to the Department, credits for water quality, and for facility acquisitions by Tampa Bay Water from the County (the payments received by the County for the facility acquisitions are deposited into the Renewal and Replacement Account and do not serve to reduce purchased water expenses). The amounts billed are subject to a true-up calculation annually based on actual volumes purchased by the Member Governments for the year. During the Fiscal Year 2025, Hillsborough County purchased 28.98 billion gallons of water from Tampa Bay Water and paid approximately \$79.19 million to Tampa Bay Water for such water purchases. The current uniform rate (reflects average rate for all costs billed by the entity) being charged by Tampa Bay Water during the Fiscal Year 2026 is \$2.6388 per 1,000 gallons.

The following is a description of Tampa Bay Water and how it relates to the Department:

Tampa Bay Water Governance. The Interlocal Agreement entered into by and among the Member Governments (the “Interlocal Agreement”), reorganized West Coast Regional Water Supply Authority (the “Predecessor Authority”) created pursuant to Section 373.1962 and 163.01, Florida Statutes, and other applicable laws, for the purpose of developing, recovering, storing and supplying water for county and municipal purposes in such a manner as to give priority to reducing adverse environmental effects of excessive withdrawals of water from concentrated areas. Pursuant to the Interlocal Agreement, Tampa Bay Water essentially became the exclusive provider of water for the Member Governments for the geographic territory of Hillsborough, Pasco, and Pinellas Counties. According to the provisions of the Interlocal Agreement, Tampa Bay Water has the absolute and unequivocal obligation to meet the quality water needs of the Member Governments, which needs are required to be satisfied before quality water is delivered to any other customer of Tampa Bay Water. Accordingly, Tampa Bay Water must oppose any permit, order, rule, or other regulatory effort to reduce or limit the permitted capacity of its water supply facilities, unless: (i) the reduction or limitation results from an agreement to which all Member Governments are parties; or (ii) the reduction or limitation will not become effective until adequate replacement capacity has been placed in service. Unless

terminated earlier pursuant to the terms of the Interlocal Agreement, the Interlocal Agreement shall expire upon the later of the following dates: (i) the fortieth anniversary of the commencement date of the Interlocal Agreement, or (ii) the date on which no Tampa Bay Water Obligations (as defined in the Interlocal Agreement) remain outstanding.

Tampa Bay Water and the Member Governments entered into the Master Water Supply Contract to establish the format for the supply of water to all of the Member Governments by Tampa Bay Water and to develop a plan to share the costs of operating, acquiring, constructing, equipping, and expanding Tampa Bay Water's System. Under the terms of the Master Water Supply Contract, Tampa Bay Water is required to provide sufficient water to each Member Government to meet that Member Government's needs. The Member Governments agree in the Master Water Supply Contract to provide water service to the customers in their Water Service Areas (as defined in the Master Water Supply Contract) only from water supplied from Tampa Bay Water (except for those facilities retained by the Member Governments through the exceptions to exclusivity allowed in the Interlocal Agreement).

The term of the Master Water Supply Contract commenced on September 29, 1998 and ends on the date the Interlocal Agreement is terminated in accordance with its provisions or the date on which no Obligations remain outstanding pursuant to Tampa Bay Water's financing documents and bond resolutions. The Master Water Supply Contract contains procedures for the annual setting of the Uniform Rate to be charged to the Member Governments for water, billing procedures, and related provisions. Reclaimed water is not provided by Tampa Bay Water because the member governments retain the exclusive right to develop, own, and/or operate all reclaimed water facilities.

Tampa Bay Water is governed by a Board of Directors that represents the Member Governments. All Board Members are elected officials of the various Member Governments served by Tampa Bay Water and are entitled to one vote. The three counties are represented by two Board Members from each county and the three cities are represented by one Board Member from each city (total of nine Board Members).

Water Supplies of Tampa Bay Water. Since its beginning as Tampa Bay Water on October 1, 1998, the water resource provider has developed a diverse group of water supply sources. These sources include water from three rivers, a 15 billion-gallon surface water reservoir, a surface water treatment plant, a seawater desalination plant, groundwater from wells, and the purchase of water from the City of Tampa. During Fiscal Year 2025, groundwater provided 54.7%, surface water 40.9%, desalination 4.40%, and water from the City of Tampa zero percent of the total Tampa Bay Water pumpage of 72.441 billion gallons (198.47 mgd average). In 1998 when Tampa Bay Water was formed, 100% of its water was supplied from groundwater wells.

Tampa Bay Water consolidated permit (No. 20011771.001) specifies permitted withdrawals of 90 mgd annual average daily flow (“AADF”) from 11 wellfields previously operated by various member governments, including Hillsborough County. Tampa Bay Water operates two additional wellfields in central and southern Hillsborough County. Water is delivered throughout the tri-county area to member governments by large diameter transmission mains and large pump stations. In Fiscal Year 2025, Tampa Bay Water supplied approximately 28.98 billion gallons of water to the County.

Tampa Bay Water is subject to regulation by FDEP, the Florida Department of Health and Rehabilitation Services, and the United States Environmental Protection Agency for matters related to the quality of water and the construction of its facilities. In addition, the SWFWMD regulates consumptive uses of water via permit.

As the primary wholesale supplier of the County’s potable water supply, Tampa Bay Water has sufficient capacity to meet the Water System projected water demand through at least 2040.

Tampa Bay Water Financials. The uniform rate charged to the Member Governments for Fiscal Year 2026 is \$2.6388 per 1,000 gallons.

Other Water Providers. In addition to the purchases of water from Tampa Bay Water, the County also purchases water from the Cities of Tampa, Plant City, Temple Terrace, and Oldsmar. Purchases from Tampa Bay Water provide the majority of the water needs of the Water System; the additional purchases from the other municipal utility providers during the Fiscal Year 2025 amounted to approximately 2.54% of the total water requirements as shown on the following page:

Summary of Fiscal Year 2025 Water Purchases – (000s of Gallons)

	Amount Purchased	Percent
Tampa Bay Water	28,982,020	97.46%
City of Tampa	715,465	2.40%
City of Plant City	37,682	0.13%
City of Temple Terrace	2,071	0.01%
City of Oldsmar	34	<0.01%
Total Fiscal Year 2025 Purchases	<u>29,737,272</u>	<u>100.00%</u>

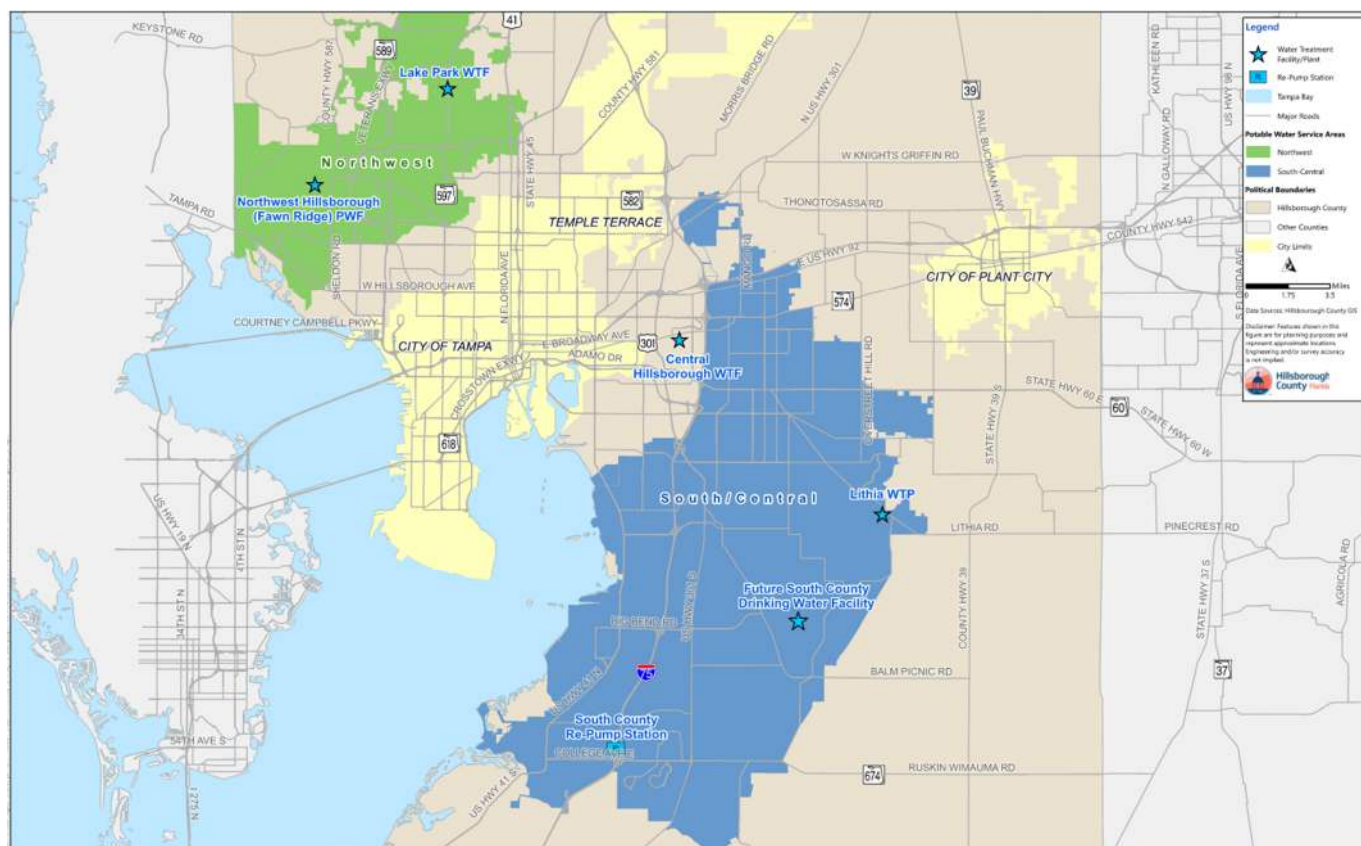
The Department reports that the purpose of the additional municipal purchases is to provide water and wastewater service to areas that are within the County's Water System service area that cannot readily be served directly by the County transmission facilities (and thus, through purchases from Tampa Bay Water). The purchases made from the other municipalities are for certain distinct service areas and are considered by the County as being insignificant to the overall water requirements of such municipalities (based on the number of customers served relative to each individual city's customer base), and the County does not anticipate any issues relative to the continued supply of such water resources from the respective municipal utilities.

Potable Water System

The County potable water facilities include four regional potable water treatment plants, three neighborhood potable water facilities, one re-pump stations, six neighborhood re-pump stations, and approximately 3,000 miles of potable water transmission and distribution pipelines. The new South County Drinking Water Facility is anticipated to be online by the end of 2028 with an initial annual average finished water demand of approximately of 20 mgd, while being designed to provide up to 72 mgd of maximum day treatment capacity. The County treatment facilities receive most of their water from Tampa Bay Water, provide additional treatment, and pump the finished potable water into the water transmission and distribution system for ultimate delivery to retail customers. The potable water portion of the Water System is divided into two general service areas: the Northwest Service Area and the South-Central Service Area. The limits of these service areas and the location of the potable water treatment facilities are illustrated in Figure 3 on the following page.

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Figure 3. Potable Water Service Areas and Major Facilities



Potable Water Treatment Facilities

The County currently owns and operates four regional potable water treatment facilities. Carollo conducted site visits to all the regional facilities in May 2025 to assess the general aboveground facility condition. Carollo completed limited condition assessments in areas where the site could be visually inspected. Based on the site visits and discussions with County staff, Carollo believes that, overall, the regional potable water treatment facilities are in good to above average condition. A description of each facility follows.

Regional Water Treatment Facilities:

Central Hillsborough Water Treatment Facility. The Central Hillsborough Water Treatment Facility was put into service in February 2009. This facility provides potable water to the South-Central Service Area. This facility has a permitted treatment capacity of 25.0 mgd, a firm pumping capacity of 32.1 mgd, and a storage capacity of 10 million gallons (“MG”). The source water utilized by this facility is provided by Tampa Bay Water and consists of a treated mix of groundwater, surface water, and desalinated water.

Carollo inspected this facility on May 20, 2025 and found it to be in very good condition. Pump 4 variable frequency drive (“VFD”) was replaced in 2025. A backup operations control was also installed in the main electrical building which allows for backup operation of the plant. Possible upcoming projects include additional VFD replacements.

Lake Park Water Treatment Facility. The Lake Park Water Treatment Facility is located in the Northwest Service Area. This facility has a permitted treatment capacity of 31.0 mgd, a firm pumping capacity of 35.0 mgd, and a storage capacity of 10 MG. The plant receives raw water from Tampa Bay Water’s Section 21 Wellfield and a treated mix of groundwater, surface water, and desalinized water from the Tampa Bay Water’s regional system.

The Lake Park Water Treatment Facility was originally constructed in 1984. In 1988, a second storage tank was added along with associated yard piping, and in 2002, the plant was renovated and expanded. Recently completed projects include the replacement of two 35-inch valves in the influent line. Upcoming projects include the ammonia pump skid and caustic tank replacement. Carollo inspected this facility on May 15, 2025 and found it to be in very good condition.

Lithia Water Treatment Plant. The Lithia Water Treatment Plant is located in the South-Central Service Area. The plant currently has a permitted treatment capacity of 73.0 mgd, a firm high service pumping capacity of 105.0 mgd, and a storage capacity of 20 MG. The plant receives raw water from Tampa Bay Water’s South-Central Hillsborough County Regional Wellfield and a treated mix of groundwater, surface water, and desalinized water from Tampa Bay Water’s regional system.

The Lithia Water Treatment Plant was constructed in 1988 with a series of improvements projects completed since that time. Recently completed projects include the replacement of the High Service Pump 4 motor and the addition of liquid ammonium sulfate feed at the re-pump station. Carollo inspected this facility on May 22, 2025 and found the facility to be in very good condition.

Northwest Hillsborough (Fawn Ridge) Potable Water Facility. The Northwest Hillsborough Potable Water Facility is located in the Northwest Service Area. The plant has a permitted treatment capacity of 25.0 mgd, a firm pumping capacity of 31.0 mgd, and a storage capacity of 10 MG. The plant receives raw water from Tampa Bay Water’s Northwest Hillsborough County Regional Wellfield and a treated mix of groundwater, surface water, and desalinized water from Tampa Bay Water’s regional system.

The Northwest Hillsborough Potable Water Facility was initially constructed in 1993. Recently completed projects include the cleaning of the east and west storage tanks and replacement of the west storage tank drain

valve. Upcoming projects include the relocation of the bleach tank. Carollo inspected this facility on May 16, 2025 and found it to be in good condition.

The County also owns and operates a number of neighborhood water treatment plants and re-pump facilities:

Neighborhood Water Treatment Facilities:

Cypress Cove Community Water System: This system has 28 service connections and serves approximately 67 people. This system is designed to treat 37,156 gpd and pumps approximately 13,000 gpd on average. One well is located on site. The well water is chlorinated and stored in a 525-gallon hydropneumatic tank prior to distribution.

San Remo Community Water System: This system has 86 service connections and serves approximately 245 people. The system is designed to treat 69,900 gpd and pumps approximately 10,000 gpd on average. There are two wells located on site. The well water is chlorinated and stored in a 2,250-gallon hydropneumatic tank prior to distribution.

Windemere: The Windemere Utility Co. was a small utility servicing residential subdivisions in Lutz, Florida, which included two potable water systems and one wastewater system that served 1,015 water and 970 sewer customers that was acquired by Hillsborough County on March 6, 2024. The potable systems have a total capacity of 0.44 mgd. The potable water system (North and South Plants) operates under SWFWMD Water Use Permit No. 20010443.006.

Small System Re-Pump Facilities:

The County has six small system re-pump facilities: Pebble Creek, Eastlake, Hershel Heights, Seaboard, Fairview, and Oakview Estates. More information on Pebble Creek is provided below as it is a significant “small system” at 2.02 mgd in pumping capacity.

Pebble Creek Re-pump Station. This facility houses pumping and chemical feed equipment used to provide water to the Pebble Creek development in the Northwest Service Area. This equipment includes four booster pumps and a chemical feed system for poly orthophosphate. The facility has a firm pumping capacity of 2.02 mgd.

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Re-pump Station

The potable water distribution system contains one re-pump station. The South County Re-pump Station is located in the South-Central Service Area. Construction of the facility was completed in 2012 and an expansion was completed in March 2022. This facility has two storage tanks with a volume of 3.0 MG each and a firm pumping capacity of 25.0 mgd. The facility was inspected by Carollo on May 23, 2025 and found to be in excellent condition.

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Water Storage Facilities

To augment the treatment capacity of the Water System treatment plants, the County has water storage tanks located at seven facilities. The County's potable water treatment plant capacities, firm pumping capacities, and the corresponding water storage tanks are summarized below by service area location and type.

Potable Water Treatment Plants and Storage Tanks

Location	Permitted Water Treatment Capacity	Firm Pumping Capacity	Storage Capacity	Storage Type
<u>Northwest Service Area:</u>				
Lake Park	31.000 mgd	35.000 mgd	10.000 MG	2 Ground Storage Tanks
Northwest Hillsborough (Fawn Ridge)	25.000 mgd	31.000 mgd	10.000 MG	2 Ground Storage Tanks
Cypress Cove	37,156 gpd	---	525 gal	1 Hydro Pneumatic Tank
San Remo	69,900 gpd	10,000 gpd	2,250 gal	1 Hydro Pneumatic Tank
Windemere [1]	0.440 mgd	917 gpm	18,000 gal	2 Hydro Pneumatic Tanks
Pebble Creek Re-Pump Station	---	2.020 mgd	---	
Total Northwest Service Area	56.547 mgd	69.350 mgd	20.020 MG	
<u>South-Central Service Area:</u>				
Central Hillsborough	25.000 mgd	32.100 mgd	10.000 MG	2 Ground Storage Tanks
Lithia	73.000 mgd	105.000 mgd	20.000 MG	4 Ground Storage Tanks
South County Re-Pump Station	---	25.000 mgd	6.000 MG	2 Ground Storage Tanks
Total South-Central Service Area	98.000 mgd	162.100 mgd	36.000 MG	
System Totals	154.547 mgd	231.450 mgd	56.020 MG	

[1] The Windemere Utility was acquired by the County on March 6, 2024.

The FDEP rules require that a water system has at least 25% of the maximum daily flow retained in storage. The maximum daily flow is considered as the water treatment plant capacity. The total FDEP-rated Water

System capacity is currently 154.51 mgd. The County's available 56.02 MG of storage is 36% of the Water System storage capacity, which exceeds the FDEP mandated system-wide storage requirement. The County's ground storage tanks are all pre-stressed concrete design. The tanks that were inspected were found to be in good to above-average condition and serviceable.

Water Distribution System

The potable water distribution system consists primarily of water mains, fire hydrants, and valves. The following tabulation provides a summary of the approximate quantities of these major distribution components.

Major Components of Hillsborough County – Potable Water Distribution System

Component	Northwest Service Area	South-Central Service Area	Total
<u>Valves (Number):</u>			
Air Release Valves	238	539	777
Gate / Plug / Butterfly	10,758	34,905	45,663
Fire Hydrants (County)	4,663	13,649	18,312
Fire Hydrants (Private)	671	1,361	2,032
<u>Water Mains and Laterals:</u>			
Water Main Pipe (Feet):			
1-inch	50	1,361	1,411
1.5-inch	---	1,955	1,955
2-inch	140,172	266,999	407,171
2.5-inch	4,018	2,882	6,900
3-inch	8,842	42,001	50,843
4-inch	437,982	892,900	1,330,882

Table continued on following page.

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**Major Components of Hillsborough County –
Potable Water Distribution System (cont'd.)**

Component	Northwest Service Area	South-Central Service Area	Total
<u>Water Mains and Laterals:</u> (cont'd.)			
Water Main Pipe (Feet): (cont'd.)			
6-inch	1,456,533	4,463,107	5,919,640
8-inch	1,069,762	2,666,251	3,736,013
10-inch	223,820	264,573	488,393
12-inch	422,613	1,048,382	1,470,995
14-inch	8	4,740	4,748
16-inch	116,327	213,751	330,078
18-inch	6,656	35,581	42,237
20-inch	69,253	91,273	160,526
24-inch	66,609	75,025	141,634
30-inch	21,420	27,620	49,040
36-inch	4,045	88,403	92,448
42-inch	1,117	105,787	106,904
48-inch	---	31,978	31,978
54-inch	---	49	49
Unknown	5,138	0	5,138
Lateral Service Pipe (Feet):			
0.625-inch	13	13,306	13,319
0.75-inch	2,305	78,480	80,785
1-inch	428,469	677,744	1,106,213
1.5-inch	4,004	3,286	7,290
2-inch	25,504	102,725	128,229

Table continued on following page.

Major Components of Hillsborough County – Potable Water Distribution System (cont'd.)

Component	Northwest Service Area	South-Central Service Area	Total
<u>Water Mains and Laterals: (cont'd.)</u>			
Lateral Service Pipe (Feet): (cont'd.)			
2.5-inch	286	466	752
3-inch	1,671	3,910	5,581
4-inch	7,121	15,897	23,018
6-inch	12,935	33,845	46,780
8-inch	14,673	23,691	38,364
10-inch	913	1,817	2,730
12-inch	446	1,416	1,862
Unknown	3,290	3,305	6,595
Total (Feet)	<u>4,555,995</u>	<u>11,284,506</u>	<u>15,840,501</u>
Total (Miles)	<u>863</u>	<u>2,137</u>	<u>3,000</u>

The water distribution facilities are equipped with isolation valves throughout the Water System for repairs and maintenance without shutting down significant portions of the system. The water distribution system also includes approximately 18,312 County fire hydrants to provide fire protection throughout the Water System service area.

Historical Potable Water Demand and Production

As shown in the tabulation below, the total annual average daily potable water demand for the Water System during Fiscal Year 2025 was 76.7015 mgd. The average daily water demand of 20.1395 mgd in the Northwest Service Area during Fiscal Year 2025 was well below the existing permitted water treatment capacity of 56.547 mgd for the Northwest Service Area. The average daily water demand of 56.562 mgd in the South-Central Service Area was well below the existing permitted water treatment capacity of 98.0 mgd for the South-Central Service Area.

According to the County’s most recent potable water supply projections, the 2045 projected demands are 22.30 mgd and 80.30 mgd for the Northwest and South-Central service areas, respectively, which are lower than the existing permitted capacities of 56.547 mgd and 98.0 mgd, respectively. Furthermore, the new South County Drinking Water Facility is anticipated to be online by the end of 2028, initially serving approximately 20 mgd of annual average finished water demand while ultimately providing up to 72 mgd of maximum-day treatment capacity to accommodate future growth.

Hillsborough County Actual Water Demand – Fiscal Year 2025

Facility	Average Annual Daily Demand, mgd
<u>Northwest Service Area:</u>	
Lake Park WTF	10.2520
Northwest Hillsborough Fawn Ridge WTF	9.6960
Cypress Cove	0.0105
San Remo	0.0180
Windemere [1]	<u>0.1630</u>
Total – Northwest Service Area	20.1395
<u>South-Central Service Area:</u>	
Central Hillsborough WTF	12.4330
Lithia WTP	<u>44.1290</u>
Total – South-Central Service Area	56.5620
Total – Hillsborough County	<u><u>76.7015</u></u>

WTF = Water Treatment Facility

PWF = Potable Water Facility

WTP = Water Treatment Plant

[1] The Windemere Utility Company was acquired by the County on March 6, 2024.

Non-revenue water was estimated to be 13.63% in Fiscal Year 2025. Non-revenue water represents the amount of finished water purchased that is not billed rates for service by the Department and includes water used for purposes such as firefighting, water main flushing, unregistered water due to metering issues, water lost to leaks in the water system, internal water use by the Department (e.g., flushing and lift station cleaning)

and other uses and is calculated based on subtracting the number of gallons billed to the customers served from the total amount of gallons purchased which are delivered to the County's regional Water System. This non-revenue water level is higher than the acceptable range of 10 percent as benchmarked by SWFWMD. The County has been actively working to reduce its water loss over the past few years by replacing their meters with advanced metering infrastructure ("AMI") in 2020 with the intention of reducing water loss and has developed a potable water data dashboard in 2025 to track water loss. The County will be required to perform a water audit and submit remediation documentation to SWFWMD by October 1, 2026.

Regulatory Status of Potable Water System

The quality of the potable water produced by the System and delivered to its customers is excellent, complying with U.S. Environmental Protection Agency ("EPA"), FDEP, and Hillsborough County Health Department standards. The Department annually publishes Consumer Confidence Reports ("CCRs") that summarize the quality of the potable water for the System. There have been no maximum contaminant level ("MCL") or SMCL violations or Consent Orders in the last five years.

Per- and polyfluoroalkyl substances (PFAS)

PFAS are a large group of human-made chemical compounds that have been used in industrial applications and consumer products since the 1940s. PFAS have been widely used in products such as clothing, furniture fabrics, food packaging, carpets, and firefighting foams. Because these compounds break down very slowly in the environment, they are often referred to as "forever chemicals." Their widespread use has resulted in their presence in environmental media, including drinking water sources.

In April 2024, the U.S. Environmental Protection Agency ("EPA") promulgated the first National Primary Drinking Water Regulation ("NPDWR") for PFAS, establishing drinking water standards for several PFAS compounds. In May 2025, EPA announced a regulatory review of portions of the PFAS rule, and in May 2026 proposed revisions that would retain the enforceable drinking water standards for perfluorooctanoic acid ("PFOA") and perfluorooctane sulfonate ("PFOS") while reconsidering certain requirements associated with other PFAS compounds and PFAS mixtures.

The County is committed to providing safe, high-quality drinking water and proactively monitoring emerging contaminants, PFAS. Through participation in the EPA's Fifth Unregulated Contaminant Monitoring Rule (UCMR5) program during 2023 and 2024, the County monitored 29 PFAS compounds across multiple drinking water systems. Average PFOA concentrations were below federal standards at all monitored locations. Average PFOS concentrations exceeded the current 4 ng/L maximum contaminant level at two

points of entry points supplied by the City of Tampa and Tampa Bay Water. All other County-monitored facilities reported PFOS concentrations below the current federal drinking water standard. These results characterize PFAS occurrence and do not constitute a regulatory compliance determination. Compliance with applicable PFAS drinking water standards is currently anticipated to begin in April 2029, pending any future EPA revisions. The County continues working collaboratively with its wholesale suppliers and neighboring utilities to monitor PFAS trends and evaluate treatment and compliance strategies for readiness with the anticipated federal PFAS compliance requirements.

The County's two largest service areas, Northwest and South Central, are supplied by Tampa Bay Water, which is contractually required to meet all primary drinking water standards, including PFAS, and would therefore be responsible for any future treatment needs. Six additional systems purchase water from the City of Tampa and Plant City, both of which are responsible for PFAS monitoring and treatment under federal regulations.

Across drinking water operations, the County continues to coordinate closely with suppliers, regional partners, and regulatory agencies to monitor PFAS trends, evaluate treatment strategies, and ensure readiness for forthcoming federal and state PFAS compliance requirements.

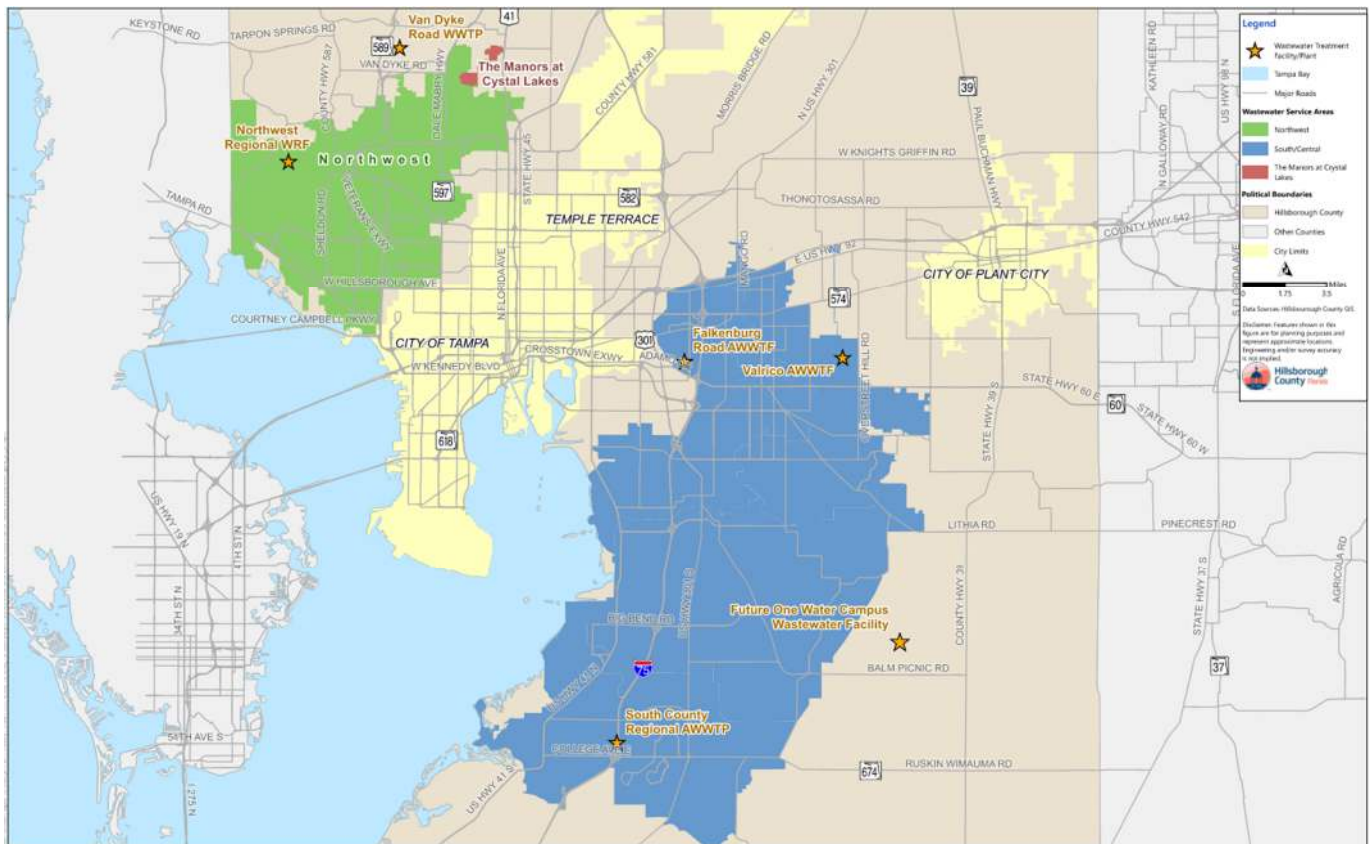
Condition of Potable Water System

During May 2025, Carollo inspected the regional potable water treatment facilities and the South County Re-Pump Station. Based on observations made during these inspections and discussions with Department staff, it is Carollo's opinion that the potable Water System is in overall good condition and is being operated and maintained in an acceptable manner consistent with industry standards.

Wastewater System

The Wastewater System is comprised of wastewater collection and transmission, treatment, biosolids, and effluent disposal facilities, which provided service on average to 194,930 accounts during Fiscal Year 2025. The wastewater collection and treatment system is divided into two general service areas: the Northwest Service Area and the South-Central Service Area. The limits of these service areas and the location of the wastewater treatment facilities are illustrated in Figure 4. The following provides a discussion of the facilities that comprise the Wastewater System.

Figure 4. Wastewater Service Areas and Treatment Facilities



Wastewater Treatment Facilities

Hillsborough County owns and operates five wastewater treatment facilities. Carollo conducted site visits to each facility in May 2025 to assess the general aboveground facility condition. Carollo completed limited condition assessments in areas where the site could be visually inspected. Based on the site visits and discussions with County staff, Carollo believes that, overall, the wastewater treatment facilities are in good condition. These facilities are described below.

Falkenburg Road AWWTF (Advanced Wastewater Treatment Facility). The Falkenburg Road AWWTF is located on North Falkenburg Road in the South-Central Service Area. The facility was originally constructed in the late 1980s with an AADF capacity of 6.0 mgd. The facility was expanded to a permitted capacity of 9.0 mgd AADF and then again to a permitted capacity of 12.0 mgd AADF in 2002, with the associated construction work finalized in 2009. In 2025, the facility was expanded by an additional 3.0 mgd capacity with the construction of two self-contained 10 disk filter units, addition of sodium hypochlorite disinfection with sodium bisulfite for dichlorination, full conversion of the UV system to chlorine disinfection, and a new engine driven pump. While the expansion was underway, a portion of the facility's

raw influent was diverted to the City of Tampa for treatment. In Fiscal Year 2025, an annual average flow diversion of 2.21 mgd occurred. The County implemented collection system improvements within the Falkenburg Road AWWTF service area, including upgrades to Stone Drive Pump Station No. 1, Windhorst Pump Station No. 1, and conveyance infrastructure along Highview Drive. The improvements allow flow to be conveyed from the Falkenburg Road AWWTF to the Valrico AWWTF, providing additional capacity and operational flexibility within the wastewater system.

The Falkenburg Road AWWTF operates under FDEP Permit FL0040614, effective date November 12, 2025 and expiration date November 11, 2030, with modifications to expand the permitted capacity from 12.0 mgd to 15.0 mgd completed. Treated effluent from the facility is either pumped to the South Central Master Reuse System for distribution to reclaimed water customers, to South Hillsborough Aquifer Recharge Program (“SHARP”) wells, or discharged to the Palm River Outfall or Port Redwing Canal Outfall, which is shared with the South County AWWTP. The Palm River Outfall is limited to 6.0 mgd AADF, and the Port Redwing Canal Outfall is limited to 10.0 mgd AADF. The Falkenburg Road AWWTF has two 5 MG effluent storage tanks and two 6 MG reject storage tanks.

The facility provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in four fermentation basins and four oxidation ditch aeration basins.
- Secondary clarification using five clarifiers.
- Filtration in seven deep-bed filter units and two self-contained 10-disk filter units.
- Disinfection using UV system as well as sodium hypochlorite and sodium bisulfite.
- Post-aeration for surface water discharge.

For residual solids processing, four screw presses with polymer addition are used for dewatering. Waste activated sludge (“WAS”) is pumped to a WAS tank followed by the screw presses. The facility has bypass pumping capabilities that allow for direct WAS feed to the screw presses during WAS tank down time. The cake is hauled to the Southwest County Biosolids Composting Facility (“SCBCMF”).

The Falkenburg Road AWWTF was inspected by Carollo on May 20, 2025. Carollo found the facility to be in generally good condition. Recently completed projects include replacement of the influent flow meter,

replacement of the plant return flow meter, replacement of Aerator 4 gearbox, replacement of the filter blowers, and replacement of the reject return flow meter.

Northwest Regional Water Reclamation Facility (“WRF”). The Northwest Regional WRF is located on South Mobley Road in the Northwest Service Area. The facility operates under FDEP permit FL0041670, was issued on July 8, 2026 and expires on July 26, 2031.

The Northwest Regional WRF was originally constructed in the early 1990s with a permitted capacity of 5.0 mgd and subsequently re-rated to 6.0 mgd AADF. A major expansion of the facility to a permitted capacity of 10.0 mgd AADF was completed in 2009. The County then completed a capital improvement project to increase the capacity of the facility to 30.0 mgd AADF to receive flows transferred from the Dale Mabry AWWTF and the River Oaks AWWTF. The Dale Mabry AWWTF was subsequently taken offline in January 2018. Flows from the River Oaks AWWTF were diverted to the Northwest Regional WRF as of October 1, 2019, and the facility was decommissioned in the summer of 2020.

Treated effluent from the Northwest Regional WRF is pumped either to the Northwest Master Reuse System for distribution to reclaimed water customers or managed through seven permitted surface water discharge points and one permitted underground injection well system. The Northwest Regional WRF can discharge a total of 15.0 mgd to Channel A in Rocky Creek. An additional 6.0 mgd may be discharged to Brushy Creek, for a total surface water discharge capacity of 21.0 mgd. Currently, there is a permitted but not yet constructed 21.0 mgd discharge to Channel A in Rocky Creek. Although all Rocky Creek outfalls may remain active after the proposed 21.0 mgd outfall is constructed, the combined discharge to surface waters from all outfalls will be limited to 21.0 mgd. The discharges to the three stormwater golf course ponds occur through a control structure during storm events to a ditch system and ultimately to Brushy Creek.

The Northwest Regional WRF provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Flow equalization.
- Biological treatment in 10 parallel Bardenpho biological nutrient removal (“BNR”) treatment trains.
- Final clarification in eight clarifiers.
- Tertiary filtration in 20 deep-bed dual-media filters.

- Disinfection in two dual-chambered chlorine contact tanks.
- Cascade aeration for surface water discharge.

The facility uses sodium hypochlorite for disinfection and sodium bisulfite for dechlorination in compliance with surface water discharge requirements. The Northwest Regional Biosolids Management Facility was decommissioned in 2023. Biosolids are transported to a Class I landfill, used as a biofuel or for bioenergy, or transported to a biosolids management facility for treatment and disposal.

Carollo inspected the Northwest Regional WRF on May 16, 2025 and found it to be in good condition. Projects underway included the headworks odor control system upgrade, repair of headworks coarse Screen 1, and repair of a return activated sludge (“RAS”) pump.

South County AWWTP. The South County AWWTP is located on Tampa Electric Company (“TECO”) Road in Ruskin in the South-Central Service Area. The facility operates under FDEP Permit FL0028061, which was issued February 10, 2025 and expires February 9, 2030. An expansion to increase the capacity of this facility from 4.5 mgd to 10.0 mgd AADF was brought online in December 2014. The County expanded this facility to 13.0 mgd in 2025, with an interim re-rate to 11.0 mgd completed in 2024. These expansions provide needed capacity until the construction of the South County One Water Campus AWWTF, which will have an ultimate capacity of up to 30 mgd.

Treated effluent from the facility is either pumped to the South-Central Master Reuse System for distribution to reclaimed water customers, used for aquifer recharge into SHARP wells, or is discharged to the Port Redwing Canal Outfall. The outfall is limited to 10.0 mgd AADF. There is one 6.0 MG reject ground storage tank (“GST”) onsite, two 2 MG reclaimed water GSTs, and one 3 MG lined reject pond. A 30.0 MG effluent storage pond is located at the TECO Big Bend electric generation plant site. The dechlorination facility is located remotely off-site.

The South County AWWTP utilizes the Bardenpho process, which provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in a four-train, five-stage Bardenpho BNR process.
- Secondary clarification in six clarifiers with RAS/WAS pump stations.

- Filtration in eight deep-bed filter units.
- Disinfection in two chlorine contact basins using sodium hypochlorite.

Residual solids are dewatered in three centrifuges with polymer addition. The residual solids are then hauled to a residuals management facility for further treatment and disposal or to a Class I landfill for disposal.

This facility has a number of ongoing and planned CIP activities. Most notable, the facility completed Phase 1 construction for the 11 mgd re-rate. Phase 2 added an additional 2 mgd in 2025, bringing the total permitted planned capacity to 13 mgd.

Carollo inspected this facility on May 23, 2025 and found it to be in good condition overall. Potential future projects include the replacement of headworks bar screens with Hydrodyne screens and a new equalization tank.

Sunset Plaza: Sunset Plaza Utilities is a small potable and wastewater system as a small utility that served a Shopping Center in Lutz, FL with 39 water and 35 sewer customers that was acquired by Hillsborough County on August 16, 2022. It has a permitted wastewater capacity of 0.050 mgd TMADF. . The Sunset Plaza WWTF operates under permit FLA012165, which was issued March 15, 2021 and expires March 14, 2031.

Valrico AWWTF. The Valrico AWWTF is located on North Dover Road in the South-Central Service Area. The original facility was built in the early 1990s and was last expanded in 2009. The facility operates under FDEP Permit FL0040983 (issued February 13, 2025, with expiration date of February 12, 2030) and has a permitted treatment capacity of 12.0 mgd AADF. Treated effluent from the plant is currently pumped to the South-Central Master Reuse System for distribution to reclaimed water customers, used for aquifer recharge into SHARP wells, or discharged to Turkey Creek, which discharges to the Alafia River and eventually Tampa Bay. The outfall is limited to 3.0 mgd AADF. Four 5.0 MG effluent storage tanks and a RWPS are located onsite.

A project to add two 2.3 MG flow equalization basins, a new triplex drain lift station and force main, a new reject return pump station, and a new stormwater pond with modifications to the existing sprayfield was recently completed.

The facility provides both biological nitrogen and phosphorus removal and includes the following major treatment processes:

- Preliminary treatment consisting of influent screening and grit removal.
- Biological treatment in four parallel oxidation ditch and anaerobic selector trains.
- Secondary clarification in six clarifiers.
- Filtration in eight deep-bed denitrification filter units.
- UV disinfection.
- Sodium hypochlorite for disinfection residual maintenance in the reclaimed water system.

Residual solids are held in three aerated sludge holding tanks prior to being dewatered with two centrifuges, before being hauled to a Class I landfill or to a biosolids management facility. In addition to the residual solids from the Valrico AWWTF, this facility also accepts biosolids transported by truck from several Hillsborough County school WWTFs.

Carollo inspected this facility on May 22, 2025 and found it to be generally in fair condition. Although the plant is running and operational (meeting permit requirements), it currently has issues with aeration at the biological basins. The County installed temporary floating aerators to meet oxygen demand. Also, the headworks experiences high concentrations of H_2S , and their existing odor control system cannot handle the high concentrations. This issue significantly corroded gates and equipment at the headworks. The plant also needs major electrical improvements.

Recently completed projects include replacement of the air compressors for filter backwash and floating aerators for the biological basins. In addition, the bleach pump skid was replaced, Centrifuges 1 and 2 were rehabilitated, upgrades to the VTSCADA system were completed, along with replacement of the filter air compressors, surface water discharge insertion flow meter, polymer tote scales, and the Aerator 4B VFD. Planned projects include repair of the equalization tank, adding diffused aeration to the biological basins, and an odor control system for the headworks.

Van Dyke Wastewater Treatment Facility (“WWTP”). The Van Dyke Road WWTP is located on Ramblewood Road in Odessa and treats a portion of the wastewater flows generated in the Northwest Service Area. The Van Dyke Road WWTP was constructed in 1985. No expansions have occurred since the facility was originally constructed. However, an upgrade including new piping, two motorized valves, new sludge blanket monitors, removal of the cell dividers, and ancillary hardware from the existing traveling bridge filter

structure, and a new sloped concrete bottom in the traveling bridge filter structure were performed under a minor permit modification. Additionally, the filtration system was modified and upgraded in the mid-1990s to comply with FDEP requirements for reuse system. A new headworks was constructed in 2017.

The facility operates under FDEP Permit FLA012234, which was issued September 23, 2022 and expires September 22, 2027. The Van Dyke Road WWTP has a permitted capacity of 1.7 mgd AADF. Effluent meeting Part III public access reuse standards from this facility is discharged to the Northwest Master Reuse System. There is one 6.0 MG reclaimed water storage tank onsite. There is no surface water discharge from this facility. Effluent that fails to meet Part III public access reuse standards is diverted to three lined reject ponds with a total capacity of 11.48 MG and is eventually returned to the in-plant lift station. Reject water is returned to the headworks through the reject return pump station.

The facility provides secondary treatment with filtration and high-level disinfection to meet Florida public access reuse standards. Major treatment processes include the following:

- Preliminary treatment consisting of influent screening, grit removal, and odor control.
- Biological treatment in two parallel train oxidation ditches.
- Secondary clarification in two clarifiers.
- Tertiary filtration in four deep-bed filters.
- Disinfection using sodium hypochlorite.

Residual solids generated at the facility are stored in an onsite holding tank and transported for treatment and disposal.

Carollo inspected the Van Dyke Road WWTP on May 15, 2025 and found it to be in good condition overall. Recently completed projects include replacement of the rotor gearboxes and motors, and the Calusa Trace bypass is currently under construction. Upcoming projects include a new chlorine building, the automatic transfer switch is to be replaced, Rotor 3 (aeration basin) is to be replaced, and filter feed basin (Pump 2) is to be replaced.

Windemere: The Windemere Utility Company, is a small utility servicing residential subdivisions in Lutz, Florida, which included two potable water systems and one wastewater system. The wastewater treatment plant has a three-month average daily flow (“TMADF”) capacity of 0.260 mgd; however, it is restricted to 0.185 mgd TMADF due to a limited effluent disposal system capacity. The Windemere system was acquired

by Hillsborough County on March 6, 2024. The Windemere WWTP operates under permit FLA012138, which was issued September 17, 2025 and expires September 27, 2030.

Wastewater Collection System

The major components of the wastewater collection system are presented in the following tables.

Wastewater Gravity Mains and Manholes

The major components of the gravity wastewater collection mains and manholes are presented in the table on the following page. As shown, the wastewater gravity collection system consists of approximately 1,638 miles of gravity sewer mains and approximately 40,641 manholes.

**Major Components of the Hillsborough County
Wastewater Collection System – Gravity Mains and Manholes**

Component	Northwest Service Area	South-Central Service Area	Total
<u>Gravity Pipe by Diameter (Feet):</u>			
4-inch	23	94	117
6-inch	5,219	2,049	7,268
8-inch	2,805,131	5,512,910	8,318,041
10-inch	101,007	67,399	168,406
12-inch	34,719	45,078	79,797
15-inch	13,555	16,467	30,022
16-inch	322	2,853	3,175
18-inch	9,617	1,958	11,575
20-inch	229	---	229
21-inch	255	3,354	3,609
24-inch	272	16,498	16,770
27-inch	29	---	29
30-inch	---	1,906	1,906
36-inch	---	5,327	5,327
42-inch	---	3,146	3,146
Total (Feet)	<u>2,970,378</u>	<u>5,679,039</u>	<u>8,649,417</u>
Total (Miles)	<u>563</u>	<u>1,076</u>	<u>1,638</u>
Gravity Manholes (Number)	<u>13,931</u>	<u>26,710</u>	<u>40,641</u>

The following table summarizes the current quantities of pump stations, valves, and force mains contained in the County's Wastewater System.

**Major Components of the Hillsborough County
Wastewater Collection System – Pump Stations, Valves and Force Mains**

Component	Northwest Service Area	South-Central Service Area	Total
<u>Pump Stations (Number):</u>			
County	331	574	905
Low Pressure	---	1,577	1,577
<u>Valves (Number):</u>			
Air Release Valves	413	849	1,262
Gate/Plug Valves	2,414	5,369	7,783
<u>Low Pressure Force Mains by Diameter (Linear Feet):</u>			
1.25-inch	---	123	123
1.5-inch	---	109,835	109,835
2-inch	---	320	320
2.5-inch	---	90	90
3-inch	---	213,585	213,585
4-inch	---	49,702	49,702
6-inch	---	21,655	21,655
8-inch	---	16,741	16,741
10-inch	---	5,898	5,898
12-inch	---	5,188	5,188
14-inch	---	6,209	6,209
Total (Linear Feet)	---	429,346	429,346
Total (Miles)	---	81	81

Table continued on following page.

**Major Components of the Hillsborough County
Wastewater Collection System – Pump Stations, Valves and Force Mains (cont'd.)**

Component	Northwest Service Area	South-Central Service Area	Total
<u>Force Mains by Diameter (Feet):</u>			
1.25-inch	6	16	22
1.5-inch	673	931	1,604
2-inch	12,941	15,314	28,255
2.5-inch	---	657	657
3-inch	19,253	14,218	33,471
4-inch	385,080	674,895	1,059,975
6-inch	288,115	499,723	787,838
8-inch	160,614	425,475	586,089
10-inch	88,752	110,035	198,787
12-inch	119,778	258,324	378,102
14-inch	591	---	591
16-inch	79,658	209,671	289,329
18-inch	3,237	5,815	9,052
20-inch	46,350	139,495	185,845
24-inch	96,816	143,078	239,894
30-inch	23,350	41,765	65,115
36-inch	28,653	2,575	31,228
48-inch	610	---	610
Total (Feet)	<u>1,354,477</u>	<u>2,541,987</u>	<u>3,896,464</u>
Total (Miles)	<u>257</u>	<u>481</u>	<u>738</u>

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Historical Flow at Wastewater Treatment Facilities

The Department's wastewater treatment facilities treated an average of 45.623 mgd AADF of wastewater during Fiscal Year 2025 (does not include wastewater treatment services purchased from the City of Tampa). This wastewater flow was approximately 63.4% of the County's 71.935 mgd total wastewater treatment facilities permitted capacity. A summary of the Fiscal Year 2025 actual operating flows and permitted capacities by facility for the Fiscal Year 2025 is shown below.

Fiscal Year 2025 Wastewater Treatment Plant Operating Flows and Permitted Capacities

Facility Name	Fiscal Year 2025 Permitted Wastewater Treatment Capacity, Annual Average Daily Flow (AADF), mgd	Actual Fiscal Year Wastewater Flow – AADF, mgd	Actual as a Percent of Permitted Capacity
Northwest Service Area:			
Van Dyke WWTF	1.700	1.390	81.8%
Northwest Regional WRF	30.000	16.670	55.5%
Sunset Plaza WWTF [1]	0.050	0.013	26.0%
Windemere WWTP [2]	0.185	0.150	81.0%
Northwest Service Area Total	<u>31.935</u>	<u>18.223</u>	<u>57.1%</u>
South-Central Service Area:			
Falkenburg Road AWWTF [3]	15.000	9.270	61.8%
Valrico AWWTF	12.000	8.730	72.8%
South County AWWTF [4]	<u>13.000</u>	<u>9.400</u>	<u>72.3%</u>
South-Central Service Area Total	<u>40.000</u>	<u>27.400</u>	<u>68.5%</u>
Wastewater System Total	<u>71.935</u>	<u>45.623</u>	<u>63.4%</u>

AWWTF = Advanced Wastewater Treatment Facility

WWTF = Wastewater Treatment Facility

WRF = Water Reclamation Facility

[1] Sunset Plaza Utilities, Inc. was acquired by the County on August 16, 2022. Permitted wastewater capacity based on three-month rolling average ("TMADF").

[2] The Windemere Utility Company was acquired by the County on March 6, 2024. Permitted wastewater capacity based on TMADF.

[3] The County diverted wastewater flow to the City of Tampa from August 2024 through November 2025. The average daily flow of 2.21 MGD is limited by the diameter size of the interconnect pipeline with the City of Tampa. This was initiated in response to influent flow values indicating the Falkenburg Road AWWTF was close to exceeding the 12.0 MGD plant capacity. As a result, a project to expand the plant was initiated and the plant was expanded from 12 MGD to 15MGD in Fiscal Year 2025.

[4] The South County AWWTF was expanded from 10.0 MGD to 13.0 MGD in Fiscal Year 2025.

The County reports that the wastewater facilities in the Northwest Service Area treated an AADF of 18.223 mgd in Fiscal Year 2025, which was 57.1% of their total permitted capacity. Wastewater facilities in the South-Central Service Area were reported by the County to have treated an AADF of 27.40 mgd in Fiscal Year 2025, which was 68.5% of the permitted capacity of the South-Central facilities.

The projected wastewater flow through 2045 for the Northwest Service Area is 19.74 mgd, which is below the permitted capacity of 31.935 mgd.

The projected wastewater flow through 2045 for the South-Central Service Area is estimated by the County to be 48.3 mgd. The current permitted capacity for the South-Central Service Area is 40.0 mgd. The new South County One Water Campus AWWTF is scheduled to be online by the end of 2028 with an initial capacity of 8 mgd, and increasing to 24 mgd by 2030. Therefore, the total treatment capacity will be 64 mgd by 2030, providing enough treatment capacity for the expected flows beyond 2045. The South County One Water Campus AWWTF may be expanded to up to an additional 30 mgd in the future, which would increase the total permitted capacity of the South-Central Service Area to 70 mgd.

Regulatory Status of Wastewater System

The County wastewater treatment facilities and collection system are permitted and regulated by FDEP. The regulatory status of the Wastewater System facilities is provided below.

Wastewater Treatment Facilities

Falkenburg Road AWWTF. The Falkenburg Road AWWTF operates under FDEP Permit No. FL0040614.

The permit was issued on November 12, 2025 with an expiration of November 11, 2030.

Permit excursions for six parameters occurred between January 2021 through January 2026. Total nitrogen was exceeded in January 2025, June 2025, October 2025, and November 2025. Fecal Coliform was exceeded in January 2026, January 2025, November 2025, December 2024, and January 2022. Fecal Coliform, percent less than detection, was exceeded in September 2025 and November 2025. A number of surface water discharge flow exceedances occurred in each month from May through August 2023, October 2022 through April 2023, and May 2022 through August 2022. Exceedances of the seven-day Chronic Ceriodaphnia occurred in October 2025, January 2024, April 2024, May 2023, April 2022, November 2021, August 2021, March 2021, and February 2021. UV light dosages were below the minimum in December 2024. Total suspended solids were exceeded in July 2022. These excursions did not result in any regulatory action.

A consent order was issued for this facility on August 22, 2025 (OGC No. 24-2348). FDEP found the County had failed to correctly install and maintain the facility's influent flow meter as well as failed to submit notification to FDEP on the meter's flow reporting discrepancies and failed to meet the permit effluent limitations for flow at the Palm River Outfall. Based on these violations, the County could either pay \$42,188.00 or perform an in-kind project that would be either an environmental enhancement, environmental restoration, or a capital/facility improvement project that is one and half times the civil penalty amount (\$63,282). The County's in-kind project was accepted on November 19, 2025, which will expand the facility's existing wastewater monitoring program by installing eight SmartCover manhole level monitoring systems.

A consent order (OGC No. 25-2189) was issued to the County by FDEP on December 30, 2025. FDEP found the County to have performed an improper release or disposal of inadequately treated wastewater from August 29 to 30, 2025. The Falkenburg AWWTF has received abnormally high pH influent that resulted in clogged filters and a clarifier malfunction. The County's Board of County Commissioners approved execution of the Settlement Agreement on June 17, 2026, with the Consent Order effectively executed on June 24, 2026. The County may either pay the associated civil penalties of \$274,890 or implement an FDEP-approved in-kind environmental enhancement project valued at 150% of the civil penalty amount. The County has submitted an in-kind project proposal to FDEP and is pending approval.

Northwest Regional WRF. The Northwest Regional Water Reclamation Facility ("WRF") is permitted under FDEP permit number FL0041670, which was issued July 8, 2026 and expires July 26, 2031. Permit excursions for a few parameters occurred over the last five years from January 2021 until March 2026.

Total nitrogen was exceeded in January 2025. Arsenic exceedances occurred in June 2025, December 2025, December 2024, June 2024, December 2023, June 2023, December 2022, June 2022, December 2021, and June 2021. A number of pH exceedances occurred in June 2025, December 2025, December 2024, June 2024, December 2023, June 2023, and December 2022. Total dissolved solids were exceeded in June 2025, December 2025, December 2024, June 2024, June 2023, June 2022, December 2021, and June 2021. Total phosphorus was exceeded in March 2026, October 2024, and October 2021. Fecal Coliform was exceeded in July 2024, February 2023, January 2023, October 2022, and August 2021. Fecal Coliform, percent less than detection, was exceeded in November 2025. Total suspended solids was exceeded in June 2025, December 2025, April 2024, and July 2021. Exceedance for seven-day Chronic Ceriodaphnia occurred in January 2026 and February 2023. Dichlorobromomethane was exceeded in February 2023, December 2022, and September 2022. Total chlorine residual was exceeded in September 2022.

A consent order was issued for the Northwest Regional WRF and the Valrico AWWTF on October 10, 2025 (OGC No. 24-2722). FDEP found the County, from January 10, 2024 through June 25, 2024, had three unauthorized raw wastewater discharges totaling 276,350 gallons and one release of fully treated and chlorinated effluent of 1,500,000 gallons to surface waters. The County incurred expenses exceeding \$1.3 million to mitigate the extent of the unauthorized discharges and has completed remediation activities. The civil penalties amount to \$47,349; however, the County has elected to undergo an in-kind project, which was accepted by FDEP on January 7, 2026. The County will upgrade the digital microscopes at five County-owned wastewater facilities and will install seven SmartCover manhole level monitoring systems.

South County AWWTP. The South County AWWTP is permitted by FDEP permit number FL0028061, which was issued on February 10, 2025 and expires on February 9, 2030. Over the last five years, there were several excursions.

Nitrate was exceeded in June 2025, December 2025, December 2024, June 2024, December 2023, December 2022, June 2022, December 2021, and June 2021. Exceedances of pH occurred in June 2025, December 2025, December 2024, June 2024, December 2023, June 2023, and December 2022. Total dissolved solids was exceeded in May 2025, June 2025, December 2025, December 2024, June 2024, June 2023, June 2022, December 2021, and June 2021.

Fecal Coliform exceedances occurred in December 2024, October 2024, September 2024, August 2024, July 2023, December 2023, December 2022, July 2022, March 2022, January 2022, December 2021, July 2021, and May 2021. Total nitrogen was exceeded in August 2024 and September 2021. Total suspended solids was exceeded in May 2025, June 2025, December 2025, April 2023, and March 2021. Exceedances for the Seven-Day Chronic Ceriodaphnia occurred in January 2023, March 2021, and February 2021. Exceedances of Enterococci occurred in December 2021. Deep well injection flows were exceeded in August and September 2022. A Consent Order was issued on April 2, 2021 for discharges of approximately 20,000 gallons of untreated wastewater in December 2020. The issue was corrected, the County paid the settlement of \$20,303.00, and the Consent Order was closed on July 19, 2021. There are no active Consent Orders for the South County AWWTP at the time of this report.

Sunset Plaza WWTF. The Sunset Plaza WWTF operates under permit FLA012165, which was issued March 15, 2021 and expires March 14, 2031. Permit excursions occurred for two parameters over the last five years. Fecal Coliform exceeded permit limits from February 2021 through January 2022, and additional monthly geometric mean and maximum limit exceedances in February 2021 and December 2021. Total

Nitrate as Nitrogen exceeded the maximum limit in February 2021, with a reported value of 15 mg/L compared to the permit limit of 12 mg/L. There are no active consent orders for the Sunset Plaza WWTF.

Valrico AWWTF. The Valrico AWWTF is permitted by FDEP under permit number FL0040983, which was issued on February 13, 2025 and expires on February 12, 2030. Permit excursions over the last five years were as follows.

Fecal Coliform was exceeded in June 2025, February 2023, November 2022, July 2022, June 2022, and September 2021. Fecal Coliform, percent less than detection, was exceeded in June 2025. Total suspended solids was exceeded in November 2023 and June 2023. UV light dosages were insufficient in August 2022. The Valrico AWWTF received two warning letters in April and May 2022 in regard to a discharge of approximately 440,000 gallons of untreated wastewater. The County provided information to FDEP, and it was determined there would be no formal enforcement proceedings.

An executed consent order was issued for Valrico AWWTF and the Northwest Regional WRF on October 10, 2025 (OGC No. 24-2722). FDEP found the County, from January 10, 2024 through June 25, 2024, had three unauthorized raw wastewater discharges totaling 276,350 gallons and one release of fully treated and chlorinated effluent of 1,500,000 gallons to surface waters. The County incurred expenses exceeding \$1.3 million to mitigate the extent of the unauthorized discharges and has completed remediation activities. The civil penalties amount to \$47,349; however, the County has elected to undergo an in-kind project, which was accepted by FDEP on January 7, 2026. The County will upgrade the digital microscopes at five County-owned wastewater facilities and will install seven SmartCover manhole level monitoring systems.

Van Dyke WWTP. The Van Dyke Road WWTP is permitted by FDEP under permit number FLA012234, which was issued on September 23, 2022 and expires on September 22, 2027. Permit excursions for three parameters occurred over the last five years. Fecal Coliform was exceeded in June 2024, July 2023, March 2022, and November 2021. Total suspended solids was exceeded in August 2025, and March 2022. The Van Dyke Road WWTP received two warning letters in December 2021 and November 2024 for unauthorized discharges of approximately 200,000 gallons. The County provided information to FDEP, and it was determined that there would be no formal enforcement proceedings. There are no active consent orders for the Van Dyke Road WWTP.

Windemere WWTP. The Windemere WWTP is permitted by FDEP under permit number FLA012138. Permit excursions for five parameters occurred in the last five years, totaling 42 individual exceedances. pH was below the permitted range in June 2021; December 2021; March 2023; December 2023; June 2024;

September 2024; December 2024; March 2025; June 2025; September 2025; December 2025; and March 2026, with multiple monitoring wells (MWC-02, MWC-03, and MWC-04) contributing to exceedances during several of these events. Total Dissolved Solids (“TDS”) exceeded the maximum limit in June 2021; September 2021; March 2022; June 2022; September 2022; June 2023; September 2023; December 2023; March 2024; September 2024; December 2024; June 2025; and September 2025, with exceedances observed across monitoring wells MWC-01 through MWC-04. Fecal Coliform was exceeded in November 2021; December 2022; and March 2025. Lead (Total Recoverable) and Arsenic (Total Recoverable) were exceeded in December 2024. There are no active consent orders for the Windemere WWTP.

Wastewater Collection System

The number of sanitary sewer overflows (“SSOs”) from Fiscal Year 2021 through 2025, respectively, were: 93, 81, 69, 77, and 71. The 71 SSOs in Fiscal Year 2025 equated to 2.5 SSOs per 100 miles of pipe. No enforcement action was taken for these SSOs that was not already discussed in the Consent Orders above.

Regulatory Status Summary

To Carollo’s knowledge, aside from the aforementioned items presented in this Report, the Department is in compliance with all federal and state regulatory requirements for the Wastewater System. Based on input from the Department, with the exception of the AOs and permit exceedances mentioned in this Report, there were no other regulatory compliance issues for the Wastewater System in the past five years.

Per- and polyfluoroalkyl substances (PFAS)

Hillsborough County is also actively managing PFAS concerns in its wastewater systems. Under Florida House Bill 1019 (2026), all public wastewater facilities exceeding 25,000 gallons per day have begun quarterly sampling of biosolids and treated effluent for 40 PFAS analytes using EPA Method 1633A, with results submitted to the Florida Department of Environmental Protection within 30 days of each quarter’s end. Facilities are conducting additional influent, effluent, and sludge sampling to support early planning for future PFAS treatment requirements.

Across wastewater operations, the County continues to coordinate closely with suppliers, regional partners, and regulatory agencies to monitor PFAS trends, evaluate treatment strategies, and ensure readiness for forthcoming federal and state PFAS compliance requirements.

Condition of Wastewater System

During May 2025, Carollo inspected the wastewater facilities. Based on observations made during these inspections and discussions with Department staff, it is Carollo's opinion that the Wastewater System is in overall good condition and is being operated and maintained in an acceptable manner consistent with industry standards.

Reclaimed Water System

The County Reclaimed Water (Reuse) System includes 11 reclaimed water pump stations and transmission facilities. The Reclaimed Water System provided reclaimed water service on average to 21,004 residential, commercial, and large (bulk) user accounts during Fiscal Year 2025. The reclaimed water transmission and distribution system is in the same two general service areas as discussed for the Wastewater System: the Northwest Service Area and the South-Central Service Area. These individual systems are referred to as the "Northwest Master Reuse System" and the "South-Central Master Reuse System", respectively. The following section provides a discussion of the facilities that comprise the Reclaimed Water System.

Reclaimed Water Pump Stations

Carollo inspected all 11 of the online reclaimed water pump stations in May 2025. Based on the observations made during the inspections, the reclaimed water facilities are currently being operated and maintained in an acceptable manner. The reclaimed water facilities appear to have excellent operation and maintenance programs in place. The following is a summary discussion of the reclaimed water pump stations:

Dale Mabry Reclaimed Water Pump Station. The Dale Mabry RWPS is located in the Northwest Service Area at the site of the former Dale Mabry AWWTF. The facility was expanded from 9.6 mgd of pumping capacity to 17.0 mgd in 2008. A total of five high service pumps and one jockey supply reclaimed water into the Northwest Master Reuse System for distribution to reclaimed water customers for a total firm pumping capacity of 11.38 mgd. The facility includes two 5.0 MG reclaimed water GSTs. The GSTs receive reclaimed water from the Northwest Master Reuse System. The site also provides for an additional 13.056 MG of storage in one pond for effluent meeting secondary treatment standards. Carollo inspected this facility on May 16, 2025 and found it to be in generally good condition overall. There are no recently completed projects or upcoming projects for the Dale Mabry RWPS.

Falkenburg Road Reclaimed Water High-Pressure and Low-Pressure Pump Stations. The Falkenburg Road RWPS is located in the South-Central Service Area at the site of the Falkenburg Road AWWTF. The facility has two pump stations (a high pressure and low pressure transfer station) and two 5.0 MG reclaimed water GSTs. The high pressure station supplies reclaimed water to portions of the South-Central Master Reuse System, including the Hillsborough County Resource Recovery Facility and customers in Sabal Park and Valrico, at a firm pumping capacity of 9.51 mgd. The low pressure pump station has a firm pumping capacity of 7.13 mgd and pumps into the South Central Master Reuse System, which feeds commercial users Cargill, National Gypsum, and the Summerfield reclaimed water storage tank. Carollo inspected this facility on May 20, 2025 and found it to be in generally good condition overall. Recently completed projects include a new influent meter that was recently installed and a new fill pipe on GST 1.

Lithia Pinecrest Reclaimed Water Pump Station. The Lithia RWPS is located in the South-Central Service Area. This facility was constructed in 2009. It has a firm pumping capacity of 9.01 mgd and includes a 5.0 MG reclaimed water GST. It supplies reclaimed water to the South-Central Master Reuse System. Carollo inspected this facility on May 22, 2025 and found it to be in generally good condition overall. Recently completed projects include the influent flow meter replacement with a venturi meter. Ongoing projects include the repair of Pump 2. It was noted that the entire pump station is in need of rehabilitation.

Northdale Tank and Reclaimed Water Pump Station. The Northdale RWPS is part of the Northwest Master Reuse system. The station has a firm pumping capacity of 5.18 mgd and two GSTs with a combined capacity of 10.0 MG. Carollo inspected this facility on May 15, 2025 and found it to be in good condition overall. There are no recently completed or planned projects for the Northdale Tank and Reclaimed Water Pump Station.

Northlakes Reclaimed Water Pump Station. The Northlakes RWPS is a component of the Northwest Master Reuse System. The facility has a firm pumping capacity of 3.46 mgd and reclaimed water storage capacity of 10.0 MG, with two 5 MG GSTs. This pump station supplies reclaimed water to Lake Heather Oaks, Avila Golf Course, and Avila Residential. Carollo inspected this facility on May 15, 2025 and found it to be in good condition overall. There are currently no recently completed or upcoming projects for the Northlakes RWPS.

Northwest Reclaimed Water Pump Station. The Northwest RWPS is located in the Northwest Service Area at the site of the Northwest Regional WRF. The facility has a firm pumping capacity of 21.6 mgd. The reclaimed water storage volume is 20.0 MG. The pump station has a total of six high service pumps that supply reclaimed water into the Northwest Master Reuse System for distribution to reclaimed water

customers. Carollo inspected this facility on May 16, 2025 and found it to be in very good condition overall. There are currently no recently completed or upcoming projects for the Northwest RWPS.

South County Reclaimed Water Pump Station. The South County RWPS (also referred to as the “Teco Road RWPS”) is a component of the South Central Master Reuse System and is located at the site of the South County AWWTP. The pump station includes two 6.0 MG reclaimed water GSTs. The high service pumps supply reclaimed water to golf courses, TECO, the South Central Master Reuse System, and SHARP wells. This facility was expanded to 22.19 mgd firm pumping capacity during the South County AWWTP expansion to 13 mgd. Carollo inspected this facility May 23, 2025 and found it to be in good condition. Recently completed projects include rehabilitation of the entire pump station, replacement of the effluent meter, and a new electrical building.

Summerfield Reclaimed Water Pump Station. The Summerfield RWPS is a component of the South Central Master Reuse System. A total of three high service pumps and two jockeys supply reclaimed water to the South Central Master Reuse System. The facility has a firm pumping capacity of 5.62 mgd and includes one 5.0 MG reclaimed water GST. This facility shares space with the Utility System’s Summerfield Re Pump Station. Carollo inspected this facility on May 23, 2025 and found it to be in good condition overall. Recently completed projects include the replacement of the effluent and bypass flow meters being replaced, and the tank dome replaced following the hurricanes of 2024. Planned upcoming projects include replacement of the influent and well flow meters and the VFD for the jockey pump.

Valrico Reclaimed Water Pump Station. Valrico Reclaimed Water Pump Station. The Valrico RWPS is a component of the South Central Master Reuse System and is located at the site of the Valrico AWWTF. This facility has a firm pumping capacity of 16.86 mgd and includes four 5.0 MG reclaimed water GSTs. Four high service pumps and one jockey supply reclaimed water to residential and commercial reclaimed water customers in the South Central Service Area. Carollo inspected this facility on May 22, 2025 and found it to be in good condition overall. There are currently no recently completed or upcoming projects for the Valrico RWPS.

Van Dyke Reclaimed Water Pump Station. The Van Dyke Road RWPS is a component of the Northwest Master Reuse System and is located at the site of the Van Dyke Road WWTP. The facility has a firm pumping capacity of 6.48 mgd and includes a 6.0 MG reclaimed water GST. A total of four high service pumps supply reclaimed water to residential and commercial customers. Renovation of the pump station including all new pumps and valves was completed in 2022. Carollo inspected this facility on May 15, 2025 and found it to be

in good condition overall. There are currently no recently completed projects or planned projects for the Van Dyke Road RWPS.

Reclaimed Water Distribution System

The following table presents the major components of the County's reclaimed water distribution system.

**Major Components of the Hillsborough County
Reclaimed Water Distribution System**

Component	Northwest Service Area	South-Central Service Area	Total
Valves (Number) Air Release Valves	176	212	388
Gate / Plug / Butterfly Valves	1,769	2,441	4,210
Reclaimed Water Mains (Feet):			
2-inch	1,606	748	2,354
2.5-inch	1,305	---	1,305
3-inch	155	1,453	1,608
4-inch	388,737	257,796	646,533
6-inch	186,769	228,073	414,842
8-inch	110,630	78,224	188,854
10-inch	43,764	17,314	61,078
12-inch	105,994	119,663	225,657
14-inch	4,869	---	4,869
16-inch	90,990	87,210	178,200
18-inch	1,899	96	1,995
20-inch	96,179	23,572	119,751
24-inch	20,951	167,594	188,545
30-inch	14,261	90,054	104,315
36-inch	29,837	28,185	58,022
42-inch	1,927	---	1,927
48-inch	<u>20</u>	<u>---</u>	<u>20</u>
Total (Feet)	<u>1,099,893</u>	<u>1,099,984</u>	<u>2,199,875</u>
Total (Miles)	<u>208</u>	<u>209</u>	<u>417</u>

Operational Performance

On a system-wide basis, an AADF of 32.63 mgd of reclaimed water was distributed by the Department through its Reclaimed Water System during Fiscal Year 2025. Of the total amount of reclaimed water distributed during the Fiscal Year 2025, approximately 11.78 mgd was in the Northwest Service Area and approximately 20.85 mgd was in the South-Central Service Area. Approximately 84.4% of all effluent discharged by the County wastewater treatment facilities was beneficially reused through reclaimed water irrigation or aquifer recharge in Fiscal Year 2025, and the remaining effluent was discharged to surface waters. Approximately 45.46 mgd of water was available for reuse in Fiscal Year 2025.

The following table summarizes the use of reclaimed water service by category that occurred in Fiscal Year 2025 as reported by the Department.

Breakdown of Reclaimed Water Use by Category – Fiscal Year 2025

Reclaimed Water Use Category	Northwest Service Area		South-Central Service Area		Total County Service Area	
	Average Daily Flow (mgd)	Percent of Total	Average Daily Flow (mgd)	Percent of Total	Average Day Flow (mgd)	Percent of Total
Reclaimed Water						
Golf Course Irrigation	0.94	5.18%	1.94	7.08%	2.88	6.32%
Commercial Irrigation	1.13	6.26%	1.72	6.28%	2.85	6.27%
Industrial Process	2.23	12.35%	3.00	10.94%	5.23	11.50%
Residential Irrigation	6.90	38.22%	6.85	24.99%	13.75	30.24%
Agricultural	0.04	0.22%	0.00	0.00%	0.04	0.09%
Aquifer Storage (Injection Only)	2.09	11.58%	9.14	33.35%	11.23	24.70%
Sprayfield	0.00	0.00%	0.13	0.47%	0.13	0.29%
Unaccounted Reclaimed Water [1]	0.31	1.72%	0.15	0.55%	0.46	1.01%
Total Reclaimed Water	13.63	75.51%	22.93	83.66%	36.56	80.42%

Table continued on following page.

Breakdown of Reclaimed Water Use by Category – Fiscal Year 2025 (cont'd.)

Reclaimed Water Use Category	Northwest Service Area		South-Central Service Area		Total County Service Area	
	Average Daily Flow (mgd)	Percent of Total	Average Daily Flow (mgd)	Percent of Total	Average Day Flow (mgd)	Percent of Total
Discharge						
Surface Water Discharge	4.42	24.49%	4.48	16.34%	8.90	19.58%
Total	18.05	100.00%	27.41	100.00%	45.46	100.0%

[1] Unaccounted Reclaimed Water quantities include distribution system leaks/breaks/flushing, mis-registered quantities through meters, and mis-read meters. The Utility works to minimize loss as much as possible through plant and discharge meter calibration, replacement of defective customer meters, and built-in customer billing meter read quality checking. Line breaks are immediately addressed upon discovery.

Regulatory Status Summary

There were no regulatory compliance issues for the Reclaimed Water System in the past five years. In general, the quality of the reclaimed water depends on the quality of the wastewater treatment facility effluent. At each of the wastewater treatment facilities providing reclaimed water, if the wastewater treatment facility effluent does not meet reclaimed water standards, it is automatically rejected from the reclaimed water distribution system.

Condition of Reclaimed Water System

Carollo inspected the reclaimed water pump stations in May 2025. Based on observations made during these inspections, it is Carollo's opinion that the reclaimed water pump stations are in generally good condition and are being operated and maintained in an acceptable manner consistent with industry standards.

Capital Improvement Program (CIP)

General

The Department has planned capital improvements associated with providing renewals and replacements of existing System facilities as well as the expansion of water and wastewater capacity and reliability of the System during the next several years. The total projected cost of such improvements for the "Forecast Period"

(which encompasses the five fiscal year period ending September 30, 2030), including those projects that were initiated during or prior to the Fiscal Year 2026 that are still underway (referred to as a “Project Carryforward”), is anticipated by the Department to be approximately \$2.5 billion. The cost of the capital improvements is based on capital plans prepared by the Department and professional consulting engineers employed by the Department as part of its ongoing capital improvement planning program. The Department anticipates the need for approximately \$1.8 billion in additional financing to fund its CIP over the next six years. Included in the CIP is the One Water Program which accounts for approximately \$1.4 billion of the total and is discussed in detail in the following section. A summary of the estimated capital expenditures (expressed on a cash-basis) by project-type or function for the Forecast Period is summarized on the following table and shown on Table 8 at the end of this Report.

Summary of Capital Improvement Plan by Facility Function for the Forecast Period [1]

	Fiscal Year Ending September 30,					Total Period
	2026	2027	2028	2029	2030	
Wastewater Treatment	\$178,469,823	\$333,141,386	\$284,725,108	\$166,402,678	\$111,141,293	\$1,073,880,288
Wastewater Collection and Transmission	79,270,735	154,910,167	126,035,926	129,249,933	88,738,459	578,205,220
Water Treatment	4,660,357	49,744,684	96,421,209	93,558,433	40,004,289	284,388,972
Water Transmission, Storage, and Distribution	6,061,653	38,158,558	24,167,318	44,146,428	26,403,661	138,937,618
Reclaimed Water	27,874,461	59,239,254	58,103,019	33,064,598	14,654,664	192,935,996
Septic to Sewer	64,354,258	11,984,367	1,020,413	1,020,413	1,020,413	79,399,864
Low Pressure Sanitary Sewer	14,210,594	15,421,242	5,396,666	2,281,943	2,305,943	39,616,388
General Projects (Administration / Customer Service / Other)	1,077,786	7,984,374	8,948,379	8,948,379	3,316,126	30,275,044
Departmental Capital [2]	31,374,155	12,001,998	12,291,816	12,504,538	12,732,774	80,905,281
Total Capital Program	\$407,353,822	\$682,586,030	\$617,109,854	\$491,177,343	\$300,317,622	\$2,498,544,671

[1] Amounts shown derived from Table 8 at end of Report; amounts reflect when funds are anticipated to be expended on such capital projects.

[2] Amounts reflect project expenditures for General Plant such as equipment, machinery, and vehicles and for customer service building rehabilitation.

Funding Sources for Capital Program

As can be seen on Table 8 at the end of this Report, the Department has identified approximately \$2.5 billion in capital requirements either underway or to be performed over the next five years ending Fiscal Year 2030, which are allocable to both new and existing customers. The Department has identified several funding

sources for the construction of the above referenced capital projects. Based on an analysis of available funds to the County (e.g., Capacity [Impact] Fee Account, Renewal and Replacement Account, General Purpose Account, etc.), the funding sources for the total cash-based capital improvement program as assumed for the financial forecast is as follows:

Summary of Cash-Based Capital Funding Sources for the Forecast Period

Estimated Funding Source [1]	Amount	Percent
Grants [2]	\$92,555,267	3.70%
Water Impact Fees [3]	12,854,700	0.51%
Wastewater Impact Fees [3]	22,329,594	0.89%
Renewal and Replacement Account	174,252,287	6.97%
General Purpose Account [4]	413,512,429	16.55%
Miscellaneous Reserves [5]	970,764	0.04%
Series 2026A Bonds	650,000,000	26.02%
Additional (Parity) Bonds [6]	1,051,164,349	42.08%
Annual Operations (Rates) [7]	80,905,281	3.24%
Total Funding Sources	\$2,498,544,671	100.00%

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- [1] Amounts derived from detailed capital improvement plan funding analysis developed with the Department based on available and anticipated sources of funds available for program funding. Amounts shown include use of available unrestricted funds at beginning of Forecast Period (i.e., October 1, 2025) as well as estimated deposits to be made to such accounts during the Forecast Period from System operations and other sources.
- [2] The County has secured grant funding from the Southwest Florida Management District, the Florida Department of Environmental Protection, the U.S. Environmental Protection Agency, and the American Rescue Plan Act. Amounts include \$2,723,617 of matching funds contributed by the County.
- [3] Amounts reflect use of available funds at beginning of Forecast Period; all Impact Fees anticipated to be received during the Forecast Period is assumed to be pledged toward: i) the Debt Service Component associated with the Cost of Contracted Water Supply; or ii) the payment of the debt service on the Outstanding and Additional Parity Bonds allocable to the System.
- [4] The County has deposited funds in a separate Capital Expenditure Account, which is an account created by the County within the General Purpose Account, the purpose to fund additional capital expenditures of the System. Generally, any funds earned which are in addition to the required deposits as delineated in the Bond Resolution have generally been deposited into such account for the long-term benefit of the utility ratepayers.
- [5] Reflects funding of reclaimed water improvements from miscellaneous cash reserves (cash on deposit) of the System.
- [6] Amounts shown represent the issuance of Additional Parity Bonds during the Forecast Period to provide funds for the construction of the One Water Program to provide additional capacity to the South-Central Service Area of the County; and ii) other identified System construction projects. Reference is made to the Projected Operating Results section of this Report for a description of the timing and assumptions associated with the issuance of such Additional Bonds. It should be noted that a portion of the bond proceeds derived from the issuance Additional Parity Bonds are projected to be spent in Fiscal Year 2031, which is beyond the Forecast Period reflected in this Report.
- [7] Amounts shown represent funds derived annually from System rates and are for ongoing purchases of general plant (vehicles, equipment, furniture, etc.), which is not funded from the Renewal and Replacement Account by the County.
-

As shown above, approximately 33% of the capital program is anticipated by the County to be funded by internal sources (e.g., General Purpose Account, Renewal and Replacement Account, rate revenues, and other sources). The remainder of the funding for the capital program is primarily associated with the proceeds of the Series 2026A Bonds and Additional Parity Bonds assumed to be issued during the Forecast Period.

The One Water Program

As mentioned above, Hillsborough County's One Water Program is a comprehensive, long-range infrastructure initiative designed to ensure the reliability, resiliency, and sustainability of water and wastewater services for the County's fast-growing South-Central Service Area and is currently estimated to cost \$1.4 billion.

Guided by a 20-year planning horizon represents, the Program will create a resilient utility system capable of meeting the region's long-term needs through at least 2050. The Program embraces the One Water philosophy, recognizing that drinking water, wastewater, reclaimed water, and the broader water cycle are interconnected and are best managed as a single integrated system.

The initial phase consists of two major components: (i) the South County One Water Campus AWWTF project; and (ii) the Balm Road Super Lift Station and Forcemain project and includes approximately 22 miles of wastewater and reclaimed water transmission pipelines. Construction of the wastewater campus and conveyance infrastructure is underway utilizing a Progressive Design-Build ("PDB") delivery method under a contract executed with Garney Construction in 2024.

The other major components of the Program are the South County Drinking Water Facility PH1 – One Water (the "South County Drinking Water Facility"), the Collection System Improvements to One Water, and the South Central Reclaimed Water System Additions. The South County Drinking Water Facility project is currently in design utilizing a Construction Manager at Risk ("CMAR") delivery method. The design contract was executed with Jacobs in 2026 and the CMAR will be selected in 2026.

The new wastewater plant will be located on the South County One Water Campus which is co-located with the County's Solid Waste Management Department's Southeast Landfill, creating opportunities for operational efficiencies, shared infrastructure, and future energy recovery initiatives. In addition, operational synergies position the County to respond proactively to evolving biosolids regulations through potential resource recovery opportunities. The Solid Waste Management Department owns approximately 3,300 acres surrounding the site, providing a substantial buffer that minimizes future land-use conflicts and protects long-term operational flexibility.

Both the South County One Water Campus AWWTF and the South County Drinking Water Facility are located on some of the highest elevations within Hillsborough County, outside FEMA wind hazard zones, storm surge areas, projected sea-level rise impacts, and the County's current Urban Service Area, significantly enhancing long-term resiliency. The South County Drinking Water Facility will be interconnected with the existing Lithia Water Treatment Plant, providing critical system redundancy and backup water supply for approximately 100,000 customer accounts. Completion of the drinking water facility is coordinated with the completion of Tampa Bay Water's regional transmission pipeline, scheduled for completion in late 2028. Hillsborough County is serving as a funding partner for the pipeline segment that will supply the new drinking water facility from Tampa Bay Water.

The PDB approach for the wastewater facilities and the CMAR delivery model for the drinking water facility promote early contractor involvement, collaborative decision-making, cost transparency, schedule certainty, and proactive risk management throughout design and construction. Operational risk is similarly minimized because the treatment technologies selected for both facilities rely on proven, industry-standard processes that build upon treatment methods the County has successfully operated for decades, resulting in a seamless transition to the new facilities with only incremental technological improvements. Easement acquisition for the approximately 22-mile pipeline system is well advanced, with the majority of the corridor traversing County-owned or State-owned property, significantly reducing right-of-way acquisition risk, and limiting impacts to private property owners.

The Program is supported by a strong and disciplined financial framework that provides long-term revenue stability independent of future growth. In 2023, the Hillsborough County Board of County Commissioners adopted a comprehensive utility rate resolution specifically designed to support the One Water Program, providing annual 5 percent utility rate adjustments through Fiscal Year 2032, together with an annual water and wastewater industry-specific Price Index adjustment (the Bureau of Labor Statistics Water and Sewer Maintenance Index), capped at five percent, through Fiscal Year 2035. This long-term rate strategy provides predictable revenues to support the County's capital investment program.

The County has further strengthened the Program's financial position through a diversified funding strategy that combines utility revenues, internal resources, and long-term debt financing. Approximately one-third of the capital program is expected to be funded through internal utility resources, including rate revenues, renewal and replacement funds, and other available utility accounts. The remaining funding is anticipated to be provided primarily through the Series 2026A Utility Revenue Bonds and future parity bond issuances through 2031. In addition, the County has secured subordinate lines of credit currently totaling \$1 billion to provide additional financial flexibility throughout implementation of the Program.

The One Water Program Projects

C10301000 South County One Water Campus AWWTF

This project consists of design and construction of a new regional wastewater treatment facility in the South-Central Service Area. The facility is needed so that the County can continue to provide an acceptable level of service to customers, considering the continued population growth in southern Hillsborough County. The OWC will serve portions of the current South County AWWTP service area, Valrico AWWTF service area, and Falkenburg AWWTF service area, as well as new development areas within the County. The initial capacity of the facility will be 8 mgd by 2028 with a subsequent expansion to 24 mgd by the end of 2030, with future expansions up to 30 mgd.

C10308000 South County Reclaimed Water Pipeline Corridor – One Water

This project includes building new infrastructure and updating existing infrastructure (including transmission mains, distribution mains, and storage tanks). The expansion will accommodate additional flows from the South County One Water Campus AWWTF.

C10309000 South County Wastewater Pipeline Corridor – One Water

This project entails the design and construction of a new force main to convey wastewater flow from a portion of the existing South-Central wastewater system to the new South County One Water Campus AWWTF.

C10314000 Balm Road Super Lift Station and Forcemain

This project consists of design, permitting, and construction of a new wastewater lift station on Balm Road. The lift station capacity will be 12.5 mgd for the initial phase. This lift station will transfer wastewater flows to the new South County One Water Campus AWWTF. The lift station will be expanded to 25 mgd in a later phase of the project.

C32012000 South County Drinking Water Facility PH1 – One Water

A new potable water treatment facility will be constructed in the South County Service Area to provide increased potable water service pressures, system reliability, and additional flow to support future growth. The facility, which will include chemical treatment, storage, and pumping facilities, is currently planned to be online by the end of 2028. Initial average day production is expected to be approximately 20 mgd, with demands increasing over time as the service area develops. The facility is being designed to provide up to 72 mgd of maximum day treatment capacity, supported by Tampa Bay Water supplies and future wellfield

production. In addition to meeting future water demands, the facility will provide significant system redundancy and operational flexibility through its interconnection with the existing water system.

C10343000 Collection System Improvements to One Water

This project involves necessary collection system improvements in the South-Central service area to convey wastewater to the One Water AWWTF.

C10344000 South Central Reclaimed Water System Additions

This project consists of the installation of reclaimed water transmission, associated appurtenances, and related infrastructure within the South-Central Service Area to expand reclaimed water service, increase beneficial reuse of treated effluent, support future customer connections, and enhance overall system reliability and operational flexibility.

The table below represents a summary of anticipated project costs for the One Water program.

Summary of The One Water Program Anticipated Project Costs [1]

CIP No.	Project Name	Project Summary			
		Total Project Amount to be Bonded	Series 2026A Bonds	Additional Parity Bonds [2]	Other Funding Sources [3]
C10301000	South County One Water Campus AWWTF	\$824,147,419	\$449,052,328	\$375,095,090	\$19,558,783
C10308000	South County Reclaimed Water Pipeline Corridor – One Water	148,198,684	80,748,860	67,449,825	20,757,628
C10309000	South County Wastewater Pipeline Corridor – One Water	115,794,311	63,092,723	52,701,588	11,395,271
C10314000	Balm Road Super Lift Station and Forcemain	71,252,160	38,823,089	32,429,071	14,292,562
C32012000	South County Drinking Water Facility PH1 – One Water	182,830,000	18,283,000	164,547,000	19,688,720
C10343000	Collection System Improvements to One Water	47,600,000	---	47,600,000	---
C10344000	South Central Reclaimed Water System Additions	20,000,000	---	20,000,000	---
Total		<u>\$1,409,822,574</u>	<u>\$650,000,000</u>	<u>\$759,822,574</u>	<u>\$85,692,964</u>

[1] Amounts shown were derived from Table 8 at end of Report as provided by the County and the Municipal Advisor. Amounts reflect when funds are anticipated to be expended on such capital projects.

[2] Amounts shown represent the issuance of Additional Parity Bonds during the Forecast Period to provide funds for the construction of the One Water Program to provide additional capacity to the South-Central Service Area of the County. Reference is made to the Projected Operating Results section of this Report for a description of the timing and assumptions associated with the issuance of such Additional Bonds. It should be noted that a portion of the bond proceeds derived from the issuance Additional Parity Bonds are projected to be spent in Fiscal Year 3031, which is beyond the Forecast Period reflected in this Report.

[3] Other Funding Sources included but are not limited to amounts on deposit in the Water and Wastewater Impact Fees Account, the Renewal and Replacement Account, the General Purpose Account, and miscellaneous reserves.

Other Parity Bond Capital Improvement Projects

Included in the CIP is approximately \$400 million of additional projects that the Department has identified the need to be funded with additional parity bonds. These projects are listed and described as follows:

C32019000 Ruskin Potable Water Transmission Main

This project involves the design and construction of a new potable water transmission pipeline in the Ruskin area to convey water from the existing 24-inch transmission main on 19th Ave and from the existing South County Potable Repump Station. The project will extend the County's transmission system to improve potable water conveyance capacity and support projected 2050 population and water demand within the South County service area. The project includes route evaluation, surveying and subsurface utility engineering, hydraulic evaluation, pipeline design, permitting, bidding support, and construction-phase services. The project is being coordinated with the adjacent Ruskin reclaimed water pipeline to optimize the shared corridor and construction approach.

C10327000 Countywide Aquifer Recharge Program (MP)

This project is aimed at investigating, designing, and constructing additional reclaimed water recharge wells, exploratory wells, and monitoring wells. In addition, it will entail reclaimed water transmission mains and will interconnect across the County per Senate Bill 64 requirements.

C10339000 Van Dyke Flow Diversion (Pump Station and Pipeline)

This project involves the design and construction of a pump station and force main. This will be capable of transferring water from the Van Dyke Wastewater Treatment Facility to the Northwest Regional Water Reclamation Facility.

C10341000 Falkenburg Improvements

This project involves improvements to the Falkenburg Advanced Wastewater Treatment Facility to increase treatment capacity and improve the facility's advanced wastewater treatment processes to accommodate growth within Hillsborough County's Central/South Service Area. The project includes upgrades to the facility's filtration and biological nutrient removal processes, replacement and expansion of the existing disinfection process, and hydraulic, mechanical, electrical, and control improvements. The work is being implemented to maintain reliable treatment performance and permit compliance while integrating new improvements with the existing operating facility and related wastewater collection system.

C32025000 Neighborhood Pipeline Retrofit Program (MP)

This project includes renewal and replacement of sub-standard pipeline materials in neighborhoods, including water mains, gravity sewer mains, manholes, reclaimed water mains, wastewater force mains, and miscellaneous repairs and/or modifications to various water, reclaimed water, and wastewater pipeline assets.

C10138000 Countywide Wastewater Pump Station R&R (MP)

This project entails necessary repair and improvements throughout the collections system for selected pump stations.

The following table represents a summary of the projects with additional financing needs.

CIP No.	Project Name	Project Summary			
		Total Project Amount to be Bonded	Series 2026A Bonds	Additional Parity Bonds [2]	Other Funding Sources [3]
C32019000	Ruskin Potable Water Transmission Main	38,500,000	---	38,500,000	2,600,000
C10327000	Countywide Aquifer Recharge Program	50,580,000	---	50,580,000	8,549,338
C10339000	Van Dyke Flow Diversion (Pump Station and Pipeline)	84,000,000	---	84,000,000	---
C10341000	Falkenburg AWWTF Treatment Process Improvements	104,700,000	---	104,700,000	17,291,474
C32025000	Neighborhood Pipeline Retrofit Program	74,300,000	---	74,300,000	4,974,000
C10138000	Countywide Wastewater Pump Station R&R	13,100,000	---	13,100,000	66,516,710
Total		<u>\$365,180,000</u>	<u>\$---</u>	<u>\$365,000,000</u>	<u>\$99,931,522</u>

[1] Amounts shown were derived from Table 8 at end of Report as provided by the County and the Municipal Advisor. Amounts reflect when funds are anticipated to be expended on such capital projects.

[2] Amounts shown represent the issuance of Additional Parity Bonds during the Forecast Period to provide funds for the construction of other capital improvements identified by the Department and described above. Reference is made to the Projected Operating Results section of this Report for a description of the timing and assumptions associated with the issuance of such Additional Bonds. It should be noted that a portion of the bond proceeds derived from the issuance Additional Parity Bonds are projected to be spent in Fiscal Year 3031, which is beyond the Forecast Period reflected in this Report.

[3] Other Funding Sources included but are not limited to amounts on deposit in the Water and Wastewater Impact Fees Account, the Renewal and Replacement Account, the General Purpose Account, and miscellaneous reserves.

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The 2026A Project

As described above, the Series 2026A Bonds is the first of four anticipated bond issues that will be needed to fund the Program. The following is a summary of these projects as identified by the Department and a discussion of the individual projects that comprise the 2026A Project:

Summary of Capital Projects to be Funded from Series 2026A Bonds

CIP No.	Project Name	Project Summary			
		Series 2026A Bonds	Additional Parity Bonds	Total Amount Bonded	Other Funding Sources
C10301000	South County One Water Campus AWWTF	\$449,052,328	\$375,095,091	\$449,052,328	\$19,558,783
C10308000	South County Reclaimed Water Pipeline Corridor – One Water	80,748,860	67,449,824	80,748,860	20,757,628
C10309000	South County Wastewater Pipeline Corridor – One Water	63,092,723	52,701,588	63,092,723	11,395,271
C10314000	Balm Road Super Lift Station and Forcemain	38,823,089	32,429,071	38,823,089	14,292,562
C32012000	South County Drinking Water Facility PH 1 – One Water	<u>18,283,000</u>	<u>164,547,000</u>	<u>18,283,000</u>	<u>19,688,720</u>
Total		<u>\$650,000,000</u>	<u>\$692,222,574</u>	<u>\$650,000,000</u>	<u>85,692,964</u>

2026A Project – Potable Water

C32012000 South County Drinking Water Facility PH1 – One Water

A new potable water treatment facility will be constructed in the South County Service Area to provide increased potable water service pressures, system reliability, and additional flow to support future growth. The facility, which will include chemical treatment, storage, and pumping facilities, is currently planned to be online by the end of 2028. Initial average day production is expected to be approximately 20 mgd, with demands increasing over time as the service area develops. The facility is being designed to provide up to 72 mgd of maximum day treatment capacity, supported by Tampa Bay Water supplies and future wellfield production. In addition to meeting future water demands, the facility will provide significant system redundancy and operational flexibility through its interconnection with the existing water system. The project will be executed using a CMAR delivery method.

2026A Project – Wastewater

C10301000 South County One Water Campus AWWTF

This project consists of design and construction of a new regional wastewater treatment facility in the South-Central Service Area. The facility is needed so that the County can continue to provide an acceptable level of service to customers, considering the continued population growth in southern Hillsborough County. The OWC will serve portions of the current South County AWWTP service area, Valrico AWWTF service area, and Falkenburg AWWTF service area, as well as new development areas within the County. The initial capacity of the facility will be 8 mgd by 2028 with a subsequent expansion to 24 mgd by the end of 2030, with future expansions up to 30 mgd. The project will be executed using a Progressive Design-Build (PDB) delivery method.

C10308000 South County Reclaimed Pipeline Corridor – One Water

This project includes building new infrastructure and updating existing infrastructure (including transmission mains, distribution mains, and storage tanks). The expansion will accommodate additional flows from the South County One Water Campus AWWTF. The project will be executed using a PDB delivery method.

C10309000 South County Wastewater Pipeline Corridor – One Water

This project entails the design and construction of a new force main to convey wastewater flow from a portion of the existing South-Central wastewater system to the new South County One Water Campus AWWTF. The project will be executed using a PDB delivery method.

C10314000 Balm Road Super Lift Station and Forcemain

This project consists of design, permitting, and construction of a new wastewater lift station on Balm Road. The lift station capacity will be 12.5 mgd for the initial phase. This lift station will transfer wastewater flows to the new South County One Water Campus AWWTF. The lift station will be expanded to 25 mgd in a later phase of the project. The project will be executed using a PDB delivery method.

Estimated Expansion Percentage

Capital expenditures anticipated by the Department to be funded in part by the issuance of the Series 2026A Bonds are summarized below by project type and category. As can be seen below, approximately 100% of the 2026A Project expenditures are considered as expansion-related expenditures which will increase water and wastewater capacity in the South-Central Service.

Summary of Capital Projects by Type and Category
Available to be Funded from Series 2026A Bond Proceeds [1]

Project Type		Project Category		
CIP No.	Project Name	Total Available Project Cost	Expansion Projects	R&R Projects
Potable Water System:				
C32012000	South County Drinking Water Facility PH1 – One Water	\$18,283,000	\$18,293,000	\$--
Total Potable Water System		\$18,238,000	\$18,293,000	\$--
Percent of Total			100.00%	0.00%
Wastewater System:				
C10301000	South County One Water Campus AWWTF	\$449,052,328	\$449,052,328	\$--
C10308000	South County Reclaimed Water Pipeline Corridor – One Water	\$80,748,860	\$80,748,860	\$--
C10309000	South County Wastewater Pipeline Corridor – One Water	63,092,860	63,092,860	--
C10314000	Balm Rd Super Pump Station and Forcemain	38,823,089	38,823,089	--
Total Wastewater System		\$631,717,137	\$631,717,137	\$--
Percent of Total			100.00%	0.00%
Total System		\$650,000,000	\$650,000,000	\$--
Percent of Total			100.00%	0.00%

[1] Amounts shown reflect classification of capital project expenditures that may be available to be funded from the Series 2026A Bond proceeds; amounts may not reflect total project appropriations but only the amounts anticipated to be funded after the issuance of such bonds.

Renewal and Replacement Account Summary

Pursuant to the terms and conditions of the Bond Resolution, the County must establish and maintain a Renewal and Replacement Account. With respect to the Renewal and Replacement Account, such amounts shall be used by the County for the purpose of paying the costs of the replacement of capital assets of the System, including land, or any unusual, unanticipated, or extraordinary maintenance or repairs, which the

Director of the Department certifies, are necessary. The required annual deposit to such fund shall be at least equal to five percent of the Gross Revenues derived from the operation of the System during the immediately preceding Fiscal Year or such other greater or lesser amount as determined and certified by the Qualified Independent Consultant until the amount on deposit therein is equal to the Renewal and Replacement Account Requirement. Typically, the County annually funds a deposit to the Renewal and Replacement Account to accrue moneys for facility replacement and betterment. The Renewal and Replacement Account deposit for the projected period reflected in the financial forecast (projections of System cash flow) was assumed to be equal to the minimum funding requirements of the Bond Resolution. Additionally, the County has historically designated moneys on deposit in the General Purpose Account to finance capital projects in addition to the funds on deposit in the Renewal and Replacement Account and this capital re-investment funding objective is projected by the County to continue during and beyond the Forecast Period (reference is made to the projected operating results discussion later in this Report).

As part of entering into the Amended and Restated Interlocal Agreement, which along with the Master Water Supply Contract are the primary agreements with the Member Governments which govern the activities of Tampa Bay Water, the water supply facilities were purchased from the Member Governments (which includes the County) by Tampa Bay Water. The purchase of such facilities is being paid to the County by Tampa Bay Water based on a debt service equivalent computed on a 30-year amortization of the net purchase price, compounded semiannually at 4.865% which equated to a payment by Tampa Bay Water of \$1,238,468 made annually (through Fiscal Year 2029). In addition to the annual deposit to the Renewal and Replacement Account from System operations (as defined in the Bond Resolution), the County has deposited the total annual benefit (both principal and interest) received from the sale of the water supply facilities by the County to Tampa Bay Water in the Renewal and Replacement Account for future capital improvement funding.

Historical/Projected System Sales and Customer Usage Statistics

General

This section of the Report summarizes the recent trends in Water, Wastewater, and Reclaimed Water System customers, projected water production and wastewater treatment requirements, and associated sales and usage characteristics for the Water, Wastewater, and Reclaimed Water Systems. The historical period reflected in this Report covers the Fiscal Years ended September 30, 2021 through 2025 (the “Historical Period”) and the projected or Forecast Period is for the Fiscal Years 2026 through 2030. Table 1 at the end

of this Report reflects the historical customers or accounts (terms used synonymously) as well as metered water sales (gallons sold) for the Water System. Similar information regarding the historical customers and billed wastewater flow (revenue gallons) for the Wastewater System is shown in Table 2 at the end of this Report. Table 3 at the end of this Report provides historical account and sales (gallons sold) information for the Reclaimed Water System. Tables 4 through 6 at the end of this Report summarizes the projected average accounts, metered water sales, billed wastewater flow, and metered reclaimed water sales for the Water, Wastewater, and Reclaimed Water Systems, respectively for the Forecast Period. The forecast in System sales and customer statistics served as the basis for the projection of revenues derived from the application of the current rates for monthly Water, Wastewater, and Reclaimed Water service as discussed later in this Report.

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

Water System

The Water System has experienced an increase in customers and water sales over the past several years due to continued development located within the service area. Table 1 at the end of this Report summarizes the historical accounts served and the corresponding equivalent residential connections (“ERC”) provided water service, billed water sales, and average ERC usage statistics for the Water System. An ERC is representative of the average daily capacity of a single-family residential unit and generally represents the lowest level and the most common level of use and is used to evaluate the size and capacity needs of a utility system. For the purposes of calculating the ERCs: i) all individually metered single-family residential accounts are considered by the County as 1 ERC; ii) ERCs for multi-family residential accounts were determined by applying an equivalent factor of 0.5 to each residential dwelling unit served consistent with the County Rate Resolution as subsequently defined; and iii) commercial or general service ERCs were predicated on the capacity reserved by the account or the actual demand experienced by the specific account. Table 4 provides projected Water System statistics for the Forecast Period (i.e., Fiscal Years 2026 to 2030).

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The historical and projected customer statistics for the Water System are summarized below:

Water System [1]

Fiscal Year Ended September 30, (Historical) [2]	Average Annual ERCs Served [3]	Water Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2021	258,605	23,426,456	7,549
2022 [4]	264,017	23,938,955	7,556
2023	270,353	26,054,570	8,031
2024 [5]	276,980	24,912,938	7,495
2025	284,512	25,683,514	7,523
Average Annual Historical Growth Rate	<u>2.42%</u>	<u>2.33%</u>	<u>(0.09%)</u>

Fiscal Year Ending September 30, (Projected)	Average Annual ERCs Served [3]	Water Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2026	288,132	26,399,522	7,635
2027	291,686	26,660,236	7,617
2028	295,065	26,903,582	7,598
2029	298,262	27,129,175	7,580
2030	301,377	27,346,597	7,562
Average Annual Projected Growth Rate [6]	<u>1.16%</u>	<u>1.26%</u>	<u>0.10%</u>

[1] Amounts derived from Tables 1 and 4 at the end of this Report; amounts shown include all customer classes. It should be noted that the average use per single-family residential customer ("ERC"), the largest customer class of the System, averaged approximately 7,906 gallons per month of water use during the last five years ended Fiscal Year 2025.

[2] During the historical period and continuing in some form today, the SWFWMD has imposed water use restrictions on the use of Potable water to reduce long-term water demands and promote water conservation to preserve water resources.

[3] Reflects average annual statistics; ERC means Equivalent Residential Connection and represents an average daily potable water flow of 300 gallons per day ("gpd") as defined in the Rate Resolution .Amounts do not include Fire Line Service Accounts.

[4] The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022, a system that serves approximately 39 commercial water accounts equating to 90 ERCs.

[5] The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024, a system that serves approximately 1,020 residential water accounts equating to 1,020 ERCs.

[6] Reflects average annual compound growth rate from Fiscal Year 2026 through Fiscal Year 2030.

As shown above, the Water System has experienced an average growth rate in ERCs served of approximately 2.42% per year since Fiscal Year 2021, adding an average of approximately 6,011 water ERCs per year over that period. Although water account and ERC growth have trended upward, average water use (billed sales)

per ERC has remained relatively consistent at approximately 7,530 gallons per month, with the exception of Fiscal Year 2023. During Fiscal Year 2023, average monthly water use per ERC increased compared to prior periods, likely driven by continued strong development activity generating higher construction water and irrigation demand for turf and lawn establishment, along with weather-related impacts on water use. The estimated Fiscal Year 2026 billing statistics reflect an increase in billed water and wastewater flows compared to Fiscal Year 2025, predicated on eight months of actual billed water data and more normalized water use and billed wastewater flows per customer, based on by a review of water use characteristics over the past six fiscal years. However, year-to-date billing statistics for Fiscal Year 2026 indicate that customer growth appears to be slowing when compared to prior years which may be due to, among other things, continued high inflation, on the cost of housing and insurance, effects of prior period weather events, (e.g., hurricanes Helene and Milton in 2024), and potential domestic migration to more mid-sized neighboring counties recognizing affordability concerns. For purposes of the financial forecast, water and wastewater account growth and average water use and billed wastewater flow per customer during the Forecast Period were adjusted downward from Fiscal Year 2026 to produce attainable service and rate revenue projections.

For reporting purposes and for the application of rates for monthly service, the County currently differentiates its Water System customer base into four major classifications. This differentiation of customers allows the County to evaluate the service area characteristics and plan for the effects of future growth since the primary customer classes generally have differing water demand or usage requirements. The four major customer classifications include single-family residential, multi-family residential, commercial, and fire line service. Although the County does have the ability to provide wholesale potable water service (a major water use customer classification), the System currently does not provide potable wholesale water service to any customers. The Water System customer base consists primarily of single-family residential customers being serviced through a 5/8-inch or 3/4-inch meter service. As shown in the table below, this class accounts for approximately 96.81% of the total average annual accounts served during the Fiscal Year 2025 (which represents the most recently completed Fiscal Year as of the date of this Report). A summary of the total average number of retail customers and associated estimated ERCs served by the Water System for the Fiscal Year 2025 is summarized on the following page:

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Estimated ERCs by Customer Classification

Customer Classification	Accounts		ERCs [1]	
	Amount	Percent of Total	Amount	Percent of Total
Residential Service:				
Single-family	198,425	96.81%	198,425	69.74%
Multi-family [2]	941	0.46%	44,553	15.66%
Commercial [3]	5,146	2.51%	41,534	14.60%
Fire Line Service [4]	451	0.22%	N/A	N/A
Total Retail Service	204,963	100.00%	284,512	100.00%

[1] Reflects average annual statistics; ERCs were calculated in accordance with the City ERC factors based on the by-class customer relationships, the provisions of the Rate Resolution, and the corresponding annual Water System demands.

[2] Represents 44,553 ERCs and assumes 0.50 ERC factor per residential multi-family unit based on the base facility charge rates relationships as presented in the Rate Resolution.

[3] Estimated ERCs based upon the greater of: i) the reserved water capacity associated with the determination of Impact Fees; or ii) the annual water use characteristics and the level of service factors as contained in the Rate Resolution.

[4] Excludes calculation of fire line service ERCs recognizing that fire protection is a stand-by service.

As can be seen above, the number of retail ERCs served by the Water System was estimated to be approximately 39% greater than the average accounts served during the Fiscal Year 2025, which provides an indication of the relative size of the customer base being served by such Water System.

The anticipated growth in water ERCs for the Forecast Period recognized herein is expected to approximate 1.16% compounded annually (Fiscal Year 2026 through Fiscal Year 2030). This forecast was based on discussions with the County, historical service area trends, reported end-of-fiscal year 2025 and year-to-date 2026 statistics, the continuation of increased construction, population projections prepared for the region, and other factors. This growth is considered by the County to be due to both the infill of existing developments where service was available plus the continued addition of new development within the utility service area (the urban service area).

With respect to the forecast of water sales, it was assumed that the recent average use (billed sales) per ERC as recently experienced by the Water System would generally be continued with a trend more consistent with pre-2025 usage levels; no increase in average water use per ERC was assumed to occur during the Forecast Period. This is also consistent with recent historical trends in per ERC water use relationships. The water

customer and sales projections shown in Table 4 served as the basis for the projection of rate revenues derived from monthly water user charges for the Forecast Period reflected in the Report.

During Fiscal Year 1996, the Department instituted an alternative method of paying Impact Fees from developers, builders, and property owners (referred to as “applicants”), which essentially was an installment method of collection. As opposed to paying the fee when due (at time of connecting to the System) and in order to lock-in the fee at the then current levels (and reserve capacity for their project), applicants could elect to participate in the County Impact Fee Assessment Unit (“IFAU”) program in accordance with Division 3 of the Department’s Public Utility Connections Regulations. The amount of fees defined as the Assessable Fees (i.e., unpaid Capacity [Impact] Fees) in the Rate Resolution (as defined and discussed later in this Report) shall be assessed as a non-ad valorem assessment on the annual property tax bill, with the first annual assessment scheduled for payment not earlier than one year following the date on which the IFAU is created. Since 1996, a significant number of applicants have used the IFAU program for the payment of Impact Fees and to secure capacity in the System facilities.

The following tabulation summarizes the total ERCs utilizing the IFAU program:

Current Summary of IFAU ERCs

Description	Water System	Wastewater System
Total Estimated IFAU ERCs [1]	111,271.14	118,703.88
Estimated Vacant Properties [2]	<u>1,777.44</u>	<u>2,160.32 [3]</u>
Percent Considered Vacant	1.60%	1.82%

[1] Amounts through September 2025; represents total estimated cumulative number of ERCs that have utilized the IFAU program since implementation during Fiscal Year 1996 and which an assessment was applied.

[2] Represents vacant properties for applicants that have previously utilized the IFAU program and are recognized as being potential for future development (new account additions).

[3] The County has issued the Series 2021 Wastewater Impact Fee Assessment Bonds (the “Series 2021 Bonds”) in the amount of \$58,040,000. To construct capital improvements to the wastewater system to provide additional wastewater capacity. The Series 2021 Bonds are payable from and secured by a lien solely upon and a pledge of revenues from the 43 Assessment Units as identified in the Resolution. There are 871.77 vacant parcels included in the 2,160.32 vacant wastewater parcels that are pledged to the Series 2021 Bonds.

As shown above, there are approximately 1,777.44 water and 2,160.32 wastewater ERCs that have been reserved by applicants for capacity that have not yet developed and formally requested utility service. This level of vacant properties in existing IFAU districts further illustrates the near-term growth potential of the

System (it is assumed that an applicant would not elect to pay Capacity [Impact] Fees pursuant to the IFAU program if property development / construction was not expected to occur). By way of comparison and based on the Water System ERC forecast as shown in the aforementioned tables, the estimated growth in Water ERCs assumed for the Forecast Period is 16,865 and the vacant parcels which are paying the Impact Fees through the IFAU program represents 10.54% of the total anticipated water growth. The estimated growth in wastewater ERCs assumed for the Forecast Period is 21,046 and the vacant parcels, which are paying the Impact Fees through the IFAU program represents 10.26% of the total anticipated wastewater growth.

With respect to the ERC forecast it should be noted that on February 3, 2021, the Board-approved Ordinance No. 21-4, eliminating the option for property owners to pay a portion of the Water and Wastewater Impact fees over time in the form of a non-ad valorem assessment. Previously created existing IFAUs will continue until all non-ad valorem assessments have been paid in full.

The Water System on average has experienced a non-revenue water level of approximately 12.90% of total finished water purchased for the past five Fiscal Years. Non-revenue water represents the amount of finished water that is not billed rates for service and includes both accounted for water (e.g., hydrant flushing) and unaccounted for water (e.g., leaks). Non-revenue water is due to a variety of factors, including water used for line flushing, hydrant testing, firefighting, utility use (wash down of lift stations for maintenance purposes), metering inaccuracies, and water losses (system leakage). This non-revenue (unbilled) water level is higher than the acceptable range of 10% as benchmarked by SWFWMD. The County has been actively working to reduce its water loss over the past few years by replacing their meters with advanced metering infrastructure (“AMI”) in 2020 with the intention of reducing water loss and has developed a potable water data dashboard in 2025 to track water loss. The County will be required to perform a water audit and submit remediation documentation to SWFWMD by October 1, 2026. The forecast of the total purchased finished water requirements is based on the projection of water sales shown on Table 4 as adjusted for an allowance for non-revenue water to recognize that a certain percentage of the finished water purchased will not be billed. Once the forecast of total needs was identified, such amounts were subsequently allocated among the various finished water wholesale service providers based on historical trends and the anticipated water ERC growth assumed for each specific area served by the various water providers. Table 4 at the end of this Report summarizes the projected water purchases for the various water providers and served as the basis for determination of the estimated purchased water costs for the Forecast Period.

As previously mentioned, the Water System currently has two distinct water service areas that are referred to as the Northwest Area (serves an area northwest of the City of Tampa) and the South-Central service area (serves the area east and south of the City of Tampa). Figure 3, presented previously in this Report, illustrates

the location of the two utility service areas for the Water System. In order to meet the potable water service area demands for the Northwest and South-Central Service Areas, the forecast of potable water purchases shown on Table 4 was allocated between the respective service areas based on recent trends in customer growth in such areas, historical water pumping by region and discussions with the Utility Department's planning engineers. With respect to the Northwest Service Area, the water treatment capacity is planned to be maintained during the Forecast Period by the Department at 56.547 mgd expressed on an average daily flow basis. Recognizing the amount of permitted water treatment capacity of the Northwest Service area, it is anticipated that there will be sufficient water treatment capacity to meet the respective service area demands for the Forecast Period (reflects average daily flow associated with TBW purchases in the respective service area only since other providers directly serve the retail customers – no additional pumping or treatment required).

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The following table provides a summary of the historical and projected water capacity utilization for the Northwest Service Area:

County Water Production – Northwest Service Area (Finished Water) [1]

Fiscal Year Ended September 30, (Historical Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (AADF – MGD)	Percent Capacity Utilized
2021	21.368	56.107	38.08%
2022	21.335	56.177 [2]	37.98%
2023	21.552	56.177	38.56%
2024	19.917 [3]	56.617 [4]	35.18%
2025	20.046	56.547 [2]	35.45%
Fiscal Year Ending September 30, (Forecast Period)	Annual Average Daily Flow (MGD)	Permitted Capacity (AADF – MGD)	Percent Capacity Utilized
2026	20.369	56.547	36.02 %
2027	20.677	56.547	36.57 %
2028	20.969	56.547	37.08 %
2029	21.245	56.547	37.57 %
2030	21.511	56.547	38.04 %

Million Gallons per Day

[1] Amounts shown based on the forecast of Tampa Bay Water purchases as shown on Table 4 allocated to the Northwest Service Area, adjusted for unaccounted for or unbilled water factor of 12.9% based on recent historical trends. Amounts shown above do not include water service purchased from the cities of Tampa, Plant City, Temple Terrace, and Oldsmar because purchased water service does not flow through the County's water treatment facilities. Amounts shown do not include the permitted capacity or actual flows associated with Cypress Cove, San Remo, and Windemere service areas which are served by small individual neighborhood water treatment facilities.

[2] The County acquired Sunset Plaza Utilities, Inc. on August 16, 2022, with a permitted capacity of 6,000 gpd annual average daily flow. The water system was decommissioned and connected to the County's distribution system on November 19, 2024.

[3] Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.

[4] The acquisition of the Windemere Utility Company on March 6, 2024 added permitted water capacity of 0.440 mgd.

Based on the water capacity requirements forecast for the Northwest Service Area as reflected above, it is anticipated that approximately 38.41% of the Northwest Service Area capacity (56.000 MGD) will be utilized by the Fiscal Year 2030.

With respect to the South-Central Service Area, the water treatment capacity has increased due to the completion of an expansion project at the Lithia WTF during Fiscal Year 2023. The expansion project increased the capacity of the plant from 63.6 MGD to 73.0 MGD. The total permitted capacity of 98.00 mgd is expressed on an average daily flow basis (does not recognize capacity of other water providers other than TBW due to immateriality of capacity provided relative to overall needs). The South County Drinking Water Facility is anticipated to be online at the beginning of Fiscal Year 2029 and initially serve approximately 20 mgd of annual average finished water demand. The facility is expected to be capable of providing up to 72 mgd of finished water at full buildout. Therefore, it is anticipated that the respective treatment capacity of the South-Central Service Area will be sufficient water treatment capacity to meet the respective service area demands for the Forecast Period as summarized below:

Water Production – South-Central Service Area (Finished Water)

Fiscal Year Ended September 30, (Historical Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2021	49.043	88.600	55.35%
2022	50.914	88.600	57.47%
2023	56.385	98.000 [2]	57.54%
2024	54.125 [3]	98.000	55.23%
2025	57.035	98.000	58.20%
Fiscal Year Ending September 30, (Forecast Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2026	58.003	98.000	59.19%
2027	58.953	98.000	60.16%
2028	59.879	98.000	61.10%
2029	60.777	118.000 [4]	51.51%
2030	61.669	118.000	52.26%

Million Gallons per Day (MGD).

- [1] Amounts shown based on the forecast of Tampa Bay Water purchases as shown on Table 4 allocated to the South-Central Service Area, adjusted for unaccounted for or unbilled water factor of 12.9% based on recent historical trends. Amounts shown do not include water purchases from other wholesale water providers.
- [2] The increased capacity is attributable to the expansion of the Lithia Water Treatment Plant from 63.6 MGD to 73.0 MGD.
- [3] Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.
- [4] The increase in capacity is attributable to the addition of approximately 20 MGD of average day production for the initial phase of the South County Drinking Facility anticipated to be completed at the beginning of Fiscal Year 2029.

Based on the water capacity requirements forecast for the South-Central Service Area as reflected above, it is anticipated that approximately 52.26% of the South-Central Service Area capacity (118.00 MGD) will be utilized by the Fiscal Year 2030.

Based on recent historical trends in customer growth, discussions with members of the Department, and a review of information regarding the reservation of water capacity through the IFAU program, it has been assumed that the number of average annual water customers being served will increase during the Forecast Period at growth rates which are generally lower than that recently experienced by the Water System based on historical information provided by the County. Based on reported development / service area information provided by the County, growth is expected to continue to be primarily residential in nature consistent with the land use requirements of the service area. The Water System customer statistical projections shown on Table 4 served as the basis for the projection of revenues derived from monthly water user charges for the Forecast Period reflected in the Report.

Wastewater System

The Wastewater System has also experienced an increase in customers and billed wastewater flow (sales) over the past several years due to the continued development located within the service area. Table 2 at the end of this Report summarizes the historical accounts and ERCs provided wastewater service, billed wastewater flow (sales), and average ERC billed flow (usage) statistics for the Wastewater System. Table 5 provides similar projected statistics for the Forecast Period (i.e., Fiscal Years 2026 to 2030). The historical and projected customer statistics for the Wastewater System are summarized below:

Wastewater System [1]

Fiscal Year Ended September 30, (Historical)	Average Annual ERCs Served [2]	Wastewater Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2021	283,031	17,071,613	5,026
2022 [3]	288,568	17,556,137	5,070
2023 [4]	299,928	18,242,829	5,125
2024 [5]	302,798	18,281,478	5,031
2025	310,053	18,599,624	4,999
Average Annual Historical Growth Rate	2.31%	2.17%	(0.14%)

Table continued on following page.

Wastewater System [1] (cont'd.)

Fiscal Year Ending September 30, (Projected)	Average Annual ERCs Served [2]	Wastewater Sales (000s Gallons)	Average Monthly Use per ERC (Gallons)
2026	315,927	19,048,392	5,024
2027	320,007	19,707,250	5,132
2028	323,931	19,921,661	5,125
2029	327,546	20,116,588	5,118
2030	331,099	20,307,039	5,111
Average Annual Projected Growth Rate [6]	1.32%	1.77%	0.44%

[1] Amounts derived from Tables 2 and 5 at the end of this Report.

[2] Reflects average annual statistics; ERC means Equivalent Residential Connection and represents an average daily wastewater flow of 200 gpd as defined in the Rate Resolution.

[3] The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022, a system that serves approximately 35 commercial wastewater accounts equating to 89.5 ERCs.

[4] In the Fiscal Year 2023, the County implemented a new billing system. There appears to be some discrepancies within the data of the residential wastewater accounts and billed flows. Adjustments were made to adjust for reasonableness.

[5] The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024, a system that serves approximately 974 residential wastewater accounts equating to 974 ERCs.

[6] Reflects average annual compound growth rate from Fiscal Year 2025 through Fiscal Year 2030.

As can be seen above, the Wastewater System has incurred a historical growth rate in the average number of ERCs served of approximately 2.31% per year since the Fiscal Year 2021 which is similar to the historical growth rate recently experienced for the Water System (most new water accounts receive wastewater service). This forecast was based on discussions with the County, historical service area trends, reported end-of-Fiscal Year 2025 and year-to-date 2026 statistics, the continuation of increased construction, population projections prepared for the region, and other factors. This growth is considered by the County to be due to the infill of existing developments where service was available plus the continued addition of new development within the utility service area (the urban service area).

The Wastewater System customer base consists primarily of single-family residential customers being serviced through a 5/8-inch or 3/4-inch meter service. As shown in the table below, this class accounts for approximately 98% of the total average accounts served and 61% of the total average ERCs served during the Fiscal Year 2025. A summary of the total average number of retail customers and associated estimated ERCs served by the Wastewater System for the Fiscal Year 2025 is summarized on the following page:

Fiscal Year 2025 Wastewater System Average Retail Accounts and Estimated ERCs by Customer Classification

Customer Classifications	Accounts		ERCs [1]	
	Amount	Percent of Total	Amount	Percent of Total
Residential Service:				
Single-family	190,420	97.68%	190,420	61.41%
Multi-family [2]	675	0.35%	64,081	20.67%
Commercial [3]				
	3,835	1.97%	55,552	17.92%
Total Retail Service	194,930	100.00%	310,053	100.00%

[1] Reflects average annual statistics; ERCs were calculated in accordance with the County ERC factors based on the by-class customer relationships, the provisions of the Rate Resolution, and the corresponding annual water system demands.

[2] Represents 64,081 ERCs and assumes 0.70 ERC factor per residential multi-family dwelling unit predicated on the base facility charge rates relationships as presented in the Rate Resolution.

[3] Estimated ERCs based upon the greater of i) the reserved wastewater capacity associated with the determination of Impact Fees; or ii) the annual water use characteristics (which serves as a proxy for wastewater use by a customer) and the level of service factors as contained in the Rate Resolution.

As can be seen above, the number of retail ERCs served by the Wastewater System was estimated to be approximately 59% greater than the average accounts served during the Fiscal Year 2025, which provides an indication of the relative size of the customer base being served by such Wastewater System. As previously mentioned, an ERC represents the equivalent usage requirements of a single-family residential customer. Since commercial or multi-family customers are generally served by larger sized meters than the standard residential customer (require a greater water demand), it is useful to identify the total amount of ERCs served (on a comparative basis equivalent to the residential class) for a more consistent presentation of the size or magnitude of the total customer base served.

Wastewater billed flow (sometimes referred to as “revenue gallons”) as shown in the above table represents the metered water consumption for which the County wastewater flow or usage charge is billed. As subsequently discussed in the section of this Report regarding the rates for monthly service, water consumption provides the basis for the billing of wastewater usage charges and not all metered water use is billed a wastewater charge (e.g., water-only service associated with separately metered irrigation service). As was the case with the Water System, average monthly wastewater gallons billed expressed on a per ERC basis has generally decreased over the recent Historical Period, concurrent with the decrease in billed water

consumption (although not as pronounced since individually-metered residential wastewater service has a monthly billing cap and therefore is not as affected by changes in non-essential irrigation water use, which has been targeted by SWFWMD through conservation efforts to reduce potable water demands). Projections of wastewater gallons billed per ERC are anticipated to remain relatively constant reflecting the most recent (reduced) use relationships for the Forecast Period based on the assumption of continued year-round (permanent) water restrictions being continued by the SWFWMD which will have an effect on billed wastewater flow, the continuing effects of conservation on water use including the recognition of an overall general downward trend in indoor water use (e.g., all new development must install conservation-promoting fixtures such as low flow toilets), and that the customers will not rebound to pre-water restriction and favorable economic times usage levels (customers have responded to external water use reduction measures or needs and it is assumed such reduction will be permanent).

Although the utility service area boundaries are different and the County does provide service to water-only and wastewater-only customers, most of the water customers added to the System that is associated with new property development (not due to extensions of service to existing areas or acquisition of utility systems) are expected to receive both water and wastewater service. As shown below, the amount of average annual wastewater customers billed (receiving service) approximated 95% of the number of average annual water customers receiving service during the Fiscal Year 2025:

Average Annual Accounts – Fiscal Year 2025

Description	Water Accounts	Wastewater Accounts	Percent to Water Accounts
Residential Service:			
Single-family (Individually Metered)	198,425	190,420	95.96%
Multi-family (Master Metered)	941	675	71.73%
Commercial	5,146	3,835	74.52%
Fire Line Service	451	N/A	N/A
Totals	<u>204,963</u>	<u>194,930</u>	<u>95.31%</u>

As was previously discussed for the Water System, there are several vacant properties (service is constructed and available) located within the System which will result in the ability to increase the wastewater customers and ERC base being served. Furthermore, it is anticipated that the relationship of water customers receiving wastewater service as shown in the preceding table will remain the same or slightly increase since the majority

of the new development is anticipated by the Department to be receiving both utility services (which is also evidenced by the number of ERCs that are considered vacant that have elected to pay Impact Fees on an installment basis through the IFAU program as presented earlier).

The Department currently owns and operates seven separate wastewater treatment plants with a combined wastewater treatment capacity of the end MGD expressed on an annual average daily flow basis. A summary of the current wastewater treatment plant capacity by specific facility and service area location is summarized below:

Current Permitted Wastewater Treatment Plant Capacity (MGD) [1]

Treatment Facility:	Northwest Service Area	South-Central Service Area
Northwest Regional WRF	30.000	---
Van Dyke WWTP	1.700	---
Falkenburg Road AWWTF	---	15.000
South County AWWTF [2]	---	13.000
Valrico AWWTF	---	12.000
Sunset Plaza WWTF [3]	0.050	---
Windemere WWTP [4]	0.185	---
Total Wastewater Capacity	<u>31.935</u>	<u>40.000</u>

[1] The permitted capacity for the Northwest Wastewater Treatment Plant is in terms of a 3-month maximum daily flow basis; all other facilities are permitted on an average annual daily flow basis with the Florida Department of Environmental Protection. From 10.0 MGD to 13.0 mgd

[2] The South County AWWTF capacity expansion from 10.0 MGD to 13.0 mgd was completed in Fiscal Year 2025 and funded by the 2021 Assessment Bonds.

[3] The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022.

[4] The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024.

As previously mentioned, and as shown above, the Wastewater System also has two distinct service areas. As can be seen above, the current permitted capacity for the Northwest Service Area is 31.935 mgd and the South-Central Service Area current permitted capacity is 40.0 mgd. The South-Central service area capacity will be increasing to 64.0 MGD by the end of 2030 (Fiscal Year 2031) with the completion of the 24 MGD South County One Water Campus AWWTF.

Recognizing the respective permitted treatment capacity of the Northwest Service area, it is anticipated that there will be sufficient wastewater treatment capacity during the Forecast Period to meet the respective service area demands based on the customer forecast as summarized below.

Wastewater Treatment – Northwest Service Area

Fiscal Year Ended September 30, (Historical Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2021	18.927	31.700	59.71%
2022	18.602	31.750 [2]	58.59%
2023	18.134	31.750	57.11%
2024	18.732 [3]	31.935 [4]	58.66%
2025	18.224	31.935	57.07%
Fiscal Year Ending September 30, (Forecast Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2026	19.060	31.935	59.68%
2027	19.698	31.935	61.68%
2028	20.134	31.935	63.05%
2029	20.437	31.935	64.00%
2030	20.795	31.935	65.12%

Million Gallons per Day (mgd)

[1] Amounts shown based on the forecast of total Wastewater System ERCs as shown on Table 5 and historical trends in the amount of wastewater treated per ERC. Amounts does not include wastewater treatment purchased from other municipalities i.e., City of Tampa, City of Plant City, and City of Temple Terrace to reflect the County-owned capacity utilization for the Northwest Service Area.

[2] The acquisition of Sunset Plaza Utilities, Inc. by the County on August 16, 2022 added permitted wastewater capacity of 0.05 mgd based on three-month rolling average.

[3] Amount shown may be reflective of the impacts from Hurricane Helene on September 26, 2024.

[4] The acquisition of Windemere Utility Company by the County on March 6, 2024 added permitted wastewater capacity of 0.185 mgd based on three-month rolling average.

Based on the wastewater capacity requirements forecast for the Northwest Service Area as reflected above, it is anticipated that approximately 65.12% of the Northwest Service Area capacity (31.935 MGD) will be utilized during the Fiscal Year 2030. It should be noted that as the Northwest wastewater service area nears

build-out, most customer growth will occur in the South-Central area. Therefore, the County does not plan to expand Northwest wastewater treatment and disposal capacity in the near future.

With respect to the South-Central Service Area and based on treatment capacity of the System for this specific service area, it is anticipated that the wastewater treatment capacity will be sufficient to meet the capacity / demands for the Forecast Period. This is summarized on the following page.

Wastewater Treatment – South-Central Service Area

Fiscal Year Ended September 30, (Historical Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2021	25.874	34.00	76.10%
2022	26.484	34.00	77.89%
2023	28.172	34.00	82.86%
2024	28.377	35.00 [2]	81.08%
2025	27.390	40.00 [3]	68.48%
Fiscal Year Ending September 30, (Forecast Period)	Annual Average Daily Flow (MGD) [1]	Permitted Capacity (MGD)	Percent Capacity Utilized
2026	30.856	40.00	77.14%
2027	31.823	40.00	79.56%
2028	32.467	48.00 [4]	67.68%
2029	32.953	48.00	68.65%
2030	33.505	48.00	69.80%

MGD = Million Gallons per Day

[1] Amounts shown based on the forecast of total Wastewater System ERCs as shown on Table 5 and historical trends in the amount of wastewater treated per ERC. The County does not purchase wastewater treatment service from other providers in the South-Central service area and therefore the amounts shown reflects only wastewater treated at County-owned facilities.

[2] The South County AWWTF was expanded from 10 mgd to an interim capacity of 11 mgd.

[3] The South County AWWTF was expanded from 11 mgd to 13 mgd and the Falkenburg AWWTF was expanded from 12.0 to 15.0 mgd.

[4] The South County One Water Campus AWWTF is anticipated to be online with an initial capacity of 8 mgd by Fiscal Year 2029.

The new South County One Water Campus AWWTF is expected to be online by Fiscal Year 2029 with an initial capacity of 8.00 mgd, increasing the South-Central system-wide capacity to 48.00 mgd. Based on the wastewater capacity requirements forecast for the South-Central Service Area as reflected above, it is

anticipated that approximately 69.80% of the South-Central Service Area capacity (48.00 mgd) will be utilized during the Fiscal Year 2030. By the end of 2030 (Fiscal Year 2031), the capacity of the South County One Water Campus AWWTF is expected to be increased from the initial 8.00 MGD to 24.00 mgd, resulting in a total South-Central system capacity of 64.00 mgd. Upon construction on the initial phase of the South County One Water Campus AWWTF, the County will begin diverting flow from the South County, Valrico, and Falkenburg Road AWWTFs to the new facility through a series of collection system improvements and a master wastewater pumping station.

Based on recent historical trends in customer growth, discussions with members of the Department, and a review of information regarding the reservation of wastewater capacity through the IFAU program, it has been assumed that the number of average annual wastewater customers being served will increase during the Forecast Period at growth rates which are generally lower than that recently experienced by the Wastewater System based on historical information provided by the County. Based on reported development / service area information provided by the County, growth is expected to continue to be primarily residential in nature consistent with the land use requirements of the service area. The wastewater customer statistical projections shown on Table 5 served as the basis for the projection of revenues derived from monthly wastewater user charges for the Forecast Period reflected in the Report.

Customers Served

As discussed above, the statistics shown for both the Water and Wastewater Systems was predicated on an ERC basis, which is consistent with the billing parameters reflected in the Rate Resolution as defined hereinafter in this Report. To provide additional information regarding the number of customers served (bills rendered) by the System, a forecast of the customers served (bills rendered) was also prepared. The historical information for the total customers served (whether receiving water-only, wastewater-only, or combined water and wastewater service) is shown on Tables 1 and 2 at the end of this Report and the projection of customers served for the Forecast Period is shown on Tables 4 and 5 at the end of this Report. Trends in customers served for the Historical and Forecast Periods are summarized on the following page:

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Customers Served [1]

Fiscal Year Ended September 30, (Historical)	Annual Average Customers Served [2]
2021	201,328
2022 [3]	205,697
2023	209,191
2024 [4]	212,556
2025	216,897
Average Annual Historical Growth Rate	<u>1.88%</u>
Fiscal Year Ending September 30, (Projected)	Annual Average Customers Served [2]
2026	219,170
2027	222,079
2028	224,597
2029	227,022
2030	229,461
Average Annual Projected Growth Rate [5]	<u>1.13%</u>

[1] Amounts derived from Tables 1 and 2 for the Historical Period and Tables 4 and 5 for the Forecast Period at the end of this Report.

[2] Reflects average annuals bills rendered, regardless of service type (water-only, wastewater-only, or combined water and wastewater service).

[3] The County acquired the Sunset Plaza Utilities, Inc. (a franchised utility system) on August 16, 2022, a system that serves approximately 39 commercial water accounts equating to 90 ERCs.

[4] The County acquired the Windemere Utility Company, (a franchised utility system) on March 6, 2024, a system that serves approximately 1,020 residential water accounts equating to 1,020 ERCs.

[5] Reflects average annual compound growth rate from Fiscal Year 2025 through Fiscal Year 2030.

As shown above, the number of customers served (billed) has incurred a historical growth rate in the average number of bills rendered of approximately 1.88% per year since the Fiscal Year 2021, which is similar to the historical ERC growth rate recently experienced for the Water and Wastewater Systems. This growth is due to both the infill of existing developments where service was available as well as the continued addition of new development within the utility service area (the urban service area). The forecast of new customers served or billed was based on recent historical trends, the forecast of water and wastewater ERCs shown previously in this Report, and the assumption that growth will be representative of recent historical trends recognizing

the assumed one-time utility acquisitions. The billed customer projections were prepared separately for the Water and Wastewater Systems as shown on Tables 4 and 5, respectively, to recognize that the System does provide water-only and wastewater-only service since the utility service areas are not quite uniform. The forecast of the customers billed served as the basis for the projection of revenues derived from monthly customer service charge revenues for the Forecast Period reflected in the Report.

Reclaimed Water System

In addition to providing water and wastewater service, the County provides reclaimed or irrigation quality (“IQ”) water to several residential and commercial customers and to large users for irrigation (e.g., golf courses) and industrial process (e.g., TECO for power plant cooling) purposes. The County has been providing reclaimed water service for over 25 years as part of its overall utility service requirements. IQ water is now being considered as an alternative water resource by the SWFWMD and it is a beneficial use of such resources. The County currently provides service to three types of customers, which include:

1. **Single-family Residential** – Generally reflects individually metered service to the premise unless such properties are part of a neighborhood that has received conditional approval for connection to the Reclaimed Water System prior to November 20, 2001 whereby such customers may enter into an agreement to receive only flat-rate service and obtain a 30-year exemption from receiving reclaimed water service on a “metered” basis within the neighborhood (referred to as Committed-Class connections in the Rate Resolution).
2. **General Users Service** – Reflects commercial and multi-family residential accounts that are not eligible for the Major Users subclass.
3. **Major Users Service** – Reflects commercial and multi-family residential accounts that have entered into a written agreement with the County, which provides for a maximum daily quantity of reclaimed water deliverable by the County, the interruption of reclaimed water delivery for the remainder of any day in which the daily maximum quantity has been delivered, and/or the on-site storage of reclaimed water during wet-weather periods located at the customer’s premise or site.

The Reclaimed Water System has also experienced an increase in customers and billed metered reclaimed water use (sales) over the past several years due to the continued extension of service and corresponding development located within the service area. Table 3 at the end of this Report summarizes the historical accounts provided reclaimed water service, billed consumption (sales), and average account usage statistics for the Reclaimed Water System. Table 6 provides similar projected statistics for the Forecast Period. It

should be noted that not all the Reclaimed Water System customers receive metered reuse service. As previously mentioned and based on prior Board direction, several residential customers are considered as Committed-Class connections and do not receive metered reclaimed water service from the System; such customers are billed a flat monthly rate for service regardless of the amount of reclaimed water used by the property. As properties with Committed-Class change ownership, the connection is then converted to metered reuse service. The following is a summary of the customers and metered reclaimed water sales for the Historical and Forecast Periods for the Reclaimed Water System:

Reclaimed Water System [1]

Fiscal Year Ended September 30, (Historical)	Average Annual Accounts		Metered Sales (000s of Gallons)
	Committed Class Customers [2]	Metered Customers [3]	
2021	14,010	5,519	4,013,210
2022	13,897	6,275	4,178,299
2023	13,803	6,600	4,466,338
2024	13,766	6,978	4,314,683
2025	13,708	7,296	4,324,835
Average Annual Historical Growth Rate	<u>(0.54%) [4]</u>	<u>7.23%</u>	<u>1.89%</u>

Table continued on following page.

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Reclaimed Water System [1] (cont'd.)

Fiscal Year Ending September 30, (Projected)	Average Annual Accounts		Metered Sales (000s of Gallons)
	Committed Class Customers [2]	Metered Customers [3]	
2026	13,708	7,601	4,623,504
2027	13,658	7,901	4,694,544
2028	13,608	8,196	4,764,624
2029	13,558	8,486	4,833,744
2030	13,508	8,771	4,901,904
Average Annual Projected Growth Rate [5]	<u>(0.29%)</u>	<u>3.75%</u>	<u>2.54%</u>

[1] Amounts derived from Tables 3 and 6 at the end of this Report for the Historical and Forecast Periods, respectively; amounts shown include all customer classes.

[2] Committed-Class customers are all single-family residential customers that receive a flat monthly bill and unmetered reclaimed water service.

[3] Metered customers represent accounts that receive metered reclaimed water service; includes residential, general user and major user customer classes.

[4] The reduction in Committed Class customers is attributable to changes in property ownership at which the connection converts to metered service.

[5] Reflects average annual compound growth rate from Fiscal Year 2025 through Fiscal Year 2030.

As can be seen above, it is anticipated by the County that the Committed-Class customers (which are all single-family residential customers) will not materially change during the Forecast Period; essentially all new customer growth will be metered reclaimed water service customers. The change in customers was based on: i) recent historical trends and average metered reclaimed water use characteristics; ii) detailed customer and reclaimed water demand information prepared by Department staff (by type of account and anticipated capacity or service requirements); and iii) year-end actual billing statistics for all classes of customers. As can be seen above, it is assumed that the metered reclaimed water sales will increase at a lower growth rate than what occurred historically due primarily to the service area beginning to become more mature from a service standpoint which results in a lower growth rate when compared to previous periods as well as the availability of increased reclaimed water reducing (to serve new growth) due to reductions in wastewater effluent growth (i.e., water resource availability plus the County does not supplement the Reclaimed Water System with other water sources such as raw water or storm water). It is also assumed that Reclaimed Water System customer growth will include a higher proportionality of residential customers (which generally have lower per account usage characteristics) based on the discussions with the Department. The reclaimed water customer statistical

projections shown on Table 6 served as the basis for the projection of revenues derived from monthly reclaimed water user charges for the Forecast Period reflected in the Report.

Ten Largest Customers of the System

In order to provide additional information regarding the County Water, Wastewater, and Reclaimed Water System customer base, a summary of certain statistical information of the 10 largest customers on the basis of revenues billed has been presented based on information compiled by the Department. As can be seen below and based on information provided, the 10 largest customers for the System were estimated to account for approximately 2.86% of the total System rate revenue reported for Fiscal Year 2025.

Water and Wastewater Top Ten Utility Customers – Fiscal Year 2025 (Based on Sales Revenue) [1]

Account	Service Class	Meter Size	Type of Service	Total Rate Revenue	Percent of Total System Rate Revenues
Federations of Kings Point C Inc.	Multi-Family [2]	8x2-inch	Water & Sewer	\$3,759,621	0.96%
Lake Carlton Arms	Multi-Family [2]	8x2-inch	Water & Sewer	1,599,287	0.41%
Progress Tampa 1 LLC	Single Family [3]	5/8-inch	Water & Sewer	971,106	0.25%
1918 Plantation Key Owner LLC	Multi-Family [2]	8x4-inch	Water & Sewer	876,130	0.22%
Woodberry Woods Apartments LLC	Multi-Family [2]	1-1/2-inch	Water & Sewer	695,510	0.18%
CCRC OCP Sun City Center LLC	Multi-Family [2]	8-inch	Water & Sewer	691,759	0.18%
Upward America Southeast Property Owner LP	Single Family [4]	5/8-inch	Water & Sewer	670,440	0.17%
IH6 Property Florida LP	Single Family [5]	5/8-inch	Water & Sewer	665,775	0.17%
Harborside FL Apartment Partners ii LLC	Multi-Family [2]	8x2-inch	Water & Sewer	630,835	0.16%
Fetlar LLC	Single Family [6]	5/8-inch	Water & Sewer	612,200	0.16%
Total				<u>\$11,172,643</u>	<u>2.86%</u>
Total Water and Wastewater Rate Revenues [7]				<u>\$390,240,919</u>	

[1] Based on information provided by the Department; reflects amounts for the 12 months ended September 30, 2025 (the most recently completed fiscal year for the System).

[2] Multi-family customers represent accounts that are served by a master meter, which is generally a large meter serving a number of residential dwelling units.

[3] Represents single billed account with over 594 individually metered residential units.

[4] Represents single billed account with over 465 individually metered residential units.

[5] Represents single billed account with over 365 individually metered residential units.

[6] Represents single billed account with over 394 individually metered residential units.

[7] Amount shown reflects revenues derived from monthly water and wastewater rates, including revenues derived from the application of the purchased water pass-through revenue and customer charges; amounts do not include reclaimed water revenue or any other operating revenue or income available to or earned by the System.

Rates, Fees, and Charges

General

The Bond Resolution authorizing the issuance of the Series 2026A Bonds contains a covenant under which the County will fix, establish, revise from time to time whenever necessary, maintain, and collect such fees, rates, rentals, and other charges for the use of the System that will always provide:

1. Gross Revenues which, together with Pledged Impact Fees and Qualified Derivative Receipts available to pay the debt service on the Bonds, shall at least be equal to one hundred percent (100%) of the Required Deposits under the Bond Resolution (which includes deposits to the Operation and Maintenance Account, the Debt Service Account and Swap Obligations Account, Reserve Account, and Renewal and Replacement Account, including the payment of Policy Costs then due and owing) (Referenced in this Report as “Test 1”);

AND

2. Net Revenues which, together with Pledged Impact Fees available to pay debt service on the Bonds, shall be at least equal to one hundred twenty percent (120%) of the Bond Service Requirement for such Fiscal Year (Referenced in this Report as “Test 2”);

AND

3. Net Revenues which shall be at least equal to one hundred percent (100%) of the Bond Service Requirement for such Fiscal Year (Referenced in this Report as “Test 3”).

For the determination of calculating Gross Revenues in Test 1 above, not more than 10% of such Gross Revenues shall be derived from transfers from the Rate Stabilization Account in any Fiscal Year.

The sales revenues derived from the monthly rates or user charges, Impact Fees, and other operating revenues, all as reflected on Table 10 at the end of this Report associated with the projected operating results for the System, were developed based on rates and charges that were placed into effect on October 1, 2025. Such rates and charges were approved by the Board pursuant to the adoption of Resolution No. R03-91 by the Board on May 14, 2003, which was amended by Resolution No. R05-106 on May 5, 2005, Resolution No. R09-070 on May 20, 2009, Resolution No. R14-034 on March 19, 2014, Resolution No. R19-106 on August 21, 2019, Resolution No. R20-047 on June 17, 2020, Resolution No. R21-046 on April 21, 2021, and

Resolution No. R23-078 on September 7, 2023, and Resolution No. R25-111 on December 17, 2025, and have been subsequently adjusted annually for the application of certain expense pass-through and price index adjustments with the most recent adjustment occurring on October 1, 2025 (collectively, the “Rate Resolution”). The resolution adopted by the Board on December 17, 2025, approved increases to the water and wastewater (Capacity) Impact Fees (discussed below).

Prior to the adoption of Resolution No. R19-106 in August 2019, rate structures have been in place for approximately 16 years. Since 2003 and as mentioned above, the Board has adopted certain amendments to the Rate Resolution to reflect minor administrative revisions / clarifications and to recognize: i) adjustments in the calculation basis for the Purchased Water Pass-Through Consumption Charge and the automatic Price Index and Pass-Through adjustments; and ii) to reflect minor rate adjustments as a result of “turning on” the automatic price index adjustment beginning in Fiscal Year 2009 as recommended by the Department and its Rate Consultant. Resolution No. R19-106 approved the: i) adjusted formula in which to determine the automatic rate indexing of certain water, wastewater and reclaimed rates charged to customers; ii) adjusted timing of the automatic rate indexing to coincide with the County’s fiscal year; iii) sunset of the automatic rate indexing at September 30, 2021; and iv) application of an additional annual automatic rate adjustment of 4% for two fiscal years effective October 1, 2019. The Board adopted Resolution No. R20-047 on June 17, 2020, which continued the automatic rate indexing through September 30, 2025 (the “2020 Rate Resolution”) and adjusted the Impact fees and re-instated the Accrued Guaranteed Revenue Fee (“AGRFs”) charged to new development as discussed later in this report. The Board adopted Resolution No. R21-046 on April 21, 2021, which approved the extension of an additional annual automatic rate adjustment of four percent for four fiscal years beginning October 1, 2021 through September 30, 2025 (the “2021 Rate Resolution”). The Board adopted Resolution No. R23-078 on September 7, 2023, which approved i) to continue the application of the Rate Index through the Fiscal Year ending September 30, 2035; and ii) to continue the application of an additional annual automatic rate adjustment of four percent through September 30, 2025 by adding a 5% annual automatic rate adjustment for seven years beginning October 1, 2025 through the Fiscal Year ending September 30, 2032 (the “2023 Rate Resolution”). Most recently, the Board adopted Resolution No. R25-111 on December 17, 2025, which increased water and wastewater (Capacity) Impact fees on a phased-in approach, effective March 23, 2026, (the “2025 Rate Resolution”).

The County’s rate plan provides for an annual Price Index adjustment, not being less than zero percent nor exceeding five percent through Fiscal Year 2035, and a separate Board-approved annual fixed-rate adjustment of five percent through Fiscal Year 2032. The County also recalculates the Purchased-Water Pass-Through Consumption Charge annually to recover the cost of purchased water from its suppliers. The financial

forecast reflects each of these adjustment mechanisms, as applicable, during the Forecast Period effective October 1 of each respective Fiscal Year.

Water and Wastewater Rates

The Water System Monthly User Rates which are currently in effect pursuant to the Rate Resolution include: i) a constant base facility (readiness-to-serve) charge, which varies based on the number of ERCs that are assigned to the account (which is generally predicated on the capacity reserved by such account); ii) a customer service charge to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant base facility charge, serves as the monthly minimum bill; and iii) a volumetric or usage charge based on metered water consumption which increases as consumption increases in order to promote water conservation (applicable to all customer classes). The rates for the Wastewater System are similar in structure to that of the Water System and include: i) a constant base facility charge (readiness-to-serve charge), which varies based on the number of ERCs that are assigned to the account; ii) a customer service charge to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant service charge serves as the minimum bill; iii) a volumetric flow charge based on metered water consumption which serves as the basis for wastewater use; and vi) a maximum residential billing threshold of 8,000 gallons per month per single-family residential unit and 5,600 gallons per month per master-metered residential unit for the billing of the volumetric flow charge for this class of customers. It should be noted that only one customer service charge is rendered per account for utility service provided (i.e., customers that receive water-only service, water and wastewater service, or wastewater-only service would each receive a customer service charge).

As part of the consumptive use permitting process, the SWFWMD requires water utilities located within the boundaries of the Water Management County to have a water conservation promoting rate structure. This requirement is part of the SWFWMD water conservation goals relative to the limitation of raw water withdrawals. The SWFWMD does not regulate the rates of the System regarding rate level but does encourage a conservation pricing strategy be in place. The County Water System rates currently employ a water conservation rate structure consistent with the general water conservation program goals encouraged by SWFWMD.

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The following is a summary of the current monthly System rates for service as delineated in the Rate Resolution:

Current Monthly Water and Wastewater Rates for Service [1]

Description	In Effect as of October 1, 2025 [1]
Customer Service Charge (per Bill Rendered)	\$6.54
Water Service Rates:	
Base Facility Charge (per ERC)	\$13.58
Usage Charges (per 1,000 Gallons):	
Block 1 – 0 to 5,000 Gallons	\$1.12
Block 2 – 5,001 to 15,000 Gallons	3.09
Block 3 – 15,001 to 30,000 Gallons	5.19
Block 4 – Above 30,000 Gallons	7.73
Pass-Through Consumption Charge [2]	
	\$3.02
Wastewater Service Rates:	
Base Facility Charge (per ERC)	\$21.95
Usage Charges (per 1,000 Gallons) [3]	\$7.07

[1] Amounts derived from Rate Resolution; Monthly User Rates became effective October 1, 2025, coincident with the application of a price index and 5% additional rate adjustment.

[2] Reflects current pass-through consumption charge to recover the net cost of purchased-water (primarily Tampa Bay Water) based on formula contained in Rate Resolution; amount shown billed for all water consumption, regardless of consumption block and represents a charge that is added uniformly to all water usage charges. Amount shown reflects the charge currently in effect for the Fiscal Year 2026.

[3] Wastewater usage charge billed based on metered water use; individually metered single-family residential service usage charge capped at 8,000 gallons per month and each living unit served within a master-metered residential complex is capped at 5,600 gallons per unit per month.

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Hardship / Affordability Assistance Discount

The Board adopted Resolution No. R21-057 on May 19, 2021, that provided a hardship / affordability assistance discount to certain residential customers that may be experiencing an economic hardship (the “Assistance Resolution”). The Assistance Resolution includes, among other things, the i) eligibility and discount qualification requirements; ii) procedures for an applicant to receive the hardship / affordability assistance discount; and iii) the monthly discount to be applied to qualifying applicants. Pursuant to the Assistance Resolution, the program is only applicable to single-family residential customers receiving utility service from the System, it is not applicable to master-metered residential and commercial water and/or wastewater service or to reclaimed water service. The monthly discount as provided in the Assistance Resolution shall be applied to the water and wastewater Base Facility Charge and shall equal \$2.50 for water service and \$2.50 for wastewater service (\$5.00 for combined water and wastewater service). Based on discussions with the County, a review of other discount programs provided by the County, and the estimate of the number of applicants that may meet the applicability and qualifying provisions delineated in the Assistance Resolution. The County currently reports that 56 water and wastewater customers, three water only customers and two wastewater only customers are actively enrolled in this program. Additionally, the County does not believe that the application of the affordability discount will have significant effect on rate revenues during the Forecast Period.

Annual Purchased-Water Pass-Through Consumption Charge

As shown in the rate summary above, the County bills a Purchased-Water Pass-Through Consumption Charge to recover the cost of purchased water from its water suppliers (primarily Tampa Bay Water). This pass-through charge is reviewed annually by the Department and is a forward-looking calculation (e.g., based primarily on the Tampa Bay Water budget for wholesale service). The Purchased-Water Pass-Through Consumption Charge was implemented during the Fiscal Year 2001 and allows the Department to recover costs that are not controllable by the Department. It should be noted that during the Fiscal Year 2025, the purchased water costs accounted for approximately 39% of the total Cost of Operations and Maintenance. The initial Purchased-Water Pass-Through Consumption Charge implemented during Fiscal Year 2001 was \$1.20 per 1,000 gallons of metered water consumption; the current (Fiscal Year 2026 Purchased-Water Pass-Through Consumption Charge being billed by the Department is \$3.02 per 1,000 gallons of metered (billed) water use. The Purchased-Water Pass-Through Consumption Charge, which is calculated each year and

made effective on October 1 of such year, is added to each usage charge with respect to the application of such charge and all metered water consumption is billed the charge.

Reclaimed Water Service

In addition to providing water and wastewater service, the County provides reclaimed or IQ water to residential, multi-family, and commercial customers (users) for irrigation and industrial purposes. The County has been providing reclaimed water service for nearly 25 years as part of its overall utility program. On a system-wide basis, an average annual daily flow (“AADF”) of 36.56 mgd of reuse water was distributed by the Department through its Reclaimed Water System during Fiscal Year 2025. Of the total amount of reclaimed water distributed during the Fiscal Year 2025, approximately 13.63 mgd was in the Northwest Service Area and approximately 22.93 mgd was in the South-Central Service Area. The Department reports that approximately 80.42% of all effluent discharged by the County wastewater treatment facilities was reused in Fiscal Year 2025, and the remaining effluent was discharged to surface waters.

The following table summarizes the Reclaimed Water System rates that are currently in effect pursuant to Rate Resolution:

Current Monthly Rates for Reclaimed Water Service [1]

		Single-family Residential	
		Unmetered – Committed	Metered
Base Facility Charge		\$9.00	\$6.44
Usage Charge per 1,000 Gallons:			
Block 1	0-5,000 Gallons	N/A	\$0.40
Block 2	5,001-15,000 Gallons	N/A	0.67
Block 3	Above 15,000 Gallons	N/A	0.92

Table continued on following page.

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Current Monthly Rates for Reclaimed Water Service [1] (cont'd.)

		Commercial and Multi-family		
		Unmetered – Committed	Metered General Users	Metered Major Users
Base Facility Charge		\$9.00	\$6.44	\$6.44
Usage Charge per 1,000 Gallons: [2]				
Block 1	0-5,000 Gallons per ERC	N/A	\$0.18	\$0.15
Block 2	5,001-15,000 Gallons per ERC	N/A	\$0.31	\$0.15
Block 3	Above 15,000 Gallons per ERC	N/A	\$0.86	\$0.15

[1] Amounts derived from Rate Resolution; Monthly Reclaimed Water System Rates became effective October 1, 2025 coincident with the application of a price index and a five percent additional rate adjustment.

[2] An ERC for the Reclaimed Water System is defined as the average annual daily flow of 500 gallons per day of use. ERCs are generally determined initially based on projected usage and are subject to adjustment annually based on the actual average annual daily usage for the prior 12-month period.

Annual Price Index Rate Adjustment

The Rate Resolution provides that the Department has the ability to annually increase the water and wastewater user charges (excluding the Purchased-water Pass-through Consumption Charge), the reclaimed water user charges (excluding the Committed-Call connections) and the bulk-service charges (excluding the Purchased-water Pass-through Consumption Charge), as identified in the Rate Resolution (Section 2 of the resolution) (collectively, the “Applicable Rates”) by applying a price index factor as defined in the Rate Resolution. The price index factor is to be applied to the Applicable Rates to provide a general recovery mechanism for the effects of inflation on the cost of providing water, wastewater, and irrigation services by the System. Pursuant to the Rate Resolution, all Applicable Rates so adjusted are implemented by the County annually on or after October 1 of the year in which the price index factor was established and, in no event, can the price index factor be less than zero percent or exceed five percent. It should be noted that the annual application of the price index does not preclude the County from adjusting the rates, fees, and charges in an amount greater than the price index factor.

The County has consistently applied the price index annually since the Fiscal Year 2010 with the Fiscal Year 2026 Index (effective October 1, 2025) being 3.29%. The following table summarizes the projected annual price index assumed for the Forecast Period (percentage adjustments are estimated and subject to change based on actual reported conditions).

Estimated Annual Price Index Rate Adjustments – For the Forecast Period

	Actual [1]	Estimated Fiscal Year Ending September 30,			
	2026	2027	2028	2029	2030
Price Index Adjustments [2]	3.29%	2.91%	2.83%	2.73%	2.66%

[1] Reflects the actual price index approved by the County that were applied to Applicable Rates and reflected in the rates presented earlier in this section pursuant to the Rate Resolution.

[2] Amounts shown for the Fiscal Year 2027 through the remainder of the Forecast Period were estimated based on historical trends in the percentage change in the U.S. Bureau of Labor Statistics Water and Sewer Maintenance Index (Series ID CUSR0000SEHG01).

Additional Rate Adjustment

In addition to the annual price index, the Board adopted a series of additional rate adjustments pursuant to the Rate Resolution to be implemented during the Forecast Period (referred to as the “Approved Rate Adjustments”). The purpose of the Approved Rate Adjustments is to provide additional funds for expected increases in operating costs and capital reinvestment for the integrity of the System. The fixed 5% annual rate adjustments shown below were approved by the Board and do not require further annual Board action to become effective. The financial forecast assumes that each approved adjustment, together with the applicable annual Price Index adjustment, is implemented as authorized throughout the Forecast Period.

Board Approved Rate Adjustments – For the Forecast Period [1]

	Fiscal Year Ending September 30,				
	2026 In Effect [2]	2027 Approved	2028 Approved	2029 Approved	2030 Approved
Water System Approved Rate Adjustments [3]	5.00%	5.00%	5.00%	5.00%	5.00%
Wastewater System Approved Rate Adjustments	5.00%	5.00%	5.00%	5.00%	5.00%
Reclaimed Water System Approved Rate Adjustment [4]	5.00%	5.00%	5.00%	5.00%	5.00%

[1] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates adjustments are in addition to the application of the annual price index rate adjustment.

[2] Represents index that is now incorporated in the rates being billed for the Fiscal Year 2026 as presented earlier in the report (effective October 1, 2025), the first year of the financial forecast presented in this Report. Current price index shown for presentation and informational purposes.

[3] The Additional Rate Adjustments are not applied to the Purchased-water Pass-through Consumption Charge.

[4] The Additional Rate Adjustments are not applied to the Reclaimed Water – Committed Class customers at this time.

Impact Fees and Accrued Guaranteed Revenue Fee

In addition to the monthly rates for water and wastewater service, the County currently charges System Impact Fees to new connections based upon an equitable and proportionate share of the cost for: i) water supply and transmission facilities owned by Tampa Bay Water; ii) County-owned water treatment and transmission facilities; and iii) County-owned wastewater transmission, treatment, and effluent disposal capacity of the System. The purpose of the Impact Fees is to pay or reimburse the equitable share of the capital costs relating to the construction, expansion, or equipping capacity of the System or as constructed on behalf of the County to serve new users. The obligation for the payment of these charges is from new customers requesting capacity from the Water and/or Wastewater System associated with new development. The current Impact Fees were adopted by the County pursuant to the Rate Resolution.

The following table summarizes the Water Impact Fees and County charges currently in effect.

Water Impact Fees [1]

Northwest Service Area [2]		
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027
Single-family Residential (per Dwelling Unit)	\$2,037.50	\$2,212.00
Master Metered Residential (per Dwelling Unit)	\$1,018.75	\$1,106.00
Commercial (per ERC)	\$2,037.50	\$2,212.00
South-Central Service Area [2]		
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027
Single-family Residential (per Dwelling Unit)	\$3,449.00	\$4,684.00
Master Metered Residential (per Dwelling Unit)	\$1,724.50	\$2,342.00
Commercial (per ERC)	\$3,449.00	\$4,684.00

[1] Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of Water (Capacity) Impact Fees consistent with the limitations of Chapter 163.31801 equally over two years in Fiscal Years 2026 and 2027.

[2] Resolution No. R20-047 adopted on June 17, 2020, established different (Capacity) Impact Fees for the Northwest Service Area and the South-Central Service Area.

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The following table summarizes the Wastewater Impact Fees and County charges currently in effect.

Wastewater Impact Fees [1]

Northwest Service Area [2]				
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027	Beginning March 23, 2028	Beginning March 23, 2029
Single-family Residential (per Dwelling Unit)	\$3,268.75	\$3,586.50	\$3,904.25	\$4,222.00
Master Metered Residential (per Dwelling Unit)	\$2,288.13	\$2,510.55	\$2,732.98	\$2,955.40
Commercial (per ERC)	\$3,268.75	\$3,586.50	\$3,904.25	\$4,222.00
South-Central Service Area [2]				
Customer Class	Beginning March 23, 2026	Beginning March 23, 2027	Beginning March 23, 2028	Beginning March 23, 2029
Single-family Residential (per Dwelling Unit)	\$4,884.75	\$6,118.50	\$7,352.25	\$8,586.00
Master Metered Residential (per Dwelling Unit)	\$3,419.33	\$4,282.95	\$5,146.58	\$6,010.20
Commercial (per ERC)	\$4,884.75	\$6,118.50	\$7,352.25	\$8,586.00

[1] Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of Wastewater (Capacity) Impact Fees consistent with the limitations of Chapter 163.31801 equally over four years in Fiscal Years 2026 through 2029.

[2] Resolution No. R20-047 adopted on June 17, 2020, established different (Capacity) Impact Fees for the Northwest Service Area and the South-Central Service Area.

In addition to Impact Fees, the County charges new customers requesting capacity an Accrued Guaranteed Revenue Fee (“AGRF”), which represents the sum of: i) the estimated interest (carry) cost associated with financing the expansion-related facilities; and ii) the fixed cost of operating and maintaining the facilities allocable to growth, both of which are related to capacity in the County potable Water and Wastewater Systems to serve new customers. The purpose of this fee is to recover the cost of holding and maintaining the capital investment until such time that an applicant requests and pays for capacity. This fee was suspended by the County in April 2014 and was reinstated (at a different rate) on June 17, 2020 with the adoption of the 2020 Rate Resolution by the Board.

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Accrued Guaranteed Revenue Fee

	Water System	Wastewater System
AGRF – per ERC [1]	\$833.00	\$989.00

[1] The water and wastewater AGRF was reinstated effective October 1, 2020 with the adoption of Resolution No. R20-047 on June 17, 2020.

Miscellaneous Service Charges

The County has also adopted a schedule of fees, charges, and deposits that are applicable to miscellaneous or customer requested services. The fees generally are imposed to recover the cost of specific service such as water and sewer taps and utility turn-on fees or a deposit to mitigate the risk for nonpayment of System services. It should be noted that the County has engaged Stantec, a business consulting and services firm, to perform a Miscellaneous Fee Study which is expected to be completed later this calendar year. The following is a summary of miscellaneous service fees, charges, and deposits that were adopted and are currently in effect for the System.

Customer Deposit and Billing Procedures

The Department requests a cash deposit when a customer applies for service and an account is established in order to defray the risk of non-payment for utility services. The deposit is estimated on an individual account basis and the amount of the deposit is based on the class or type of service being provided (e.g., individually metered residential). The following is a summary of the customer deposits as delineated in the Rate Resolution.

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Summary of Standard Customer Deposits [1]

Class of Service / Meter Size	Water	Wastewater	Combined
Single-family Residential Accounts:			
Per ERC	\$90.00	\$165.00	\$185.00
Commercial and Master-Metered Accounts:			
All Meter Sizes – Water and Wastewater Service	Two times the current system-wide average monthly billing for comparable accounts		
Reclaimed Water Service:			
5/8-inch by 3/4-inch	\$150.00	N/A	N/A
1-inch	165.00	N/A	N/A
1-1/2-inch	175.00	N/A	N/A
2-inch	225.00	N/A	N/A
3-inch	350.00	N/A	N/A
4-inch	400.00	N/A	N/A
6-inch	485.00	N/A	N/A
8-inch	550.00	N/A	N/A
10-inch	650.00	N/A	N/A

[1] Amounts shown derived from the Rate Resolution.

Based on the County's Rate Resolution, the deposit may be adjusted when the customer is considered to have an unsatisfactory payment history, as determined by the County. A refund of the deposit, including accrued interest, will be made if the account is determined by the County to have a good payment history. The County currently applies an interest credit to the utility bill of the account when the account is closed or the cash deposit is returned due to good payment history, which is based on the then earnings rate of the County.

Additionally, bills for utility service are rendered monthly by the Department. Pursuant to the covenant requirements of the Bond Resolution, the County does not render or cause to be rendered any free services of any nature by its System nor applies preferential rates for users of the same customer class without reasonable justification, with certain exceptions described in the Bond Resolution. The County diligently enforces the collection of Gross Revenues.

Water Meter Installation Charges

The County has adopted a fee schedule for water meter connection or installation services and service lateral installation in order to recover its cost of physically connecting a water customer to the System. Specifically, the County has adopted the following schedule of fees for this specific service:

Water Meter Installation Charges [1]

Meter Size	Meter Installation [2]	Pre-Tapped Connection [3]
3/4-inch or less	\$350.00	\$215.00
1-inch	450.00	440.00
1-1/2-inch	650.00	540.00
2-inch	1,000.00	540.00
Above 3-inch [4]	250.00	250.00

[1] Fees derived from the Rate Resolution.

[2] Except as provided in footnote 4 below, amounts include the cost of tapping the potable water line, installing the service line, and installing the meter, meter reading device, and meter box.

[3] Amounts represent the cost of installing the meter and meter box only.

[4] For service connections greater than 2-inch, the customer shall be responsible for furnishing and installing service lines, the meter and meter box, back-flow prevention device, and an automated meter reading device (if required). The connection charge represents the County's cost to tap the potable water main and inspect the meter installation.

Line Extension Charges

If an applicant for service is required to extend water distribution and/or wastewater collection facilities to the applicant's property as a condition of receiving service, the applicant may request the Department to construct the extension at the applicant's expense. If authorized, the Department shall design, permit, and construct the extension following receipt of a written request from the applicant requesting such construction and acknowledging the applicant's responsibility to reimburse the actual costs incurred by the Department for constructing the requested extension plus an allowance for overheads.

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Other Miscellaneous Service Charges

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

Miscellaneous Service Fees, Charges, and Deposits

Charge / Fee Description	Amount
Customer-requested Services:	
Bench-Test Meter:	
1" or Smaller	\$40.00
Larger than 1"	Actual Cost
Establish Account and Read / Turn-On for Initial Service	\$25.00
Estimate Line Extension Cost for Development [2]	\$300.00
Inspect Line for Damage / Blockage (Not County-caused) [1]	\$30.00; After Hours \$45.00
Install Lateral	Actual Cost
Install Low Pressure Sewer System Effluent Pump	\$1,150.00
Install Wet Tap	\$250.00
Make Unsuccessful Visit to Service Address (Not County-caused)	\$10.00
Research Account Payment that was Properly Processed	\$10.00
Perform Emergency Turn-Off / Turn-On [1]	\$35.00; After Hours \$52.50
Prepare Time-Payment Document:	
Capacity (Impact)-Fee Affidavit	\$15.00
Delinquent-Account Agreement	\$30.00

Table continued on following page.

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Miscellaneous Service Fees, Charges, and Deposits (cont'd.)

Charge / Fee Description	Amount
Customer-requested Services: (cont'd.)	
Process Early Payoff of Assessment:	
Ad Valorem Units	\$25.00
Capacity-Fee Affidavit	\$15.00
Release of Liens	\$15.00
Re-read Meter	\$25.00
Transfer of Capacity Reservation within Permitted Subdivision	\$45.00
Delinquent Accounts:	
Attempt to Collect Delinquent Account at Service Address	\$10.00
Interrupt Service:	
Wastewater	Actual Cost
Water	\$25.00
Reinstall Meter:	
1" or Smaller [1]	\$50.00; After Hours \$75.00
Larger than 1"	Actual Cost
Restore Wastewater Service, Next Working Day	\$30.00
Restore Water Service:	
Next Working Day	\$25.00
Same Day at Customer Request after Payment in Office [1]	\$35.00; After Hours \$52.50
Special Handling:	
Filing Liens or Actions for Judgment	\$30.00
Court Costs	Per Court Order

Table continued on following page.

Miscellaneous Service Fees, Charges, and Deposits (cont'd.)

Charge / Fee Description	Amount
Enforcement or Corrective Actions:	
Install or Replace Back-Flow Prevention Device:	
Double-Check	\$90.00
Residential Double-Check	\$90.00
Reduced Pressure Zone	\$350.00
Install Required Lateral Clean-Out at Point of Connection	\$250.00
Other [2]	Actual Cost
Replace Missing or Damaged Equipment:	
Padlock	\$25.00
Locking Device	\$25.00
Meter, any Other than Hydrant	Pre-Tap Fee Plus Estimated Usage
Meter Box	\$75
Hydrant Meter	\$620.00 Plus Estimated Usage
Remove Illegal Connection	\$200.00 Plus Estimated Usage
Re-read Meter Due to Customer Obstruction	\$20.00
Special Handling:	
Update Records Due to Unauthorized Meter Relocation	\$30.00
Verify Illegal Consumption (Legal Connection)	\$25.00 Plus Usage

Table continued on following page.

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Miscellaneous Service Fees, Charges, and Deposits (cont'd.)

Charge / Fee Description	Amount
Service Charge for Collection of Dishonored Checks, Drafts, or Other Orders for the Payment of Monies [3]:	
Dishonored Checks:	
Checks up to \$50.00	\$25.00
Checks \$50.01 to \$300.00	\$30.00
Checks \$300.01 to \$800.00	\$40.00
Checks \$800.01 and Over	5% of Face Value
Reversal of ACH Bank Draft	Same as Dishonored Check
Document Recording	Actual Cost

- [1] Charges are increase 50% for service between 5 p.m. and 8 a.m. on normal working days (Monday through Friday) and for all hours on holidays and weekends.
- [2] All other corrective or enforcement actions performed to protect the System as a result of the customer's failure to comply with local regulations or conditions of service.
- [3] Charge is based on Section 2-149 of the *Hillsborough County Code of Ordinance and Laws, Part A, General Ordinances*, which authorizes a charge for collection of dishonored check and a fee schedule based on Section 832.08(5), of the Florida Statutes.

Fire Protection Charges

The Department bills monthly fire protection charges to privately-owned fire-protection systems and equipment connected to the Water System. The monthly charge is based on the size of the service line connecting the private system to the Water System. All usage that is documented to the Department by a local fire department or by a certified hydrant-testing agency shall be assessed at the established rate for the first consumption block of the water-conservation consumption charges and at the current purchased-water pass-through consumption charge. The following is a summary of the current monthly fire protection charges:

Monthly Fire Protection Charges

Meter Size	2" and Smaller	3"	4"	6"	8"	10"	12"
Monthly Charge	\$3.25	\$3.40	\$3.60	\$8.70	\$16.50	\$27.50	\$45.00

Emergency Water Conservation Charges

The County may impose emergency water conservation charges when deemed necessary. If conditions merit, the Board may call a public hearing to impose emergency water conservation charges via a public hearing and resolution. The Board may revoke such charges without a public hearing if conditions no longer merit such charges. The Board may also, at any time, reinstate emergency conservation charges without a public hearing upon finding that such charges are merited based on current conditions. Currently, there is no emergency water conservation charges being imposed by the Department at this time and it is not expected by the Department that such charges will be imposed in the future based on current operating conditions.

Rate Comparisons

Tables 12 through 14 at the end of this Report provide a comparison of the monthly cost of providing water and wastewater service for a 5/8-inch or 3/4-inch water meter at various usage levels calculated under the recently adopted rates as reflected in the Rate Resolution. Also included in the comparison are bills calculated under the rates of other neighboring Florida utilities as of the billing month of May 2026. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes and surcharges, if any. Additionally, for municipal-owned utility systems, such utilities may apply to customers located outside the corporate limits of such municipality a surcharge up to 50% when compared to the rates for service to customers located within the corporate limits as allowed pursuant to Florida Statutes, Section 180.191; the rate comparison reflects inside-the-city rates only, where applicable. The 5/8-inch or 3/4-inch meter comparison was prepared since this represents the majority of utility's water and wastewater residential customers served and the majority of the customers served for the other utilities reflected in the comparison. As can be seen in the comparison, the System rates produce bills for the County that are competitive with the rates charged by other neighboring utilities which recognizes the following attributes for the County: i) the County's water supply is provided on the regional nature which promotes economies of scale (i.e., County purchases essentially all of its water supply needs from other providers); ii) the County provides a high degree of wastewater treatment to provide service (e.g., advanced wastewater treatment), which generally exceeds the treatment parameters of the surveyed utilities; iii) the County has over the years grown not only by development but through the acquisition of the franchised utilities and privates system which promotes regionalization of the service area and elimination of wastewater package plants thus improving the cost and quality of service; and iv) the County has maintained a robust capital reinvestment program coupled with the fact that the County's capital program is being built to meet needs with no grant funds received to assist in construction which many utilities historically received.

The median individually metered (single-family) residential customer uses approximately 6,000 gallons of monthly water service and the comparison of water and wastewater rates at this consumption level between the County and 21 surveyed public utilities located within the proximity of the County is shown below:

**Residential Water and Wastewater Service –
Assuming 6,000 Gallons of Monthly Service**

	6,000 Gallons of Monthly Utility Service [1][2]		
	Water	Wastewater	Total
Hillsborough County:			
Effective October 1, 2025 [3][4]	\$43.66	\$67.64	\$111.30
Other County Located Utilities:			
City of Plant City	\$24.11	\$62.22	\$86.33
City of Tampa [4]	38.26	54.44	92.70
City of Temple Terrace	24.66	80.75	105.41

Table continued on following page.

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**Residential Water and Wastewater Service –
Assuming 6,000 Gallons of Monthly Service (cont'd.)**

	6,000 Gallons of Monthly Utility Service [1][2]		
	Water	Wastewater	Total
Other Surveyed Utilities:			
City of Bradenton	\$38.86	\$48.35	\$87.21
Charlotte County	68.94	86.25	155.18
City of Clearwater	65.55	81.48	147.03
Collier County	61.74	97.82	159.56
City of Fort Myers	54.99	115.67	170.66
City of Lakeland	25.93	53.55	79.48
Lee County	43.82	75.59	119.41
Manatee County	31.61	72.22	103.83
City of New Port Richey [4]	42.89	55.31	98.20
City of North Port	75.44	96.61	172.05
City of Oldsmar	55.23	62.53	117.76
Pasco County [4]	25.37	66.62	91.99
Pinellas County [4]	45.17	70.52	115.69
Polk County	32.12	84.29	116.41
Sarasota County	44.68	96.36	141.04
City of St. Petersburg [4]	57.71	94.54	152.25
Other Utilities' Average	\$45.24	\$76.46	\$121.69

[1] Based on utility survey shown on Tables 12 and 13.

[2] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.

[3] Amounts shown include the current Purchased-Water Pass-Through Consumption Charge of \$3.02 per 1,000 gallons for all billed water consumption. The Customer Service Charge is included in the water charges for the purposes of this comparison.

[4] Reflects utilities that currently receive water from Tampa Bay Water.

As previously mentioned, and as a component of the disposal of highly treated effluent from its wastewater treatment plants, the County has been providing reclaimed water service to a number of residential and commercial customers for a number of years. Approximately 98% of the total Reclaimed Water System customers are considered as single-family residential customers which receive service either on a uniform or flat monthly rate basis or a metered water use basis (reference is made earlier in this Report regarding the discussion of the current reclaimed water rates). For those single-family customers that receive metered reclaimed water service, the median customer uses approximately 15,000 gallons of monthly reclaimed water service. A comparison of the Department’s existing reclaimed water rates with the residential rates of other neighboring or Florida utilities as of May 2026 is summarized on Table 15 at the end of this Report and is summarized below:

Residential Reclaimed Service Assuming 15,000 Gallons of Monthly Utility Service [1][2]	
Description	Reclaimed Rate
Hillsborough County:	
Metered / Pressurized Service – Effective October 1, 2025	\$15.14
Committed Class (Unmetered) Service [3]	9.00

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**Residential Reclaimed Service Assuming
15,000 Gallons of Monthly Utility Service [1][2] (cont'd.)**

Description	Reclaimed Rate
Other Surveyed Utilities:	
Charlotte County	\$9.62
City of Clearwater	45.48
Collier County	45.56
Lee County Utilities	11.25
Manatee County	17.55
City of New Port Richie	17.56
City of North Port	13.50
Pasco County	23.35
Pinellas County	25.00
Polk County	37.35
Sarasota County	13.16
City of St. Petersburg (Metered Service)	42.24
City of Tampa	24.06
Florida Utilities' Average	\$25.05

[1] Based on utility survey shown on Table 15.

[2] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service for the municipal utilities. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

[3] The rates for unmetered service have been grandfathered as to rate level by the Board of County Commissioners and therefore not subject to annual price index adjustments.

As discussed previously, the County charges a Impact Fee to new customers requesting water and wastewater capacity from the System in an effort to fund the capital cost of such capacity and to equitably assign such costs to those users who impose the need for capital facilities. This application of a Impact Fee is commonly used by Florida utilities to fund capital or plant requirements. Table 16 at the end of this Report provides a comparison of the Impact Fees for the System and those charged by neighboring utilities. The charges shown are based on an ERC basis. As previously discussed, an ERC is representative of the average daily capacity of a single-family residential unit and generally represents the lowest level and the most common level of use.

As shown below and on Table 16, the County’s currently effective Impact Fees are comparable to the utility average reflected on the comparison.

Impact Fees – Rate per ERC

	Water [1]	Wastewater [2]	Combined
County Existing Charges:			
Northwest Service Area	\$2,037.50	\$3,268.75	\$5,306.25
South-Central Service Area	\$3,449.00	4,884.75	\$8,333.75
Utility Average [3]	\$2,580.00	\$3,577.00	\$6,157.00

[1] Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of water (Capacity) Impact fees consistent with the limitations of Chapter 163.31801 equally over two years in Fiscal Years 2026 and 2027. Amount shown represents the year one phase-in rate effective March 23, 2026.

[2] County rate shown was effective as of March 23, 2026. Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of wastewater (Capacity) Impact fees consistent with the limitations of Chapter 163.31801 equally over four years in Fiscal Years 2026 through 2029. Amount shown represents the year one phase-in rate effective March 23, 2026.

[3] Based on utility survey shown on Table 16 at end of this Report and rounded to nearest dollar.

Historical Operating Results

General

The historical operating results for the System for the Fiscal Years ended September 30, 2021 through 2025 (previously defined as the “Historical Period”) are shown in detail on Table 7 at the end of this Report. The historical operating results were prepared based on financial information compiled by the Department and information included in the audited Annual Financial Reports for the Water and Wastewater System Enterprise Fund (the “Annual Financial Report”) for the respective Fiscal Years. In general, the historical operating results have been prepared in a manner consistent with the flow of funds and rate covenant requirements of the Bond Resolution.

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Summary of Historical Operating Results

The historical operating results for the System are shown on Table 7 at the end of this Report and are summarized below:

System Historical Operating Results and Estimated Bond Service Requirement Coverage (\$000s) [1]

Description	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Total Charges for Services (Monthly Rates)	\$294,424	\$314,488	\$352,866	\$360,311	\$393,769
Other Operating Revenue and Income [2]	13,043	15,505	31,330	46,938	45,064
Gross Revenues	\$307,467	\$329,993	\$384,196	\$407,249	\$438,833
Less Cost of Operation and Maintenance [3]	(190,919)	(206,931)	(236,852)	(256,020)	(307,954)
Net Revenues	\$116,548	\$123,062	\$147,343	\$151,229	\$130,879
Pledged Impact Fees [4]	23,727	21,133	26,304	26,140	22,917
Pledged Revenues	\$140,275	\$144,195	\$173,647	\$177,369	\$153,796
Total Debt Service Payment [5]	\$18,341	\$22,498	\$22,326	\$25,550	\$25,544
Less Federal Direct Subsidy, Capitalized Interest, and Interest Income on Debt Funds [6]	(545)	(135)	(275)	(539)	(562)
Bond Service Requirement [7]	\$17,796	\$22,363	\$22,051	\$25,011	\$24,982
Bond Service Requirement Coverage Compliance [8]:					
Rate Covenant – Test 1 [9]					
Gross Revenues plus Pledged Impact Fees	\$331,194	\$351,127	\$410,500	\$433,388	\$461,749
Required Deposits [10]	\$223,358	\$244,667	\$275,403	\$300,240	\$353,298

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**System Historical Operating Results and Estimated
Bond Service Requirement Coverage (\$000s) [1] (cont'd.)**

Fiscal Year Ended September 30,					
Description	2021	2022	2023	2024	2025
Test 1 Coverage:					
Coverage Ratio – Calculated	1.48	1.44	1.49	1.44	1.31
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
AND					
Rate Covenant – Test 2 [9]:					
Net Revenues plus Pledged Impact Fees	\$140,275	\$144,196	\$173,648	\$177,369	\$153,795
Bond Service Requirement [7]	\$17,796	\$22,363	\$22,051	\$25,011	\$24,982
Test 2 Coverage:					
Coverage Ratio – Calculated	7.88	6.45	7.87	7.09	6.16
Coverage Ratio – Required	1.20	1.20	1.20	1.20	1.20
AND					
Rate Covenant – Test 3 [9]					
Net Revenues	\$116,548	\$123,062	\$147,343	\$151,229	\$130,879
Bond Service Requirement [7]	\$17,796	\$22,363	\$22,051	\$25,011	\$24,982
Test 3 Coverage:					
Coverage Ratio – Calculated	6.55	5.50	6.68	6.05	5.24
Coverage Ratio – Required	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

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**System Historical Operating Results and Estimated
Bond Service Requirement Coverage (\$000s) [1] (cont'd.)**

Description	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Gross Revenues	\$307,467	\$329,993	\$384,196	\$407,249	\$438,833
Required Deposits [10]:					
Cost of Operation and Maintenance	\$190,919	\$206,931	\$236,852	\$256,020	\$307,954
Bond Service Requirement [7]	17,796	22,363	22,051	25,011	24,982
Debt Service Reserve Account [11]	---	---	---	---	---
Renewal and Replacement Account Requirement [12]	14,643	15,373	16,500	19,210	20,362
Total Required Deposits	\$223,358	\$244,667	\$275,403	\$300,240	\$353,298
Other Deposits: [13]					
Subordinate Indebtedness Account [14]	\$---	\$1	\$8	\$207	\$---
Total Required and Other Deposits	\$223,358	\$244,668	\$275,410	\$300,447	\$353,298
Excess of Net Revenues above Deposits [15]	\$84,109	\$85,325	\$108,786	\$106,802	\$85,532

[1] Amounts derived from Table 7 at end of this Report. Unless otherwise noted, amounts shown for each respective Fiscal Year were derived from: i) audited Annual Financial Reports for the Department; and ii) other financial information as provided by the Department and other County staff.

[2] Other Operating Revenue consist of various charges including but not limited to, building permits, settlements, planning services processing fees, parking fees, bad check fees, etc. Investment earnings are derived from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues). Other Miscellaneous Receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenue, administrative service fees, sale and removal of finished compost, special assessment administration fees, etc.

Table footnotes continued on following page.

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Table footnotes (cont'd.)

- [4] The determination of Pledged Impact Fees includes the sum of the Impact Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Historical Period, 98.3% of all Impact Fees received by the System were considered as pledged and were either i) applied to the payment of the Debt Service Component of the Cost of Contracted Water Supply with funds being transferred to the O&M Account; ii) applied to the payment of the Bond Service Requirement with funds being transferred to the Debt Service Account; iii) available to be applied to the Debt Service Account but are to be deposited into the General Purpose Account because they could not be transferred in the current period due to the receipts being higher than the amount available to be deposited Debt Service Account; and iv) the balance remaining on deposit in the respective Pledged Impact Fee Account. Amounts determined by each Fiscal Year as follows:

Allocation of Impact Fees Collected (\$000s)					
Description	Fiscal Year Ended September 30,				
	2021	2022	2023	2024	2025
Total Impact Fees Collected	\$32,777	\$30,338	\$37,834	\$36,605	\$32,297
Allocation of Impact Fees Collected					
Deposit into Contracted Water Supply Impact Fee Account	\$8,492	\$9,204	\$10,370	\$10,251	\$9,380
Deposit into Pledged Impact Fee Account	23,727	21,133	26,304	26,140	22,917
Impact Fees Not Pledged and Remain on Deposit in the Impact Fee Account	\$558	\$1	\$1,160	\$214	\$
Beginning Balance – Pledged Impact Fee Account:	\$11,814	\$11,446	\$10,875	\$10,526	\$10,009
Current Fiscal Year Deposits	23,727	21,133	26,304	26,140	22,917
Total Pledged Impact Fees Available	\$35,541	\$32,579	\$37,179	\$36,666	\$32,926
Less Use of Pledged Impact Fees:					
Deposit into the Debt Service Account	\$17,796	\$21,704	\$22,051	\$25,011	\$24,040
Deposit into the Debt Service Reserve Account	---	---	---	---	---
Deposit into the General Purpose Account	6,299	--	4,602	1,646	---
Total Use of Pledged Impact Fees	\$24,095	\$21,704	\$26,653	\$26,657	\$24,040
Ending Balance – Pledged Impact Fee Account	\$11,446	\$10,875	\$10,526	\$10,009	\$8,886
Total Annual Pledged Impact Fees – Recognized for Rate Covenant	\$23,727	\$21,133	\$26,304	\$26,140	\$22,917

- [5] Amounts shown based on when the cash payment of the interest and principal payments may be made to bond holders consistent with the provisions of the rate covenant as delineated in the Bond Resolution and not on an accrual basis of reporting (when deposits are made to the Debt Service Account from Pledged Revenues as delineated in the flow of funds per the Bond Resolution).
- [6] During the Fiscal Year 2021, the Series 2021B Bonds, refunded all of the County's outstanding Utility Revenue Bonds, Series 2010C (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Payment), (the "Series 2010C Bonds"). The Federal Direct Subsidy Payment applicable to the Series 2010C Bonds was \$538,691.
- [7] Pursuant to the Bond Resolution the Bond Service Requirement does not include: i) any capitalized interest from Bond Proceeds, if any, that have been deposited into the Debt Service Account; ii) amounts received from Federal Direct Payments; and iii) any interest from the investment of funds in the Debt Service Account and the Reserve Account. Any interest income earned on amounts on deposit in the Debt Service Account or the Reserve Account is deposited in the Debt Service Account and reduces the annual deposit from Gross Revenues.

Table footnotes continued on following page.

Table footnotes (cont'd.)

- [8] The Bond Resolution requires that the utility maintain revenues and fees to generate sufficient: i) Gross Revenues, together with Pledged Impact Fees (as defined in the Bond Resolution) at least equal to 100% of the Required Deposits; and ii) Net Revenues, together with Pledged Impact Fees at least equal to 120% of the Bond Service Requirement. In addition, the utility must also generate Net Revenues (as defined in the Bond Resolution) at least equal to 100% of the Bond Service Requirement.
- [9] The Rate Covenant as defined in section 11.02 of the Bond Resolution is as follows:
- Test 1: Gross Revenues plus Pledged Impact Fees and Qualified Derivative Receipts (N/A) must be at least equal to 100% of Required Deposits;
- Test 2: Net Revenues plus Pledged Impact Fees must be at least equal to 120% of Bond Service Requirement; and
- Test 3: Net Revenues must be at least equal to 100% of Bond Service Requirement.
- [10] Required Deposits as defined in the Bond Resolution include transfers to the Operation and Maintenance Account to pay the Cost of Operation and Maintenance, Debt Service Account (less amounts deposited associated with interest earnings on such account and the Reserve Account), Reserve Account, and the Renewal and Replacement Account; amounts shown do not include transfers to the Subordinate Indebtedness or Other Indebtedness Accounts (if any) as provided in the Bond Resolution.
- [11] No deposit to the Reserve Account was recognized since the fund was considered fully funded during the Historical Period by i) proceeds from the issuance of the Bonds Outstanding; ii) secured by a debt service reserve credit facility during such period; or iii) was not required.
- [12] Amounts shown reflect deposit to the Renewal and Replacement Account equal to 5% of the previous year's Gross Revenues as defined in the Bond Resolution; the Department may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- [13] Reflects other deposits that are recognized in the Bond Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement.
- [14] On March 3, 2022, Resolution No. 22-026 was adopted for the issuance of the Hillsborough County, Florida, Subordinate Utility Revenue Note, Series 2022 ("the Series 2022 Note") in the principal amount not to exceed \$37,500,000 to finance on an interim basis the acquisition, construction, reconstruction, expansion replacement and/or equipping of various capital improvement projects to the System and paying the costs of issuance. The Series 2022 Note was issued in the form of a Non-revolving Credit Agreement with Truist Commercial Equity, Inc. The Series 2022 Note was paid off and expired on April 1, 2024.
- [15] Amounts shown do not include Pledged Impact Fees that are deposited in a restricted account and used for the payment of the Debt Service Component of the Contracted Cost of Water Supply, expansion-related debt service payments or for expansion-related capital improvements for the System.

In the development of the historical operating results and compliance with the rated covenant as delineated in the Bond Resolution as shown above and in more detail on Table 7, several observations and information sources were recognized. The following is a summary of such observations and information sources.

1. During the Historical Period in addition to changes in water and wastewater customer demographics and use, the Board did annually adopt rate adjustments associated with the annual price index, additional rate adjustments and the pass-through of increases in purchased water costs. The annualized effects of these rate adjustments were estimated as follows:

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Estimate of Annual Incremental Revenue Increases from Prior Rate Adjustments (\$000s) [1]

Fiscal Year	Purchased Water Pass-Through		Price Index		Additional Rate Increase		Estimated Incremental Revenue Additions from Rate Adj.
	% Adjustment	Est. Add'l. Annual Revenue	% Effective Index Adjustment	Est. Add'l. Annual Revenue	% Adjustment	Est. Add'l. Annual Revenue	
2021	0.00%	\$---	2.25%	\$4,889,106	4.00%	\$8,887,309	\$13,776,415
2022	0.00%	---	2.05%	4,834,254	4.00%	9,626,060	14,146,314
2023	0.00%	---	1.88%	5,019,626	4.00%	10,880,839	15,900,465
2024	0.00%	---	2.47%	6,839,819	4.00%	11,350,222	18,190,041
2025	0.00%	---	2.93%	8,932,725	4.00%	12,552,155	21,484,880

[1] Amounts shown reflect the estimated annualized increase in rate revenues (i.e., assuming rate adjustments are effective for 12 months) associated with implementation of rate adjustments for the Purchased Water Pass-Through Adjustment, the Price Index Adjustment, and certain additional rate adjustments and reflect the revenues to be earned during the year from the rate adjustment (not compounded based on prior year adjustments). The Purchased Water Pass-Through Adjustment is effective annually on October 1. Resolution No. R19-106, adopted August 21, 2019, i) revised the Price Index formula to utilize the U.S. Bureau of Labor Statistics Water and Sewer Maintenance Index as well as adjust the timing to coincide with the County's fiscal year (effective date changed from June 1 to October 1); and ii) implemented a 4% additional rate increase for the Fiscal Years 2020 and 2021 to support expanding operational costs for additional services and additional capital programs to assure sustainability. Resolution No. R23-078, adopted September 7, 2025, i) continued the application of the Rate Index through Fiscal Year ending September 30, 2035; and ii) continued the application of an additional annual automatic rate adjustment of 4% through September 30, 2025 by adding a 5% annual automatic rate adjustment for seven years beginning October 1, 2025 through the Fiscal year ending September 30, 2032. The Purchased Water Pass-Through Adjustment was adjusted to the current rate effective October 1, 2020.

2. Effective April 2014, the Board suspended the application of the AGRF fees to new development, which had a dampening effect on the Gross Revenues for such years when compared to the previous years during the Historical Period. The AGRF was reinstated (at a different rate) on June 17, 2020 with the adoption of the 2020 Rate Resolution by the Board. The purpose of this fee is to recover the cost of holding the capital investment until such time that an applicant requests and pays for capacity and is directly linked to new customer growth experienced by the System. The following is a summary of the AGRF revenues received by the System during the Historical Period which were included as a component of the Gross Revenues:

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Summary of AGRF Revenues Received during Historical Period

Fiscal Year	Amount [1]
2021	\$1,663,591
2022	4,244,430
2023	6,209,009
2024	6,479,700
2025	5,837,726

[1] The Board suspended the application of the AGRF on March 19, 2014 and set the rate to \$0 per ERC. The water and wastewater AGRF was reinstated effective October 1, 2020 with the adoption of Resolution No. R20-047 on June 17, 2020.

3. Included in the Cost of Operation and Maintenance is the purchase of water, primarily from Tampa Bay Water, which is a primary expense of the System. The purchases of water supply accounted for approximately 39% of the total reported Cost of Operation and Maintenance for the System for Fiscal Year 2025. The following table summarizes: i) the total water purchased during the respective portion of the Historical Period; ii) the average cost of the water purchases (to illustrate the trend in water cost; note that Tampa Bay Water accounts for approximately 98% of the total water purchases by the County); and iii) the total purchased water cost. As one can see, the cost of water purchases has contributed to the overall increase in the Cost of Operations and Maintenance.

Purchased Water Costs for the Historical Period

Fiscal Year	Total Water Purchased (000s of Gallons) [1]	Percent Change	Total Purchased Water Costs [2][3]	Average Unit Cost per Water Purchased (\$/kgal)
2021	26,732,321		\$69,664,346	\$2.61
2022	27,582,190	3.18%	74,854,980 [3]	\$2.71
2023	29,814,135	8.09%	80,528,098	\$2.70
2024	28,530,954	(4.30%)	85,164,094 [3]	\$2.98
2025	29,737,272	4.23%	122,939,575 [3]	\$4.13

[1] Reflects total purchased water flow from all water providers and not just Tampa Bay Water.

[2] Reflects total purchased water cost from all water providers and not just Tampa Bay Water.

[3] Amounts include contributions to Tampa Bay Water per the Interlocal Joint Project Agreement for the construction of the South Hillsborough Pipeline Project.

Included in the purchased water costs above are the contributions the County made pursuant to the Interlocal Joint Project Agreement (the “JPA”) with TBW in the amounts of \$1,500,000 in Fiscal Year 2022, \$5,206,000 in the Fiscal Year 2024, and \$38,336,158 in Fiscal Year 2025. The County entered into the JPA on October 20, 2021, which was amended and restated on February 19, 2025 (“JPA”) for the construction of the South Hillsborough Pipeline Project (the “Project”). According to the terms of the JPA, TBW is responsible for executing the design and construction of the Project. The County will fund the capital costs for a portion of the Project referred to as Segment B. Upon completion of the Project, the assets will be owned, operated, and maintained by TBW except for a portion of the project that will be County-owned (as defined in the JPA). The total estimated cost of the Segment B Project is \$128,410,000, of which the County’s ownership is estimated at \$2,100,000. TBW has also entered into a Cooperative Funding Initiative Project Agreement with SWFWMD to provide partial funding of the Project of which it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the JPA require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by TBW based on the deposit schedule identified in the JPA totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the Project being funded by the County be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within 60 days of project closeout, or when the final cooperative funding from SWFWMD is received, whichever is later. Likewise, if the actual total cumulative costs are more than the estimated total cumulative costs, the accrued interest will be used by TBW to assist funding the Segment B Project.

As a result of the Fiscal Year 2025 Audit, it was determined that the contributions to TBW were recorded in a capital project as construction work-in-process; however, because the South Hillsborough Pipeline will be owned by TBW, the expenses should have been recorded through a noncapitalizable capital project rather than in construction work-in-progress and included in the Cost of Operations and Maintenance.

4. The debt service requirements shown for the Bonds Outstanding were derived from the actual debt service repayment schedules for each series of Bonds and have been reflected on an accrual basis (when the Debt Service Account was required to be funded as opposed to when the payments were made to Bondholders / investors).

5. The County charges all new development a Impact Fee to recover the allocable capital cost of the water and wastewater capacity assigned to such new customer / property. Based on discussions with the County staff, a portion of the Impact Fees collected, if considered as being legally available, may be used by the County to pay the annual Bond Service Requirement on the Bonds Outstanding. The amount of Impact Fees collected for the Historical Period is shown on Table 7. The collected Impact Fees were compared to the sum of: i) expansion-related Bond Service on the Bonds Outstanding; and ii) the estimated Impact Fee Carryforward Amount to determine the amount of Pledged Impact Fees available to fund the Debt Service Component of the Cost of Contracted Water Supply and the Bond Service Requirement. The Water and Wastewater Expansion Project Percentage factor was estimated by determining the capital project costs funded by all Outstanding Bonds that were considered as being used for expansion-related purposes and it was determined that all of the Impact Fees received by the System during the Historical Period were considered as being Pledged Impact Fees in accordance with the provisions of the Bond Resolution.
6. For financial reporting purposes, the County capitalizes a portion of the Cost of Operation and Maintenance (operating expenses) as shown in the Annual Financial Report to plant-in-service. For financial reporting purposes, the County presents the operating expenses on a “gross” basis (is not net of that portion of expenses that have been capitalized to plant-in-service). The recognition of the amount of capitalized operating expenses is classified by the County as non-operating revenue to determine the change in net assets on the financial statements. No other non-operating revenues have been recognized by the County in the evaluation of compliance of the rate covenant as delineated in the Bond Resolution.

Issuance of Additional Parity Bonds

Since the County is issuing additional indebtedness on a parity basis with the Outstanding Bonds^[6], the County must meet certain financial tests relative to the issuance of such parity bonds as defined in the Bond Resolution (the “Additional Parity Bonds Test”). The Additional Parity Bonds Test requires that the Adjusted Gross Revenues or Adjusted Net Revenues of the System for any 12 consecutive of the 18 complete calendar

[6] The aggregate principal amount of the Outstanding Bonds as of the beginning of Fiscal Year 2026 was \$423,925,000 and include: the Utility Revenue Bonds, Series 2016 (a portion of which are currently being considered to be refunded with the proceeds of the Series 2026B Bonds), the Utility Refunding Revenue Bonds, Series 2019, the Utility Revenue Bonds, Series 2021A, and the Utility Refunding Revenue Bonds, Series 2021B (collectively, the “Outstanding Bonds”). As of the date of issuance of the Series 2026A Bonds the aggregate principal amount of the Outstanding Bonds is \$411,780,000, which reflects the scheduled principal payment on August 1, 2026.

months immediately preceding the delivery of the Additional Bonds, or at the option of the County the most recently audited Fiscal Year, must comply with certain debt service coverage requirements for the Outstanding Bonds and Additional Bonds. For the purposes of this report, the Additional Parity Bonds Test was based on the most recently completed Fiscal Year ended September 30, 2025 as the financial reporting period for the determination of compliance with the respective test as provided in the Bond Resolution (the “Computation Period”).

The Bond Resolution provides that adjustments to Gross Revenues, Pledged Impact Fees, and Qualified Derivative Receipts can be made to reflect: i) changes to the rates, fees, rentals or other charges for the operation of the System placed in effect by the County prior to delivery of the Additional Parity Bonds; ii) changes in Impact Fees that would result in an adjustment to the Pledged Impact Fees; iii) changes due to the acquisition of any privately-owned existing water and/or wastewater systems, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Parity Bonds which would have been derived from such acquired systems; and iv) 75% of the amount of additional Gross Revenues or Net Revenues as applicable and pledged Impact Fees, which would have been received during the Computation Period from any existing occupied structures which are to be connected to the System within 18 months of the issuance of the Additional Parity Bonds (the “Adjusted Gross Revenues, Adjusted Net Revenues, and Adjusted Pledged Impact Fees where applicable”).

With respect to the calculation of the Additional Parity Bonds Test and for the purposes of this Report, the calculation was developed based on: i) financial information provided by the County for the Computation Period, including the County’s 2025 Annual Financial Report; ii) customer billing statistics for the Computation Period that corresponded to the revenues derived from the application of monthly user charges; iii) estimates of changes in the cost of utility operations due to the increase in System revenues as a result of the implementation of rates that were made effective by the County on October 1, 2025 associated with the price index adjustment; iv) the estimated Required Deposits to be made for the Adjusted Gross Revenues and Adjusted Pledged Impact Fees (there are no Qualified Derivative Receipts for the purposes of this calculation); and v) the estimated Maximum Bond Service Requirements for the County’s Outstanding Bonds and the Series 2026A Bonds. As provided in the Bond Resolution, adjustments to the determination of the Net Revenues for the purposes of complying with the Additional Parity Bonds Test can be recognized. Based on the provisions of the Bond Resolution, the following adjustments were made with respect to the determination of the Additional Parity Bonds Test as reflected in this Report:

1. The Gross Revenues were increased to reflect the application of the most recently adopted and enacted rates by the County for an annualized period as contained in the Rate Resolution (as

previously mentioned, the County adopted and implemented water and wastewater rates via a price index adjustment and an additional 5.0% fixed increase, both of which became effective October 1, 2026) for the determination of the Net Revenues.

2. The Cost of Operations and Maintenance was increased to reflect the Fiscal Year 2026 payment in the amount of \$27,900,000 to Tampa Bay Water per the conditions of the On October 20, 2021, the County entered into an Interlocal Joint Project Agreement with Tampa Bay Water (“TBW”) for the construction of the South Hillsborough Pipeline Project (“Project”), which was amended and restated on February 19, 2025 (“JPA”).
3. On December 17, 2025, the Board adopted the 2025 Resolution that increased the Impact Fees which became effective on and after March 23, 2026 during the Computation Period. Accordingly, the increase in Capacity Fees (only on those paid up-front and not associated with the Impact Fee Assessment Unit Program) were recognized in the Additional Parity Bonds Test for any change in the Pledged Impact Fees.
4. The annual debt service payments for the Outstanding Bonds were adjusted to recognize the estimated Maximum Bond Service Requirements on such Bonds, including the issuance of the Series 2026A Bonds, which were based on assumptions as provided by the County’s Municipal Advisor. The Fiscal Year of the Maximum Bond Service Requirement for the System was estimated to occur during Fiscal Year 2038 based on: i) the actual Bond Service Requirement repayment schedule for the Outstanding Bonds; and ii) the estimated Bond Service Requirement repayment schedule for the Series 2026A Bonds as provided by the Municipal Advisor.

With respect to the Additional Parity Bonds Test, and based on: i) reported financial information as provided by the County for the Computation Period; ii) the Maximum Bond Service Requirement of the System recognizing the Outstanding Bonds and the estimated Series 2026A Bonds as provided by the Municipal Advisor; and iii) our understanding of the Additional Parity Bonds Test requirements as defined in the Bond Resolution, the Adjusted Gross Revenues and Adjusted Net Revenues derived from System operations should be sufficient to meet the Additional Parity Bonds Test requirements as shown below:

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Estimated Additional Parity Bonds Test (\$000s)

Description	Computation Period – 12 Months Ended September 30, 2025 (\$000s)		
	County Reported Actual as of 9/30/2025	Adjustments	As Adjusted
Total Charges for Services [1]	\$393,769	\$26,642	\$420,411
Other Operating Revenue	11,263	---	11,263
Investment Earnings and Other Miscellaneous Receipts [2]	<u>33,801</u>	<u>---</u>	<u>33,801</u>
Adjusted Gross Revenues	438,833	26,642	465,475
Adjusted Pledged Impact Fees [3]	<u>22,917</u>	<u>8,735</u>	<u>31,652</u>
Total Adjusted Gross Revenue and Adjusted Pledged Impact Fees	\$461,750	\$35,377	\$497,127
Cost of Operation and Maintenance [4][5]	<u>307,954</u>	<u>---</u>	<u>307,954</u>
Total Adjusted Net Revenue and Adjusted Pledged Impact Fees	<u>\$153,796</u>	<u>\$35,377</u>	<u>\$189,173</u>
<u>Additional Parity Bonds Test 1: [6]</u>			
Total Adjusted Gross Revenue and Adjusted Pledged Impact Fees	\$461,750	\$35,377	\$497,127
Required Deposits: [7]			
Cost of Operation and Maintenance	307,954	---	307,954
Renewal and Replacement Account Requirement [8]	20,362	---	20,362
Bond Service Requirement	<u>24,982</u>	<u>---</u>	<u>24,982</u>
Total Required Deposits	<u>\$353,298</u>	<u>---</u>	<u>\$353,298</u>
Coverage Ratio – Calculated	1.31		1.41
Coverage Ratio – Required	<u>1.00</u>		<u>1.00</u>

Table continued on following page.

Estimated Additional Parity Bonds Test (\$000s) (cont'd.)

Description	Computation Period – 12 Months Ended September 30, 2025		
	County Reported Actual as of 9/30/2025	Adjustments	As Adjusted
<u>Additional Parity Bonds Test 2: [6]</u>			
Total Adjusted Net Revenue and Adjusted Pledged Impact Fees	\$153,796	\$35,377	\$189,173
Maximum Bond Service Requirement [9]	24,982	41,119	66,101
Coverage Ratio – Calculated	6.16		2.86
Coverage Ratio – Required	<u>1.20</u>		<u>1.20</u>

- [1] The Fiscal Year 2026 Price Index adjustment was made effective October 1, 2025 of the respective Fiscal Year and reflect the estimated revenue assuming a 12-month application of the enacted Price Index rate adjustment in the Computation Year. In addition to the annualization adjustment for the Fiscal Year 2026 Price Index, a further rate adjustment equal to 5% of the applicable rate revenues as defined in the Rate Resolution was placed into effect on October 1, 2025. These adjustments are being made pursuant to Section 11.15 of the Bond Resolution.
- [2] Amounts shown reflect: i) investment earnings from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues); and ii) other miscellaneous receipts including but not limited to miscellaneous revenues, sale and removal of compost, special assessment administration fees, sales of surplus materials, etc. Amounts shown also do not include investment earnings on the Debt Service Account or Reserve Account since earnings serve to reduce the amount of the Bond Service Requirement funded from Revenues of the System as provided in the Bond Resolution.
- [3] Amounts reflect Pledged Impact Fees available to pay current and future the Bond Service Requirement and excludes the Impact Fees pledged for the payment of the Debt Service Component of Contracted Water Supply (reference footnote 5 below). Resolution No. R25-111 adopted on December 17, 2025, increasing Water and Wastewater (Capacity) Impact Fees consistent with the limitations of Chapter 163.31801. Water Capacity (Impact Fees) will be phased-in equally over two years in Fiscal Years 2026 and 2027 and Wastewater Impact Fees will be phased-in equally over four years in Fiscal Years 2026 through 2029 effective March 23, 2026.
- [4] Amounts shown for the Cost of Operation and Maintenance reflect the following adjustments: i) addition of non-operating expenses classified as a component of the Cost of Operation and Maintenance, if any; ii) adjustments to remove depreciation and amortization expenses which are considered as non-cash expenses and excluded pursuant to the Bond Resolution; and iii) the recognition of applicable Pledged Impact Fees applied to the Debt Service Component of the Cost of Contracted Water Supply associated with the purchase of water from Tampa Bay Water. During the Fiscal Year 2025, the Cost of Operations and Maintenance was increased to reflect the Fiscal Year 2025 payment in the amount of \$38,336,158 to Tampa Bay Water per the terms and conditions of the Interlocal Joint Project Agreement with Tampa Bay Water ("TBW") for the construction of the South Hillsborough Pipeline Project the County entered into on October 20, 2021, which was amended and restated on February 19, 2025 ("JPA"). The Fiscal Year 2026 payment is \$27,900,000, which is lower than the Fiscal year 2025 amount and therefore no adjustment was made.
- [5] Amounts shown are net of the Contracted Water Supply Impact Fees which were \$9,380,102 for the Fiscal Year 2025 and such amounts were adjusted for the increase in the anticipated bad debt expense (revenues assumed to be uncollectible as part of the normal course of business) correlated with the increased rate revenues to estimate Net Revenues that may be earned or received by the System during the Computation Period.

Table footnotes continued on following page.

Table footnotes: (cont'd.)

[6] The Additional Parity Bonds Test has the following two tests, which are referenced as and include:

Test 1 – Adjusted Gross Revenues, Adjusted Pledged Impact Fees and Qualified Derivative Receipts (None are contemplated) for the Computation Period will be at least equal to one hundred percent (100%) of the Required Deposits; and

Test 2 – Adjusted Net Revenues. Adjusted Pledged Impact Fees and Qualified Derivative Receipts (None are contemplated) or the Computation Period will be at least equal to one hundred twenty percent (120%) of the Maximum Bond Service Requirement for all Bonds then Outstanding pursuant to the Bond Resolution and the Additional Parity Bonds assumed to be issued (i.e., the Series 2021 Bonds). Pursuant to the Bond Resolution, the Maximum Bond Service Requirement does not include the receipt of any Federal Direct Payments, if any.

[7] As defined in the Bond Resolution, Required Deposits exclude deposits required to be made into the Subordinate Indebtedness Account, the Other Indebtedness Account or the Rate Stabilization Account.

[8] Pursuant to the Bond Resolution, a deposit in the amount equal to 5% of the Gross Revenues for the preceding Fiscal Year (Fiscal Year 2024) are to be deposited into the Renewal and Replacement Account. Given the effect of the revenue adjustments recognized based on implemented rate increases on October 1, 2025, 5% of the adjustment is equivalent to approximately \$1,319,484 and not recognized in the Required Deposits.

[9] Reflects estimated Maximum Bond Service Requirement on the Outstanding Bonds and the Series 2026A Bonds assumed to occur during the Fiscal Year 2046. In accordance with the Bond Resolution, the Maximum Bond Service Requirement is subject to change based on the actual terms of the sale of the Series 2026A Bonds. The Maximum Bond Service Requirement was determined as follows predicated on a cash basis (i.e., the payments made during the respective fiscal year from the principal and interest account):

Description	Fiscal Year 2046
Series 2016 Bonds [1][2]	\$19,018,950
Series 2019 Bonds [3]	---
Series 2021A Bonds	8,017,525
Series 2021B Bonds [4]	---
Series 2026A Bonds (Estimated)	39,064,988
Maximum Bond Service Requirement	<u>\$66,101,463</u>

[1] The Series 2016 Bonds reach maturity in Fiscal Year 2046.

[2] The County is currently considering refunding a portion of the Series 2016 Bonds from proceeds of the Series 2026B Bonds.

[3] The Series 2019 Bonds reach maturity in Fiscal Year 2037.

[4] The Series 2021B Bonds reach maturity in Fiscal Year 2040.

As can be seen from the prior table, it is estimated that the County would meet the Additional Bonds Test as defined in the Bond Resolution for the issuance of the Series 2026A Bonds.

Projected Operating Results

General

We have prepared projections of the operating results of the System for the five Fiscal Years (October 1 through September 30) 2026 through 2030. Projections were based on: i) actual operating results as contained within the Department's Annual Financial Reports for each fiscal year of the Historical Period and other detailed financial information as provided by County staff; ii) the adopted budget for the System for Fiscal

Year 2026 and certain year-to-date information for the respective fiscal year; iii) discussions with County staff and the Consulting Engineers regarding current and future utility trends and capital improvements to the System; iv) information provided by other utilities, including information regarding the cost of purchased water; and v) other information provided by the County and its consultants associated with the System.

Presented in Table 10 at the end of this Report are financial projections for the System. The table includes annual projections of Gross Revenues, Cost of Operation and Maintenance, payment of the Bond Service Requirement, payment of Subordinate Indebtedness and Other Indebtedness (if any), and other required deposits to the various funds and accounts established by the Bond Resolution, including the Renewal and Replacement Account and the debt service Reserve Account, and balances available for capital outlay and other System purposes. Projected revenue includes those from sales (rate revenue), interest income on the available unrestricted funds as defined in the Bond Resolution, and other miscellaneous revenues derived from System operations. The projected sales revenue has been forecasted based on revenue anticipated to be derived from the existing and anticipated rates of the System. The projected debt service shown on Table 11 at the end of this Report is subject to change based upon the actual terms of the sale of the Series 2026A Bonds and the additional issuance of Utility Revenue Bonds, Series 2027A, Utility Revenue Bonds, Series 2029A, and the Utility Revenue Bonds, Series 2030A, as hereinafter discussed.

Projected sales revenue for the System is based on assumed rate increases and growth in customers and usage as illustrated on Tables 4 through 6 at the end of this Report. These forecasts were based on historical growth and usage trends coupled with data provided by the County relating to projected residential and commercial development within the utility service area. Interest income has been estimated on balances in certain funds created by the Bond Resolution including balances in the General Revenue and Operation and Maintenance Accounts (operating reserves); Debt Service Account, including the Reserve Account, as applicable; the Renewal and Replacement Account, Rate Stabilization Account, and the General Purpose Account. The projected Cost of Operation and Maintenance is based on various factors such as projected expense increases due to inflation and projected changes in expenses associated with anticipated changes in operations. Funds received from the application of Impact Fees from the System have been assumed, for the purposes of the determination of rates, not to be available to pay the Cost of Operation or Maintenance (with the exception of the payment of the Debt Service Component of the Contracted Cost of Water Supply as provided in the Bond Resolution) but have been recognized in the determination of the Pledged Revenues and for rate covenant requirements under the terms of the Bond Resolution.

Principal Considerations and Assumptions Regarding Projected Operating Results

In the preparation of this Report and the conclusions that follow, we have made certain assumptions with respect to conditions which may occur in the future. While we believe the assumptions are reasonable for the purpose of this Report, they are dependent upon future events and actual conditions may differ from those assumed. In addition, for our projections and estimates, we have used and relied upon certain information and assumptions provided to us or prepared by others, including: i) information and assumptions provided to us by the County such as data regarding historical financial information and historical customer and sales statistics; ii) information contained in the Annual Financial Reports prepared by management on behalf of the System; iii) information provided by the Municipal Advisor with respect to assumptions regarding the issuance of the Series 2026A Bonds and the Additional Parity Bonds; and iv) information provided by the County and its consulting engineers with respect to the capital improvement program of the System, including incremental operating expenses associated with the implementation of such program. While we believe use thereof to be reasonable for the purpose of this Report, we offer no further assurances with respect thereto. To the extent that actual conditions differ from those assumed by us herein or from information or assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

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

1. Projected Water and Wastewater System revenues from current rates and charges for the County's Water and Wastewater Systems have been based on: i) the schedule of rates and charges currently in effect as of October 1, 2025, which are contained in Rate Resolution, which includes all adjustments to the rates associated with the application of the Purchased Water Pass-Through Consumption Charge, the application of the annual Price Index adjustment (in effect through 2035), and the application of the additional 5.0% fixed rate adjustments for the Fiscal Years 2025 through 3032 (which is recognized for all years of the Forecast Period), based on the rate policies that were approved by the Board pursuant to the adoption of the Rate Resolution; and ii) the forecast of water and wastewater customers and sales (water use and billed wastewater flow) for the respective utility systems as presented on Tables 4 and 5 for the Water and Wastewater Systems, respectively. The table below

represent the estimated rates for Water and Wastewater Systems for the Forecast Period pursuant to the Bond Resolution.

**Estimated Monthly Water and Wastewater Rates for Service –
for the Forecast Period [1]**

	Fiscal Year Ending September 30,				
	2026 In Effect [2]	2027 Approved	2028 Approved	2029 Approved	2030 Approved
Customer Service Charge (per Bill Rendered)	\$6.54	\$7.07	\$7.63	\$8.23	\$8.87
Water Service Rates:					
Base Facility Charge (per ERC)	\$13.58	\$14.67	\$15.84	\$17.09	\$18.42
Usage Charges (per 1,000 Gallons):					
Block 1 – 0 to 5,000 Gallons	\$4.14	\$4.25	\$4.48	\$4.68	\$4.87
Block 2 – 5,001 to 15,000 Gallons	6.11	6.38	6.78	7.16	7.54
7.36Block 3 – 15,001 to 30,000 Gallons	8.21	8.65	9.23	9.81	10.40
Block 4 – Above 30,000 Gallons	10.75	11.39	12.19	13.00	13.84
Pass-Through Consumption Charge [2]	\$3.02	\$3.04	\$3.17	\$3.27	\$3.35
Wastewater Service Rates:					
Base Facility Charge (per ERC)	\$21.95	\$23.72	\$25.61	\$27.62	\$29.77
Usage Charges (per 1,000 Gallons) [3]	7.07	7.64	8.25	8.90	9.59

[1] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates as shown above are subject to change based on the actual Price Index used in the rate determination adjustment as contained in the Rate Resolution that will be calculated and known for each respective Fiscal Year.

[2] Reflects current pass-through consumption charge to recover the net cost of purchased-water (primarily Tampa Bay Water) based on formula contained in Rate Resolution; amount shown billed for all water consumption, regardless of consumption block and represents a charge that is added uniformly to all water usage charges. The additional fixed rate adjustments and the Price Index are not applied to the Purchased-water Pass-through Consumption Charge. Amounts shown reflect the estimated charge for the Forecast Period.

[3] Wastewater usage charge billed based on metered water use; individually metered single-family residential service usage charge capped at 8,000 gallons per month and each living unit served within a master-metered residential complex is capped at 5,600 gallons per unit per month.

As provided in the Rate Resolution, the Price Index shall be based on the Water and Sewer Maintenance Index as published by the U.S. Bureau of Labor Statistics (“BLS”) applied to the adjusted

operating expenses based on the formula contained in the Rate Resolution. The application of the annual price index is in lieu of adopting a formal rate adjustment and provides an ongoing rate recovery mechanism for the annual effects of inflation on the cost of operations. It should be noted that for the Forecast Period, the annual Price Index was estimated to average 2.88%. With respect to the Purchased Water Pass-Through Consumption Charge (“PTC”), based on the estimated budget provided by Tampa Bay Water for the Forecast Period, the following rates have been assumed as a component of the monthly rates for service.

Estimated PTC Charge – For the Forecast Period [1]

	Actual [1]	Estimated Fiscal Year Ending September 30,			
	2026	2027	2028	2029	2030
PTC – per 1,000 Gallons	<u>\$3.02</u>	<u>\$3.04</u>	<u>\$3.17</u>	<u>\$3.27</u>	<u>\$3.35</u>

[1] The PTC is reviewed annually, and any changes are effective on October 1 of the respective Fiscal Year.

2. The Fiscal Year 2026 Budget (the “Budget”), actual Fiscal Years 2024 and 2025, and the actual year-to-date (as of May 31, 2026) 2026 operating results served as the primary baseline for the expenditure projections. The Budget projections represent the most recent financial forecast of the System as approved by the Board and was based on historical operating results and trends and known or anticipated conditions and projected overall System financial needs. The budgeted Cost of Operation and Maintenance was compared to prior Fiscal Year actual results and evaluated current year-to-date trends, which demonstrated the potential to lower the 2026 Budget for operating expenses. Based on discussions with Department staff since the preparation of the Fiscal Year 2026 budget, the recognition of recent historical expense trends, including current Fiscal Year-to-date operations and projections of anticipated operations, the Fiscal Year 2026 budgeted operating expense estimates were adjusted to
 - i) to account for a decrease of \$8.2 million in salaries and benefits due to attrition and vacant positions;
 - ii) to reduce the cost of contractual services in the amount of \$1.6M; and
 - iii) increase the cost of purchased water for the Fiscal Year 2026 contribution in the amount of \$27.9 million made to Tampa Bay Water for the construction of the South Hillsborough Pipeline, which is budgeted for in the Capital Improvement Program and was reclassified to an operating expense as the pipeline will be owed by Tampa Bay Water and discussed in more detail in the following assumption. The net adjustment to the budgeted operating expenses totaled an increase of \$18.1 million or 5.06% of operating expenses. The adjusted Fiscal Year 2026 budget estimates were incorporated into the Fiscal Year 2026

component of the financial forecast and served as the basis for the projections of the Cost of Operations and Maintenance for the Forecast Period.

3. The cost of Tampa Bay Water purchases was based on: i) the estimated Unitary Rate as projected by Tampa Bay Water which was identified in the Fiscal Year 2026 Budget provided to the Department by Tampa Bay Water dated May 19, 2025; ii) the estimated water purchase requirements based on the water sales forecast summarized on Table 4 and a Non-revenue or unbilled water allowance equal to 8.91% of purchased water requirements; and iii) recognition of Water Quality Credits applied to the total cost also as provided by Tampa Bay Water for the Fiscal Year 2026. The annual amortization of debt service credits associated with the purchase of County's water supply in 1998 by Tampa Bay Water as received by the County has been recognized as a deposit to the Renewal and Replacement Account in accordance with the provisions of the Bond Resolution regarding the deposit of funds associated with the sale of System assets (it should be noted that the Bond Resolution was amended to allow the proceeds from the sale of utility assets to be deposited into the General Purpose Account. The following is a summary of the Tampa Bay Water Costs reflected in the financial forecast:

Tampa Bay Water Costs

Fiscal Year	Water Purchases (000s of Gallons)	Estimated County Rate for TBW (\$/1,000 Gallons) [1]	Annual Cost of Tampa Bay Water Purchases
2026	28,212,261	\$2.8121	\$79,335,707
2027	29,824,024	2.7890	83,180,467
2028	30,088,323	2.8803	86,662,481
2029	30,333,837	2.9438	89,295,798
2030	30,571,771	3.0099	92,017,791

[1] It should be noted that the unitary rate as published by Tampa Bay Water is based on a water purchases forecast, which has been modified in this Report based on the forecast of customers and sales as shown on Table 4 at the end of this Report which affected the allocation of costs to the County.

[2] Amounts shown reflect the cost on a per gallon basis and does not include County contributions made to Tampa Bay Water per the terms and conditions of the Interlocal Joint Project Agreement with Tampa Bay Water ("TBW") for the construction of the South Hillsborough Pipeline Project entered into on October 20, 2021, which was amended and restated on February 19, 2025 ("JPA") as discussed below.

It should be noted that the payments made to Tampa Bay Water include a Debt Service Component, which is part of the Cost of Contracted Water Supply that is billed to the Department by Tampa Bay

Water. The payments made by the Department to Tampa Bay Water, whether to reimburse Tampa Bay Water for the Debt Service Component or for the total Cost of Contracted Water Supply, are treated by the County pursuant to the Bond Resolution as a Cost of Operation and Maintenance. Accordingly, Revenues will be applied towards the payment of the Tampa Bay Water, including the Debt Service Component, before such Revenues become available for the payment of the Outstanding or additional parity bonds.

The County also makes contributions to Tampa Bay Water for the construction of the South Hillsborough Pipeline Project (Project). On October 20, 2021, the County entered into an Interlocal Joint Project Agreement with Tampa Bay Water ("TBW") for the Project which was amended and restated on February 19, 2025 ("JPA"). According to the terms of the JPA, TBW is responsible for executing the design and construction of the Project. The County will fund the capital costs for a portion of the Project referred to as Segment B. Upon completion of the Project, the assets will be owned, operated, and maintained by TBW except for a portion of the project that will be County-owned (as defined in the JPA). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. TBW has also entered into a Cooperative Funding Initiative Project Agreement SWFWMD to provide partial funding of the Project of which it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the JPA require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by TBW based on the deposit schedule identified in the JPA totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover cumulative costs. Should the actual total cumulative cost to complete the Project the County is funding be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within 60 days of project closeout, or when the final cooperative funding from SWFWMD is received whichever is later. Should the actual total cumulative costs to complete the Project being funded by the County be than the estimated total cumulative costs, the accrued interest will be used by TBW to assist funding the Segment B Project.

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The Cost of Operations and Maintenance was increased to reflect the remaining payments per the terms and conditions of the JPA over the Forecast Period as shown below:

Remaining Contributions to Tampa Bay Water – For the Forecast Period

	For the Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Contractual Payments	<u>\$27,900,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

[1] Pursuant to Resolution No. R26-088, adopted on September 2, 2026, (Springing Amendment) the definition of the Cost of Operation and Maintenance in the Bond Resolution was amended to exclude contractual payments made by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System that would otherwise be considered a Cost of Contracted Water Supply. Therefore, no amounts have been recognized after the effective date of the Bond Resolution.

In addition to the cost of purchased water from Tampa Bay Water, the System also purchases water from other local governments (Cities of Tampa, Plant City, Temple Terrace, and Oldsmar), primarily to serve: i) utilities that were acquired by the County and which are not or cannot be economically interconnected to the Water System; and ii) other small service areas that also are not economically practical to interconnect to the Water System (therefore not being served from Tampa Bay Water). For the Forecast Period, the projected cost of these purchases was based on the current rates in effect by the various water suppliers, discussions with the local governments with respect to anticipated rate adjustments, and projections of growth within the specific areas to which these supplemental water purchases are attributable. The Forecast Period assumes that there are no water purchases from Pasco County. The following is a summary of the total estimated purchased water costs from those entities other than Tampa Bay Water for the Forecast Period.

Purchased Water from Water Suppliers other than Tampa Bay Water

Fiscal Year	Water Purchases (000s of Gallons)	Estimated Expenditure Amount
2026	769,759	\$5,289,222
2027	784,743	5,458,628
2028	799,831	5,630,967
2029	813,321	5,794,763
2030	825,011	5,948,370

4. The Department also purchases wastewater service from the Cities of Tampa, Temple Terrace, and Plant City primarily to serve: i) utilities that were acquired by the County and which are not or cannot be economically interconnected to the Wastewater System; and ii) other small service areas that also are not economically practical to interconnect to the County's regional Wastewater System. For the Forecast Period, the projected cost of these purchases was based on the current rates in effect by the various wastewater providers, discussions with the local governments with respect to anticipated rate adjustments, and projections of growth within the specific areas to which these supplemental wastewater purchases are attributable which were assumed to be consistent with water growth assumptions for these service areas (same service areas). The Forecast Period assumes that there are no wastewater services purchased from Pasco County. The following is a summary of the total estimated purchased wastewater costs from these local governments for the Forecast Period.

Purchased Wastewater from Other Local Governments

Fiscal Year	Wastewater Purchases (000s of Gallons)	Estimated Expenditure Amount
2026	544,999	\$5,490,395
2027	491,041 [1]	5,125,566
2028	500,589	5,377,386
2029	509,022	5,626,489
2030	516,175	5,869,756

[1] In FY 2026 during the months of October and November, the County diverted wastewater flow to the City of Tampa in response to influent flow values indicating the Falkenburg Road AWWTF was close to exceeding the 12.0 MGD plant capacity. As a result, a project to expand the plant was initiated and the plant was expanded from 12 MGD to 15MGD in Fiscal Year 2025.

5. As previously mentioned, the County charges a Impact Fee to applicants that are requesting water and/or wastewater capacity to pay or reimburse the County for the applicant's equitable share of the capital costs relating to the construction, expansion, or equipping capacity of the System in order to serve new users. Impact Fee revenues for the Forecast Period included: i) assumed upfront payments made by the applicant, including builder payments; and ii) installment payments based on the application of non-ad valorem assessments (Impact Fee Assessment Units or ["IFAU"]) that are not dedicated to the payment of previously issued Impact Fee Assessment Special Assessment Bonds (the "2021 Assessment Bonds").

With respect to the upfront payments and the impact fee special assessments, the projection of Impact Fees was based on: i) the anticipated growth in ERCs for the Forecast Period; ii) historical trends in applicants electing to prepay the Impact Fees upfront as opposed to electing the installment based method of collection; iii) historical and year-to-date collections and relationships of customers connected and customers that may prepay; and iv) the provisions of the Rate Resolution relative to the fees charges based on the connection method assumed by the applicant. With respect to the installment-based collections (non-ad valorem assessments), the County adopted in 1996 Ordinance No. 96-7 (referred to by the County as the Impact Fee Assessment Unit Ordinance or “IFAU Ordinance”) to initiate the IFAU Special Assessment Program. The County has established a Impact Fee Assessment Unit program (IFAU) that allows Impact Fees to be paid on an installment basis whereby the developer agreed to have the installment payment placed on the ad valorem tax bill as a non-ad valorem assessment pursuant to Florida Statutes, Chapter 197, which would be paid in future installments from the owners of the then-developed property. The County has issued in the original principal amount of \$58,040,000 in Wastewater Impact Fee Assessment Special Assessment Revenue Bonds, Series 2021 (referred to as “2021 Assessment Bonds”); of which the proceeds were or are being used to fund expansion-related wastewater capital projects. The Impact Fee assessments that are specifically pledged for the repayment of the 2021 Assessment Bonds are not included as a financial resource to the Department since they are specifically restricted for future debt repayment.

It should also be noted that on February 3, 2021 the County adopted Ordinance No. 21-4, eliminating the option for property owners to pay a portion of the water and wastewater Impact fees over time in the form of a non-ad valorem assessment through the IFAU program. Previously created existing IFAUs will continue until all non-ad valorem assessments have been paid in full.

The forecast of the IFAU collections was based on: i) the actual outstanding water and wastewater ERCs that have elected to use this method through January 2021 whose payments have not been dedicated to the payment of the IFAU Bonds; ii) the terms associated each series of assessments (i.e., interest rate, payment term, cost of billing the assessments and provisions for early payment discount allowed by the State of Florida for the early payment of taxes and fees included on the ad valorem tax bill); iii) the forecast of new customer growth during the Forecast Period; iv) the recognition of IFAUs that are specifically pledged to outstanding Impact Fee Assessment Special Assessment Bonds; and v) the termination of the IFAU program by the Board as previously mentioned. It should be noted that if an applicant has requested to utilize the IFAU process for the payment of the Impact Fees, the applicant must pay a portion of the Impact Fee upfront. This component is included as a component of the Builder Payment as defined in the Rate Resolution.

The following is a summary of the Water Impact Fees, including interest earnings, assumed to be received during the Forecast Period:

Summary of Water Impact Fees Received [1]

Fiscal Year	Upfront and Builder Payments	Assessments [2]	Interest Earnings [3]	Totals
2026	\$5,328,686	\$9,561,117 [4]	\$352,040	\$15,242,043
2027	6,872,967	8,103,800	205,172	15,181,939
2028	7,204,878	7,065,192	65,276	14,335,346
2029	7,290,647	6,042,991	52,350	13,385,988
2030	7,360,603	5,591,786	52,350	13,004,739

[1] Amounts reflect the adoption of Resolution No. R25-111 on December 17, 2025, which implemented a phase-in of Water (Capacity) Impact Fees consistent with the limitations of Chapter 163.31801 equally over two years in Fiscal Years 2026 and 2027. The effective date of the Resolution was March 23, 2026.

[2] Amounts include the total estimated assessments anticipated to be received, which include both the principal and interest components.

[3] Amounts reflect estimated investment income on Impact Fee fund (cash) balances; such amounts were allocated between the Water and Wastewater Systems; amounts do not include interest income associated with the non-ad valorem assessments (reference footnote 1).

[4] Includes amounts that have been reclassified from prior period unpledged IFAU Assessment (Principal and Interest).

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The following is a summary of the Wastewater Impact Fees, including interest earnings, assumed to be received during the Forecast Period:

Summary of Wastewater Impact Fees Received [1]

Fiscal Year	Upfront and Builder Payments	Assessments [2]	Interest [3]	Totals
2026	\$14,966,517	\$2,766,302 [4]	\$---	\$17,732,819
2027	12,392,277	2,214,092	---	14,606,369
2028	12,335,531	2,214,092	---	14,549,623
2029	13,672,616	2,214,092	---	15,886,708
2030	13,812,090	2,214,092	---	16,026,182

[1] Amounts reflect the adoption of Resolution No. R25-111 on December 17, 2025, which implemented a phase-in of Wastewater (Capacity) Impact Fees consistent with the limitations of Chapter 163.31801 equally over four years in Fiscal Years 2026 through 2029. The effective date of the Resolution was March 23, 2026.

[2] Amounts include the total estimated assessments anticipated to be received, which include both the principal and interest components. For Fiscal Years beginning in 2022, the Impact Fees paid on an installment basis through the IFAU program was reduced due to the issuance of the 2021 Assessment Bonds (the assessments are now pledged toward the payment of such bonds).

[3] Amounts reflect estimated investment income on Impact Fee fund (cash) balances; such amounts were allocated between the Water and Wastewater Systems; amounts do not include interest income associated with the non-ad valorem assessments (reference footnote 1). No interest earnings have been recognized since all of the Wastewater Impact Fees are considered pledged and used to fund the Debt Service Account to pay the then Fiscal Year Bond Service Requirement.

[4] Includes amounts that have been reclassified from prior period unpledged IFAU Assessment (Principal and Interest).

6. The County charges new customers requesting new water and wastewater capacity an Accrued Guaranteed Revenue Fee ("AGRF") to recover the cost of holding and maintaining the capital investment until such time that an applicant requests and pays for capacity. This fee was suspended by the County in April 2014 and was reinstated (at a different rate) on June 17, 2020 with the adoption of the 2020 Rate Resolution by the Board. The AGRF revenues were based on i) the current fees in effect pursuant to the Rate Resolution and ii) the estimated growth in new development that either entered into the IFUA program (only for the Fiscal Year 2021) or were required to pay the development-related fees up-front.

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The following table provides a summary of the AGRF revenues assumed to be received during the Forecast Period:

Estimated AGRF Revenues – For the Forecast Period

Fiscal Year	Estimated AGRF Revenues
2026	\$4,725,840
2027	4,223,702
2028	4,432,647
2029	4,410,259
2030	4,494,830

7. Included in the financial projections are other operating revenues associated with service initiation and discontinuance fees, meter testing fees, developer (engineering) review fees, return check charges, and other related customer requested services revenues. For the purposes of this Report, other operating revenues were based on i) the Fiscal Year 2026 budget estimates of such revenues as prepared by the Department; ii) a review of historical amounts received from such charges; and iii) discussions with the Department staff. Based on a review of such sources, it was assumed that such revenues would either remain constant, increase as a result of inflation, or increase based on change in the number of customers annually served during the Forecast Period.
8. As discussed earlier in this Report, the County also provides reclaimed water service to certain customers which service is recognized as an alternative water resource for irrigation and other non-potable water use purposes. Specifically, the County provides this service to individually-metered residential and commercial (general service) customers primarily for irrigation purposes as well as major or large users such as golf courses and industry for irrigation and industrial use purposes. Revenues from this service are anticipated to increase during the course of the Forecast Period and was based on: i) continued growth of the Reclaimed Water System due to the extension of service and continued development in areas already receiving service; ii) recent historical usage statistics for metered customers, including the amount of usage billed by reclaimed water consumption block; iii) the reclaimed water rates which became effective beginning October 1, 2025; and iv) the application of the annual price index adjustment coupled with the application of the additional annual approved automatic fixed rate adjustment of five percent for seven fiscal years beginning October 1, 2025 through September 30, 2032 (which is recognized for all years of the Forecast Period), all as applied to the

Monthly Reclaimed Water Rates (excludes the Unmetered (flat) rate (Committed Class) reclaimed water rates). Based on these assumptions, the following table summarizes the projected revenues resulting from reclaimed water service assumed during the Forecast Period:

Projection of Reclaimed Water Revenue for Forecast Period (Dollars in 000s)

Description	Fiscal Year Ending September 30, [1]				
	2026	2027	2028	2029	2030
Individually Metered Residential:					
Committed Class [2]	\$1,480	\$1,475	\$1,470	\$1,464	\$1,459
Metered Class	1,499	1,689	1,897	2,126	2,375
Commercial:					
General Users	461	508	560	617	679
Major Users	278	292	307	322	338
Projected Reclaimed Water Revenue	<u>\$3,718</u>	<u>\$3,964</u>	<u>\$4,234</u>	<u>\$4,529</u>	<u>\$4,851</u>

[1] Revenues based on customer and sales forecast as shown on Table 6 at the end of this Report.

[2] Reflects residential customers that have elected by agreement to receive service on a flat rate basis for a term of up to 30 years.

9. The projected Cost of Operation and Maintenance associated with operation and maintenance of the County's facilities have been escalated from the Fiscal Year 2026 estimates predicated upon several assumptions and the nature of the expense. A summary of the projected Cost of Operation and Maintenance for the Forecast Period is included on Table 9 at the end of this Report. These projected expenses, exclusive of the cost of purchased water and wastewater, which were discussed earlier in this section, were escalated for the Forecast Period as follows:

- a. The projected cost of personnel (wages, salaries, and associated benefits) expenses was escalated above Fiscal Year 2026 estimates by 3.0% annually as discussed with County staff to reflect increases due to inflation and allowances for salary adjustments such as merit increases and cost of living adjustments. It should be noted that the County's adopted Fiscal Year 2026 budget for personnel expenses reflects an approximate \$8 million increase over actual personnel expenses reported for the Fiscal Year 2025. The increase in the budgeted cost of personnel is attributable to i) increased personnel and assumptions made by the Department regarding staffing and vacancies typical for the budget process (which is incorporated in the forecast); and ii) cost of living and merit-based increases in wages. In addition, the budget does assume allowances for staffing vacancies due to attrition and

general employee turnover. Personnel benefits (i.e., contributions toward retirement, health insurance, FICA, etc.), with the exception of medical insurance, were projected to remain at the same percentage relationship to total salaries as was reflected in the Fiscal Year 2026 Budget except as adjusted below, based on discussions with the Department staff. The cost of medical insurance was increased above the Fiscal Year 2026 Budget amounts by approximately 25.0% annually to reflect recent trends in the escalation of such costs and discussions with the County.

- b. Based on the discussions with the County and recognizing continued service area growth which includes the need to construct additional water and wastewater treatment plants, the projections recognize the need for additional personnel to meet the increased service demands of the System service area. The following table summarizes the additional employees recognized in the financial forecast above the level of personnel assumed in the Fiscal Year 2026 Budget:

Summary of Additional Personnel Costs Assumed for Fiscal Years 2027-2030

Position	Division	Total Number of Positions [1]	Assumed Fiscal Year(s) of Addition	Additional Annual Personnel Services Cost by End of Forecast Period [2]
Customer Service	Enterprise Solutions	2	2028, 2030	\$136,211
New Drinking Water Facility Staff	Plant Operations	5	2029	539,308
New Wastewater Treatment Facility Staff	Plant Operations	14	2028	1,510,063
Skilled Trade Workers	Infrastructure Maintenance – Water	6	2028, 2030	541,859
Skilled Trade Workers	Infrastructure Maintenance – Wastewater	6	2028, 2030	541,859
Meter Reader	Enterprise Solutions	4	2027, 2028, 2029, 2030	697,354
Project Manager (CIP)	Technical Services	3	2027	376,487
Total Employee Additions		40		\$4,343,141

[1] Employees represent full-time equivalents.

[2] Reflects estimated salaries and benefits by Fiscal Year 2030.

As shown in the preceding table, the salaries and benefits of these additional full-time employees were assumed to approximate \$4,343,141 by Fiscal Year 2030. It should be noted that a majority of the increase in salaries and benefits is a result of the new wastewater treatment facility projected to become operational in the last quarter of Fiscal Year 2028 and the new drinking water facility to become operational in the first quarter of Fiscal Year 2029. It is currently projected that an additional 14 wastewater plant operators and five water plant operators will be required with an assumed salary burden of \$4,395,009 to staff the anticipated plant expansions.

- c. Materials and supplies expenses, other contractual services expenses, repair and maintenance expenses, and certain other operating expenses have been projected to increase in general from historical and current budgetary levels at an annual rate equal to inflation ranging from 1.0% to 5.0% based on the nature of the expenditure. These escalation factors were based, in part, on the Implicit GDP Deflator and the Consumer Price Index forecast prepared by the Congressional Budget Office as contained in the *Economic and Budget Outlook* dated February 2026 and recent trends in the change of expenses. Additionally, these escalators were compared to i) the gross national product implicit price deflator index, which is used by many utilities as published by the Florida Public Service Commission for the establishment of price indices for operating costs as allowed pursuant to Section 367.081(4)(a), Florida Statutes, in the regulation of private or investor-owned utilities; and ii) the consumer price index for recent historical periods.
- d. With respect to the projection of variable costs for water and wastewater operations which included the cost for purchased power and chemicals for the water and wastewater treatment and pumping facilities, such projections were determined utilizing the cost of the expense for water production and wastewater treatment to the County's customers as outlined in the Department's Fiscal Year 20216 Budget and was escalated for the remainder of the Forecast Period based on an allowance for inflation, which is consistent with recent historical trends, and the projection of flow requirements as discussed earlier in this Report. For the Forecast Period, the following was assumed for the variable expenses:
 - i. The estimated Operating Expenses, which have a direct correlation to customer growth, usage, and demand such as electric power for pumping and chemicals used in the water / wastewater treatment process (i.e., variable expenses) were projected to increase during the Forecast Period based on: i) a review of historical

costs and trends recently incurred by the County; ii) discussions with the Department staff; iii) the estimates contained in the 2026 Budget; and iv) the projected change in the estimated finished water purchased (pumped) and wastewater treated as shown on Tables 4 and 5, respectively (growth). In addition to the growth of the System, an allowance for inflation was recognized for the Forecast Period. The estimate of the electric expenses were based on the Fiscal Year 2026 Budget, recent historical trends, the recognition of growth in water and wastewater sales or flow, and the application of general inflation allowances assumed at a base inflationary adjustment equal 3.06% (applied to the total expense), which considered the 20-year average change (2006-2026) in the Consumer Price Index for All South Urban Consumers for Electricity (CUSR0000SEHF01) as published by the Bureau of Labor Statistics to reflect potential changes in the cost of service. Based on this assumption, electric expenses were assumed to increase approximately 4.8% annually on average for the System.

- ii. The estimate of chemical expenses was based on the Fiscal Year 2026 Budget, recent historical trends, the recognition of growth in water and wastewater sales or flow, and the application of general inflation allowances assumed at a base inflationary adjustment equal to 2.16% (applied to the total expense), which considered the 20-year average change in the U.S. City Average Producer Price Index for Industrial Chemicals (WPU061) as published by the Bureau of Labor Statistics to reflect potential changes in the cost of service. Based on this assumption chemical expenses were assumed to increase approximately 5.28% annually on average during the Forecast Period.
- iii. The estimate of sludge disposal expenses was based on the Fiscal Year 2026 Budget, recent historical trends, the recognition of growth in wastewater sales or flow, and the application of general inflation allowances assumed at a base inflationary adjustment equal to 2.7% (applied to the total expense), which considered the Consumer Price Index forecast prepared by the Congressional Budget Office as contained in the *Economic and Budget Outlook* dated February 2026. Based on this assumption sludge disposal expenses were assumed to increase approximately 4.8% annually 3.7% annually after the Fiscal Year 2026.

- e. Repair and Maintenance operating expenses were escalated subsequent to the budget period based upon an inflationary or cost factor ranging from 3.25% to 3.70% over the Forecast Period, reflecting the observed trend in increased construction materials costs used in the repair and maintenance of existing water and wastewater facilities.
- f. For the Fiscal Year 2026, no contingency was recognized in the projection of the Cost of Operations and Maintenance since the Department prepared a detailed expenditure budget for the System, which has been considered as being reasonable and adjusted as discussed in Item 3 above. Historically, the Department has spent approximately 90% or less of the adjusted budget. A contingency was also not recognized for the Fiscal Years 2027 and 2028. With the expectation the South County One Water Campus WWTF coming on-line at the end of Fiscal Year 2028 and the South County Drinking Water Facility coming on-line at the beginning of Fiscal Year 2029, incremental increases in the Cost of Operations and Maintenance were recognized in Fiscal Years 2028 and 2029 to account for the increase in personnel (reference assumption #9 above), chemicals, electricity, and sludge removal. A contingency allowance of one-quarter of one percent to one percent of total Cost of Operation and Maintenance was recognized beginning in the Fiscal Year 2029 and in each year thereafter. The allowance has been included in order to have additional funds to meet unknown or unplanned expenditures throughout the fiscal year and to recognize potential changes in the revenues, which may occur due to weather, conservation, and other factors. For the remainder of the Forecast Period, Fiscal Years 2029 and 2030, the recognition of this allowance increased the projected Cost of Operation and Maintenance of the System on average by approximately \$1.4 million annually.
- g. An allowance for bad debt expense has been made to recognize a certain amount of revenues that will be considered as uncollectible and written off throughout the year. This expenditure item has been included in the cost for customer service and was projected based on trends incurred by utilities statewide and discussions with County Staff. A bad debt ratio estimated at 0.10% of sales revenues was assumed for the Forecast Period averaging \$598,000 and was subsequently escalated based on the overall increase in System revenue due to growth.
- h. Although considered a System operating expense for financial reporting purposes, depreciation and amortization expenses have not been recognized as a component of the

Cost of Operation and Maintenance consistent with the provisions of the Bond Resolution since such amounts represent non-cash expenses.

10. The County currently has outstanding the Utility Revenue Bonds, Series 2016 (the “Series 2016 Bonds”), which the County is currently considering to refund a portion thereof from the proceeds of the Series 2026B Bonds, the Utility Refunding Revenue Bonds, Series 2019 (the “Series 2019 Bonds”), the Utility Revenue Bonds, Series 2021A (the “Series 2021A Bonds”), and the Utility Refunding Revenue Bonds, Series 2021B (the “Series 2021B Bonds”) issued pursuant to the provisions of the Bond Resolution. The following is a summary of the principal amount of the Outstanding Bonds as of October 1, 2025, the first day of the Fiscal Year 2026, for the System:

Outstanding Bonds	Outstanding as of October 1, 2025
Utility Revenue Bonds, Series 2016 (“Series 2016 Bonds”)	\$186,680,000
Utility Refunding Revenue Bonds, Series 2019 (“Series 2019 Bonds”)	68,910,000
Utility Revenue Bonds, Series 2021A (“Series 2021A Bonds”)	148,555,000
Utility Refunding Revenue Bonds, Series 2021B (“Series 2021B Bonds”)	<u>19,780,000</u>
Total Outstanding Bonds	<u><u>\$423,925,000</u></u>

The annual debt service payments included in this Report for the Outstanding Bonds for each year of the Forecast Period was based on the existing debt service schedule for the issue and are presented on a “gross” basis (i.e., not net of interest earnings on any debt service-related funds or accounts). Furthermore, the amounts shown are based when the debt service requirements are actually paid as opposed to when the monthly deposits are required to be made to the Debt Service Account (an accrual basis) to be consistent with the rate covenant, all as delineated in the Bond Resolution, which authorized the Bonds.

- a. It should be noted that pursuant to the Bond Resolution, any interest earnings that have been deposited into the Debt Service Account from the investment of funds in the Debt Service Account and the Reserve Account shall reduce the Debt Service Account deposit requirements from Gross Revenues and Pledged Impact Fees. For the purposes of determining compliance with the rate covenant, such estimated earnings on the Debt Service Account and the Reserve Account have been recognized as a reduction in the determination of the Bond Service Requirement that must be funded from the Gross Revenues and Pledged Impact Fees of the

System (and for determination of rate covenant compliance). For a summary of the estimated investment income on the Debt Service Account, please refer Table 10 at the end of this Report.

11. As previously discussed in this Report (reference the section entitled “Existing System Debt and Plan of Finance”), the construction of the One Water Program is envisioned to take six years to complete with an estimated completion in Fiscal Year 2031. As mentioned in the County’s financing plan and to reduce interest expense and a better match to project expenditure financing, the plan utilized a mix of short-term and long-term financing facilities. The following represents the use of short-term credit facilities (Other Indebtedness and Subordinate Indebtedness) and the aggregate principal amount of each of the anticipated long-term financing facility.

Bond Plan – One Water Program (\$000s) [1]

Debt Issue	Lien	Principal Amount Authorized or Estimated [2]	Estimated Principal Amount Utilized	Payment Basis
Series 2026A Financing Plan				
Commercial Paper Program Allocation	Other [3]	\$152,325	\$152,325	Interest Only Based on Draws Payable from Net Revenues: Refunded by Series 2026A Bonds
BOA Revolving Credit Agreement	Subordinate	350,000	30,579	Interest Only Based on Draws Payable from Net Revenues: 2026 Draws to Be Refunded by Series 2026A Bonds
BOA Non-Revolving Credit Agreement	Subordinate	650,000	---	Interest Only Based on Draws Payable from Net Revenues: Refunded by Series 2026A Bonds (No Draws Anticipated)
Series 2026A Bonds	Senior	\$636,105	N/A	Principal and Interest Payable from Net Revenues
Series 2027A Financing Plan				
BOA Revolving Credit Agreement	Subordinate	350,000	\$15,175	Interest Only Based on Draws Payable from Net Revenues: 2027 Draws to Be Refunded by Series 2027A Bonds
Series 2027A Bonds	Senior	\$411,280	N/A	Principal and Interest Payable from Net Revenues

Table continued on following page.

Bond Plan – One Water Program (\$000s) [1] (cont'd.)

Debt Issue	Lien	Principal Amount Authorized [2]	Estimated Principal Amount Utilized	Payment Basis
Series 2029A Financing Plan				
BOA Revolving Credit Agreement	Subordinate	350,000	\$280,305	Interest Only Based on Draws Payable from Net Revenues: 2028 and through March 1, 2029 Draws to Be Refunded by Series 2029A Bonds
Series 2029A Bonds	Senior	\$392,115	N/A	Principal and Interest Payable from Net Revenues
Series 2030A Financing Plan				
BOA Revolving Credit Agreement	Subordinate	350,000	\$245,232	Interest Only Based on Draws Payable from Net Revenues: Draws from March 1, 2029 through 2030 to Be Refunded by Series 2030A Bonds
Series 2030A Bonds	Senior	\$285,560	N/A	Principal and Interest Payable from Net Revenues

- [1] Amounts represent Bond Plan and the estimated construction draw down amounts as provided by the County and their Municipal Advisor.
- [2] Principal amount authorized for the CP Program, BOA Revolving Credit Agreement and BOA Non-Revolving Credit Agreement to allow the County to encumber funds for the award of engineering and construction contracts for the construction of the Program and estimated principal amount issued for the Series 2026A Bonds and Additional Parity Bonds.
- [3] The County's CP Program is backed by the County's covenant to budget and appropriate legally available non-ad valorem revenues and not by the Pledged Revenues of the System. The County intends, however, to use net revenues of the System to make payments of costs related to Commercial Paper Notes issued to fund capital improvements for the System.

The following are the assumptions provided by the County's Municipal Advisor for the respective other debt, subordinate lien, and senior lien debt assumed to be secured by the County to finance the Program (as reference in the section entitled "Existing System Debt and Plan of Finance").

a. Short-term Credit Facilities – Other Indebtedness

- i. CP Program – Allocation of \$152,325,198 and utilized to encumber construction contracts and fund cash needs in Fiscal Year 2026.

b. Short-term Credit Facilities – Subordinate Indebtedness

- i. BOA Revolving Credit Agreement – Authorized Amount of \$350,000,000 (which could be increased to \$400,000,000 as provided in the Revolving Credit Agreement) and utilized throughout the Bond Plan to encumber construction contracts and fund advances until the issuance of additional debt.
- ii. BOA Non-Revolving Credit Agreement – Authorized Amount of \$650,000,000, with reduction to \$500,000,000 on June 30, 2028 and a reduction to \$350,000,000 on December 31, 2028 and utilized throughout the Bond Plan to encumber construction contracts.

c. Long-term Credit Facilities – Senior Lien Debt

- i. Series 2026A Bonds – The County plans to issue tax-exempt Series 2026A Bonds on parity with the Outstanding Bonds for the primary purpose of financing certain capital improvement projects identified by the County. The assumptions provided by the Municipal Advisor to the County with respect to the issuance of the Series 2026A Bonds include: i) total principal amount of the bonds estimated at approximately \$636,105,000.00 issued with a premium of \$19,621,772.65; ii) an assumed average coupon rate of 5.212% with 5.036% All-In True-Interest-Cost (“TIC”); iii) a term of 30 years with no interest expense being funded from bond proceeds; iv) no funding requirement of a debt service reserve fund for the Series 2026A Bonds; v) a debt repayment schedule assuming interest-only payments for approximately the first four years of the debt repayment period and vi) the payment of issuance expenses associated with the Series 2026A Bonds. It is assumed that the Series 2026A Bonds would be issued on or about October 14, 2026. Based on the financing plan as prepared by the Municipal Advisor, net proceeds from the Series 2026A Bonds are estimated to repay the CP Program in the amount of \$151,216,558, repay the BOA Revolving Credit Agreement in the amount of \$30,661,969, and the remaining deposit to the Construction Account is assumed to be approximately \$468,121,473, which was recognized in the development of the capital improvement funding plan as presented in this report.

The County is currently considering the issuance of the Utility Refunding Revenue Bonds, Series 2026B (the “Series 2026B Bonds”) to refund a portion of the outstanding

Series 2016 Bonds to achieve debt service savings. Any such refunding would be dependent upon market conditions at the time of the sale of the Series 2026B Bonds. The financial forecast presented in this report does not include any benefits anticipated to be received associated with the refunding of the Series 2016 Bonds.

- ii. The assumptions provided by the Municipal Advisor with respect to the issuance of the Series 2027A Bonds include: i) total principal amount of the bonds estimated at approximately \$411,280,000 issued with a premium of \$17,422,463.05; ii) an assumed average coupon rate of 5.173% with an All-in TIC of 4.883%; iii) a term of approximately 30 years with no interest expense being funded from bond proceeds; iv) annual debt service payment schedule assuming interest-only payments for approximately the first three years of the debt repayment period; v) the payment of issuance expenses associated with the Series 2027A Bonds; and vi) no requirement to fund the Reserve Fund associated with the Series 2027A Bonds. It is assumed that the Series 2027A Bonds would be issued on or about October 1, 2027. Based on the financing plan as prepared by the Municipal Advisor, net proceeds from the Series 2027A Bonds are estimated to repay the BOA Revolving Credit Agreement in the amount of \$15,175,400, and the remaining deposit to the Construction Account is assumed to be approximately \$409,824,600, which was recognized in the development of the capital improvement funding plan as presented in this report.
- iii. The assumptions provided by the Municipal Advisor with respect to the issuance of the Series 2029A Bonds include: i) total principal amount of the bonds estimated at approximately \$392,115,000 issued with a premium of \$16,417,934.20; ii) an assumed average coupon rate of 5.173% with an All-in TIC of 4.880%; iii) a term of approximately 30 years with no interest expense being funded from bond proceeds; iv) an annual debt service payment schedule assuming interest-only payments for approximately the first two years of the debt repayment period; v) the payment of issuance expenses associated with the Series 2029A Bonds; and vi) no requirement to fund the Reserve Fund associated with the Series 2029A Bonds. It is assumed that the Series 2029A Bonds would be issued on or about March 1, 2029. Based on the financing plan as prepared by Municipal Advisor, net proceeds from the Series 2029A Bonds are estimated to repay the BOA Revolving Credit Agreement in the amount of \$280,304,667, and the remaining deposit to the Construction Account is assumed to be approximately \$124,695,333,

which was also recognized in the development of the capital improvement funding plan as presented in this report.

- iv. The assumptions provided by the Municipal Advisor with respect to the issuance of the Series 2030A Bonds include: i) total principal amount of the bonds estimated at approximately \$285,560,000 issued with a premium of \$12,013,956.90; ii) an assumed average coupon rate of 5.172% with an All-in TIC of 4.874%; iii) a term of approximately 30 years with no interest expense being funded from bond proceeds; iv) an annual debt service payment schedule assuming interest-only payments for approximately the first year of the debt repayment period; v) the payment of issuance expenses associated with the Series 2030A Bonds; and vi) no requirement to fund the Reserve Fund associated with the Series 2030A Bonds. It is assumed that the Series 2030A Bonds would be issued on or about October 1, 2030. Based on the financing plan as prepared by the Municipal Advisor, net proceeds from the Series 2030A Bonds are estimated to repay the BOA Revolving Credit Agreement in the amount of \$245,231,817, and the remaining deposit to the Construction Account is assumed to be approximately \$49,770,757, which was also recognized in the development of the capital improvement funding plan as presented in this report.

Upon the issuance of the Additional Parity Bonds and including the current Outstanding Bonds, the estimated average of the aggregate Bond Service Requirement are estimated to be essentially level at approximately \$140,434,000.

Based on the above assumptions, the estimated Bond Service Requirement assumed for the Forecast Period reflecting the Outstanding Bonds, the Series 2026A Bonds, and the additional Series 2027A, Series 2029A, and Series 2030A Bonds presented on a cash basis (when the debt service requirements are actually paid) is projected as follows:

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Projection of Bond Service Requirement for the Forecast Period

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Bond Service Requirement:					
Series 2016 Bonds [1][2]	\$9,982,100	\$9,981,500	\$9,979,300	\$9,980,050	\$9,976,750
Series 2019 Bonds [1]	7,130,950	7,133,200	7,134,200	7,133,450	7,135,450
Series 2021A Bonds [1]	8,020,138	8,017,638	8,016,387	8,015,888	8,015,637
Series 2021B Bonds [1]	412,269	412,269	412,269	412,269	412,269
Series 2026A Bonds [1][3]	---	26,475,400	32,979,738	32,979,737	32,979,738
Series 2027A Bonds [1][3]	---	---	17,591,000	21,109,200	21,109,200
Series 2029A Bonds [1][3]	---	---	---	8,381,958	20,116,700
Additional Parity Bonds – Series 2030A Bonds [1][3][4]	---	---	---	---	---
Subtotal – Annual Debt Service Payment	\$25,545,456	\$52,020,007	\$76,112,894	88,012,552	99,745,744
Less Interest Income of Debt Service and Reserve Account	(75,196)	(49,330)	(28,505)	(39,565)	(61,899)
Total Bond Service Requirement	<u>\$25,470,260</u>	<u>\$51,970,677</u>	<u>\$76,084,389</u>	<u>\$87,972,987</u>	<u>\$99,683,845</u>

[1] Based on when the payments of the Bonds are to be made by the County (cash basis) consistent with the rate covenant as contained in the Bond Resolution and not on an accrual basis which reflects when the Debt Service Account is to be funded monthly from Revenues. Annual debt service payments shown are presented on a "gross" basis and are not net of any investment income from amounts on deposit in the Debt Service Account and the Reserve Account associated with such bonds, which is shown separately on the table.

[2] The County is currently considering refunding a portion of the Series 2016 Bonds from proceeds of the Series 2026B Bonds.

[3] Reflects additional bonds anticipated to be issued by the County to provide funding for the One Water Program which represents the construction of new a new water treatment plant, a new wastewater treatment plant, and the related conveyance and pumping systems to meet the projected demands dictated by new development in the South-Central Service Area.

[4] The Series 2030A Bonds are expected to be issued on October 1, 2030, (Fiscal Year 2031), which is beyond the Forecast Period, therefore the bond service requirement for the Series 2030A is not reflected.

12. As discussed in Assumption 11 (above), interest is paid on amounts advanced through Short-term Credit Facilities. The table below reflects the estimated interest payments that the County will make under the CP Program (referred to as Other Indebtedness), the BOA Revolving Credit Agreement, and the BOA Non-Revolving Credit Agreement (referred to as Subordinate Indebtedness), during the Forecast Period.

**Estimated Annual Other Indebtedness and Subordinate Indebtedness –
For the Forecast Period (\$000s)**

	Actual [1]	Estimated Fiscal Year Ending September 30,			
	2026	2027	2028	2029	2030
Other Indebtedness	\$2,073	\$---	\$---	\$---	\$---
Subordinate Indebtedness	286	104	2,655	5,413	8,833
Total Other Indebtedness and Subordinated Indebtedness	<u>\$2,359</u>	<u>\$104</u>	<u>\$2,655</u>	<u>\$5,413</u>	<u>\$8,833</u>

13. Based on the provisions of the Bond Resolution, the County is required to establish and maintain a Renewal and Replacement Account (the “R&R Account”). The function of the R&R Account is to provide moneys for the purpose of paying the cost of the replacement of capital assets or any unusual, unanticipated, or extraordinary maintenance or repairs of the System. As defined in the Bond Resolution, the County shall deposit into the R&R Account an amount equal to 5.0% of the Gross Revenues received by the System in the immediately preceding Fiscal Year or such greater or lesser amount as determined by the Qualified Independent Consultant (as defined in the Bond Resolution). However, no deposit is required if the County maintains a balance in such fund equal to the R&R Account Requirement as defined in the Bond Resolution (five percent of the original cost of the assets and capitalized lease obligations and capacity entitlement programs of the System for the preceding Fiscal Year or an amount as may be certified to the County by the Qualified Independent Consultant as necessary and desirable to provide immediately available funds to pay renewal and replacement costs of the System [the “R&R Account Requirement”]). As of the date of this Report, the County has not had a Consulting Engineer certify a minimum amount different from what is currently recognized in the Bond Resolution. For the purposes of developing the financial forecast (capital funding analysis) and based on current Department policy, an annual deposit to the R&R Account equal to the annual deposit requirement as identified in the Bond Resolution has been recognized.

As part of entering into the Amended and Restated Interlocal Agreement, which along with the Master Water Supply Contract are the primary agreements with the Member Governments, which govern the activities of Tampa Bay Water, the water supply facilities were purchased from the County by Tampa Bay Water in 1998. The purchase of such facilities is being paid to the County by Tampa Bay Water based on a debt service equivalent computed on a 30-year amortization of the net purchase price, compounded semiannually at 4.865%, which equated to a payment by Tampa Bay Water of \$1,238,468

made annually (through Fiscal Year 2029). In addition to the annual deposit to the R&R Account from System operations as defined in the Bond Resolution and discussed above, the Department has deposited this annual payment received from the sale of the water supply facilities by the County to Tampa Bay Water in the R&R Account. It should be noted that the Bond Resolution was amended to provide that the proceeds from the sale of utility assets be deposited into the General Purpose Account in lieu of the R&R Account. Recognizing that the deposit has historically been made to the R&R Account, the account is to be used solely for capital expenditures, and to provide comparability to prior periods, we have assumed the continuation of depositing the proceeds into the R&R Account which provided funds for the capital finance plan presented in this report.

The following is a summary of the estimated transfers to the R&R Account recognized during the Forecast Period:

Renewal and Replacement Account Deposits and Other Transfers

Fiscal Year	Annual R&R Account Deposit Recognized from System Gross Revenues	Transfer Associated with Sale of Water System Assets to TBW	Total Recognized Deposits (Inflows) to Account
2026	\$21,941,633	\$1,238,468	\$23,180,101
2027	23,227,685	1,238,468	24,466,153
2028	24,751,482	1,238,468	25,989,950
2029	26,466,453	1,238,468	27,704,921
2030	28,340,273	---	28,340,273

14. Amounts shown for the deposit to the R&R Account are based on the funding provisions of the Bond Resolution, which require a minimum transfer equal to 5.0% of the previous year's Gross Revenues (unless a lesser amount is determined by the Qualified Independent Consultant), the capital equipment expenditures for departmental fixtures, equipment, vehicles, and other related minor items (assets with short service lives) were recognized as an additional capital requirement, which is funded annually from System revenues (rates). These expenditures were considered to be in addition to the R&R Account deposits described above (reference Note 13). These capital expenditures were based on recent expenditure trends and discussions with Department staff and are generally considered as a component of the operating budget. The ongoing capital outlay expenditures average approximately \$12.4 million annually during the Forecast Period as identified in the capital improvements shown on Table 8.

15. Investment income on funds and accounts created by the Bond Resolution or internally by the County has been estimated utilizing average annual interest rates ranging from 2.0% and 3.0% during the Forecast Period. The interest rates have been applied to estimated balances in funds and accounts created in conformance to the Bond Resolution, including the: i) Debt Service Account; ii) debt service Reserve Account, if any; iii) Renewal and Replacement Account; iv) Rate Stabilization Account; v) General Purpose Account; and v) General Revenue and Operation and Maintenance Accounts (referred to in this Report as the “Operating Account”) and as internally created by the County, including customer deposits. It has also been assumed that any interest earnings on the Impact Fee Accounts and the Construction Accounts (for the 2026A, 2027A, 2029A, and 2030A Projects) associated with the issuance of Series 2026A Bonds and the anticipated Additional Parity Bonds will be deposited in the respective funds and not be available for the payment of the Cost of Operation and Maintenance or the annual Bond Service Requirement consistent with the provisions of the Bond Resolution. Table 11 provides a summary of the transfers in and out of each fund / account and corresponding ending cash balances for each fund / account maintained by the Department on behalf of the System. For the Forecast Period, the earnings by specific fund or account for the System as shown on Table 11 are summarized below:

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Interest Earnings by Account During the Forecast Period – (\$000s)

	Fiscal Year Ending September 30, [1]				
	2026	2027	2028	2029	2030
Operating Account	\$13,225	\$11,248	\$9,338	\$7,224	\$7,224
Customer Deposits	711	609	508	406	406
Renewal and Replacement Account	1,857	883	269	170	246
Debt Service Account [2]	75	49	29	40	62
Reserve Account [3]	---	---	---	---	---
General Purpose Account [4]	8,218	5,695	3,847	3,392	4,255
Rate Stabilization Account	2,660	2,280	1,900	1,520	1,520
Reclaimed Water Improvement Assessment Account	21	5	---	---	---
Earnings Recognized	\$26,767	\$20,769	\$15,891	\$12,752	\$13,713
Water Impact Fee Account [5][6]	352	205	65	52	52
Wastewater Impact Fee Account [7]	---	---	---	---	---
Construction Accounts [8]	---	---	---	---	---
Total Earnings	\$27,119	\$20,974	\$15,956	\$12,804	\$13,765

[1] Amounts shown derived from Table 11.

[2] The Debt Service Account earnings reflect only those earnings on funds deposited on account for the next Interest Payment Date and the Principal Maturity Date associated with the Bond Service Requirement associated with the Outstanding Bonds and Additional Parity Bonds.

[3] All of remaining Outstanding Bonds and Additional Parity Bonds anticipated to be issued by the County either do not have or are not planned to have a debt service Reserve Account requirement to be funded by the County based on the assumptions provided by the Municipal Advisor.

[4] Reflects funds on deposit after payment of all required transfers and is generally used by the Department as an additional source for capital improvement funding and as additional working capital; this fund is primarily used by the Department to fund capital improvements to the System.

[5] For purposes of this analysis, assumed earnings on the water and wastewater Impact Fee Accounts restricted to such accounts and are considered as a component of the Pledged Impact Fee determination during the Forecast Period.

[6] Interest earnings are relatively low since the majority of the Water Impact Fees are considered pledged and used to fund the Debt Service Component of the Cost of Contracted Water Supply or for funding the Debt Service Account to pay the then Fiscal Year Bond Service Requirement.

[7] No interest earnings have been recognized since all of the Wastewater Impact Fees are considered pledged and used to fund the Debt Service Account to pay the then Fiscal Year Bond Service Requirement.

[8] For the purposes of this presentation, all interest income earned on funds on deposit in the Construction Account from Bond proceeds assumed to be retained in such account to provide an inflation contingency on capital costs; therefore, no interest earnings on such fund have been recognized.

16. The County established and funded, at the time of the adoption of the Bond Resolution, a Rate Stabilization Account. The County's internal policy is to maintain a projected ending cash balance of approximately \$76,000,000 during the Forecast Period to provide additional liquidity for System emergencies and as an additional hedge for the payment of the Bond Service Requirement. It is assumed that the County would not deposit any additional funds into the Rate Stabilization Account from Gross Revenues, nor would it withdraw any additional funds from the account to be included as Gross Revenues for the Forecast Period.
17. The capital improvement program for the Water and Wastewater System as summarized on Table 8 was based on: i) the Fiscal Year 2026 Five-Year Capital Budget; and ii) information provided by the County regarding the status of current and anticipated projects. Included in the capital improvement program is the use of the R&R Account to finance recurring capital projects (i.e., essentially the betterment or replacement of assets) as well as the General Purpose Account to finance both recurring and expansion-related capital projects (such funds being accrued from Net Revenues after the payment of the Required Deposits and the use of Pledged Impact Fees to pay a portion of the annual expansion-related Bond Service Requirement). The recognition of this capital improvement funding strategy is necessary in order to allow the County a funding mechanism to continue to provide high quality service (i.e., maintain same level of service) to its customers as the System reaches its average service lives and to maintain equity in the System.

Table 8 at the end of this Report provides a detailed listing of the capital projects for the Water and Wastewater System for the Forecast Period. The Capital Improvement Program ("CIP"), including the timing, priority, and funding of such capital needs were developed with the guidance of County staff. The following is a summary of capital expenditures and the corresponding estimated funding sources assumed in the development of the financial forecast:

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Capital Improvement Plan Expenditures

	Fiscal Year Ending September 30, (\$000s) [1]					
	2026	2027	2028	2029	2030	Total
Total System Capital Projects	<u>\$407,354</u>	<u>\$682,586</u>	<u>\$617,110</u>	<u>\$491,177</u>	<u>\$300,318</u>	<u>\$2,498,545</u>
Funding Sources:						
Water Impact Fees	\$---	\$12,855	\$---	\$---	\$---	\$12,855
Wastewater Impact Fees	4,466	4,466	4,466	4,466	4,466	22,330
Reclaimed Water Improvement Unit Project Fund	485	485	---	---	---	970
Grants	58,191	27,848	4,702	954	860	92,555
General Purpose Account	92,912	140,233	71,453	64,154	44,759	413,511
Renewal and Replacement Account	38,132	56,627	31,015	27,213	21,266	174,253
Operations (Rate Revenue)	31,375	12,003	12,292	12,503	12,733	80,906
Bond Plan [2]	<u>181,793</u>	<u>428,069</u>	<u>493,182</u>	<u>381,887</u>	<u>216,234</u>	<u>1,701,165</u>
Total Funding Sources	<u>\$407,354</u>	<u>\$682,586</u>	<u>\$617,110</u>	<u>\$491,177</u>	<u>\$300,318</u>	<u>\$2,498,545</u>

[1] Amounts derived from Table 8. Amounts shown reflect when funds are projected to be expended through project completion.

[2] Amounts reflect in totality the annual Bond Plan by Fiscal Year. A portion of the Series 2029A Bonds, in the amount of \$33,136,134, is estimated to be spent in FY 2031 which is outside the Forecast Period. The Series 2030A Bonds are anticipated to be issued on October 1, 2030, Fiscal Year 2031, which is outside of the Forecast Period.

18. As required in the Bond Resolution and based on the assumptions relied upon in the determination of the Water Impact Fees to be realized during the Forecast Period all Water Impact Fees that are considered as being pledged were deposited in the following priority^[7]:

- a. All moneys received from the payment of Water Impact Fees that are considered as Contracted Water Supply Impact Fees which are deposited into the Contracted Water Supply Impact Fee Account were deposited into the Operation and Maintenance Account in an

[7] Reference is made to Section 9.04 of the Bond Resolution for information regarding all requirements for use of the Water Pledged Impact Fees.

amount equal to all payments due in such Bond Year representing the Debt Service Component on the Contracted Cost of Water Supply, provided that such payments shall not exceed in any Bond Year the lesser of (a) the Debt Service Component; or (b) the Contracted Water Supply Expansion Project Percentage of the Debt Service Component, plus the Contracted Water Supply Water Impact Fee Carryforward Amount; and

- b. All moneys received from the payment of Water Impact Fees that are considered as Pledged Water Impact Fees, which are deposited into the Pledged Water Impact Fee Account were deposited into the Debt Service Account and/or the Swap Obligations Account (if applicable) on a pro rata basis, but in no event such deposit in any Bond Year exceeded the lesser of i) the amount of Water Impact Fees for such Bond Year allocable to the Water System; or ii) the Bond Service Requirement allocable to the Water System for such Bond Year.

If in the case of a deficiency in the Reserve Account, the Pledged Water Impact Fees shall next be applied and allocated to the Reserve Account to supplement or in substitution of other Pledge revenues to be deposited therein to the extent such moneys are lawfully available for such purpose and during the Forecast Period, no Reserve Account deficiency was assumed. Any remaining Pledged Water Impact Fees received during the Bond Year shall be maintained in the Pledged Water Impact Account for use in accordance with the forgoing priority in subsequent Fiscal Years.

With respect to the determination of the amount of Water Impact Fees to be reflected as a Pledged Water Impact Fees, such amounts were estimated based on the lesser of the (a) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Water Expansion Project Percentage; plus (b) the Water Impact Fee Carryforward Amount. This amount determined by multiplying the aggregate Bond Service Requirement for the Outstanding Bonds, the Series 2026A Bonds, and the anticipated Additional Parity Bonds by the estimated Water Expansion Project Percentage for each series of bonds as defined in the Bond Resolution for each utility system was compared to the estimated amount of Impact Fees projected to be collected (receipts) during the Forecast Period. The Water Expansion Project Percentage applied to the annual Bond Service Requirement for all Bonds issued pursuant to the Bond Resolution was based on i) a review of the actual projects funded by the Outstanding Bonds and the corresponding expansion factor developed with the County for

such bonds; and ii) the estimated cost and purpose of the capital improvements assumed to be funded from the Series 2026A Bonds, and the anticipated Additional Parity Bonds.

For the Forecast Period, the amount of Water System Impact Fees recognized as a Pledged Revenue was estimated as follows:

**Determination of Estimated Pledged Water Impact Fees –
For the Forecast Period (\$000s) [1]**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Water Impact Fees Received:					
Paid Up-front [2]	\$5,329	\$6,873	\$7,205	\$7,291	\$7,361
Payment of Fee at Builder Payment [3]	---	---	---	---	---
Impact Fee Assessments [4]	9,561	8,104	7,065	6,043	5,592
Investment Earnings [5]	352	205	65	52	52
Total Water Impact Fees Received	15,242	15,182	14,335	13,386	13,005
Less Fees for Cost of Contracted Water Supply [6]	(8,488)	(7,473)	(6,976)	6,444)	(6,236)
Net Water Impact Fees Received	\$6,754	\$7,709	\$7,360	\$6,942	\$6,769
Bond Service Requirement	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Percent Allocable to Water System	34.09%	15.56%	11.18%	14.75%	14.75%
Allocable Bond Service Requirement	\$8,683	\$8,086	8,503	12,979	14,707
Water Expansion Project Percentage	93.93%	91.85%	93,34%	93.29%	96.29%
Water Expansion-Related Debt Service [7]	\$8,156	\$7,427	7,937	12,498	14,162
Beginning Balance – Water Impact Fee Carryforward Amount [8]	\$---	\$1,403	\$1,121	\$1,698	\$7,254
Bond Year Expansion-Related Debt Service Plus Carryforward	8,156	8,830	9,058	14,196	21,415
Water Impact Fees Recognized as Pledged [9]	6,754	7,709	7,360	6,942	6,769

Table continued on following page.

**Determination of Estimated Pledged Water Impact Fees
For the Forecast Period (\$000s) [1] (cont'd.)**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Ending Balance – Water Impact Fee Carryforward Amount	1,403	1,121	1,698	7,254	14,646
Current Year Water Impact Fees Not Pledged	\$---	\$---	\$---	\$---	\$---
Pledged Water Impact Fee Account:					
Beginning Balance	\$8,887	\$6,958	\$6,581	\$5,437	\$---
Deposit of Pledged Water Impact Fees	6,754	7,709	7,360	6,942	6,769
Total Available Balance	\$15,641	\$14,667	\$13,940	\$12,379	\$6,769
Less: Deposit into the Debt Service Account	8,683	8,086	8,503	12,379	6,769
Ending Balance	\$6,958	\$6,581	\$5,437	\$---	\$---
Total Current Year Pledged Water Impact Fees	\$6,754	\$7,709	\$7,360	\$6,942	\$6,769

- [1] Amounts derived from Table 10, footnote 6, at the end of this Report.
- [2] Includes Water Impact Fees paid up-front at time of issuance of Certificate of Occupancy or the Builder Component payment required to enter the Impact Fee assessment (installment payment) program.
- [3] Ordinance No. 21-4 adopted on February 3, 2021 eliminated the option for property owners to pay a portion of the water and wastewater Impact Fees over time in the form of a non-ad valorem assessment resulting in the elimination of the Impact Fee portion included in the Builder Payment. One Assessment District was approved in Fiscal Year 2021 prior to the elimination of the Impact Fee Assessment Program. All previously created existing IFAUs will continue until all non-ad valorem assessments have been paid in full.
- [4] Includes principal and interest payments on Impact Fee Assessment Units that are not dedicated to the payment of Impact Fee Assessment Special Assessment Bonds issued by the County on behalf of the System. Includes amounts that have been reclassified from prior period unpledged IFAU Assessment (Principal and Interest) during the Fiscal Year 2026 in the amount of \$448,814.
- [5] Amounts reflect allocable interest earnings on available fund balances; earnings are relatively low since the majority of the Water Impact Fees are considered pledged and used to fund the Debt Service Component of the Cost of Contracted Water Supply or for funding the Debt Service Account to pay the then Fiscal Year Bond Service Requirement.
- [6] A component of the current Water Impact Fee includes the cost recovery of capital investment made by Tampa Bay Water on behalf of the System; amounts shown reflects Impact Fees received that are to reimburse the Cost of Operations and Maintenance associated with the payment of the Debt Service Component of the Cost of Contracted Water Supply (reference Assumption 19 below).
- [7] Amounts shown are based on the water expansion project percentages for the Series 2016 Bonds (a portion of which is currently being considered to be refunded from proceeds of the Series 2026B Bonds), the Series 2019 Bonds, the Series 2021A Bonds, the Series 2021B Bonds and estimated for the Series 2026A Bonds, Series 2027A Bonds, and Series 2029A Bonds. The Series 2030A Bonds are not reflected as the estimated issue date is October 1, 2030 (Fiscal Year 2031) which is outside of the Forecast Period.
- [8] Amount estimated by Department; reflects cumulative amount of Water System allocated expansion-related Bond Service Requirement payments that have not been funded from Pledged Water Impact Fees.
- [9] Reflects minimum of i) Total Available for Pledge; or ii) the amount of allocated net Water Impact Fees received.

As delineated in the Bond Resolution, a portion of the Water Impact Fees received by the County are considered as Contracted Water Supply Impact Fees and are applied towards the

payment of the Debt Service Component of the Cost of Contracted Water Supply. Such Impact Fees are segregated in terms of the determination of the Impact Fee pledge since the Contracted Water Supply Capacity Fees are not considered as being available for payment of the water expansion-related Bond Service Requirement.

19. As referenced in Note 18 above, a portion of the Water Impact Fees that are currently being charged by the Department is for the recovery of capital costs associated with the Cost of Contracted Water Supply (specifically purchases from Tampa Bay Water). Included in the Cost of Contracted Water Supply, which is recognized as a component of the Cost of Operation and Maintenance, is the Debt Service Component of such Cost of Contracted Water Supply from Tampa Bay Water. As provided in the Bond Resolution, the Water Impact Fees charged by the County that are associated with the recovery of the capital costs associated with the water supply provided by Tampa Bay Water are referred to as the Contracted Water Supply Impact Fees and are applied by the Department towards the payment of the Debt Service Component. Additionally, and as discussed in Note 3 above regarding the development of the Purchased-Water Pass-through Consumption Charge, all Contracted Water Supply Impact Fees applied towards the payment of the Debt Service Component of the Cost of Contracted Water Supply are recognized as a credit (customer benefit) in the pass-through determination and the Operation and Maintenance Account is reimbursed for the amount of the credit.

Recognizing the application of the respective Water Impact Fees towards the Debt Service Component of the Cost of Contracted Water Supply, the following is a summary of the amount of fees recognized as a credit in the determination of the Purchased-Water Pass-through Consumption Charge and as a credit (reduction) to the Cost of Operation and Maintenance for the Forecast Period:

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**Determination of Water Impact Fees Applied to Debt Service Component
of Contracted Water Supply for the Forecast Period (Dollars in 000s)**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Water Impact Fees Received [1]	\$15,242	\$15,182	\$14,335	\$13,386	\$13,005
Percent of Capacity Fee for TBW [2]	55.69%	49.22%	48.66%	48.14%	47.95%
Amount Considered as Contracted Water Supply Impact Fees	\$8,488	\$7,473	\$6,976	\$6,444	\$6,236
Beginning Balance – Contracted Water Supply Impact Fee Carryforward Amount [3]	\$17,088	\$21,066	\$26,361	\$33,263	\$41,319
Estimated TBW Debt Service Component [4]	\$29,682	\$30,400	\$33,041	\$34,522	\$37,541
Contracted Water Supply Expansion Project Percentage	42.00%	42.00%	42.00%	42.00%	42.00%
Expansion-Related Debt Service Component	\$12,467	\$12,768	\$13,877	\$14,499	\$15,767
Total Available for Payment from Contracted Water Supply Impact Fees	\$29,554	\$33,834	\$40,239	\$47,763	\$57,086
Contracted Water Supply Impact Fees Recognized [5]	8,488	7,473	6,976	6,444	6,236
Ending Balance – Contracted Water Supply Impact Fee Carryforward Amount	\$21,066	\$26,361	\$33,263	\$41,319	\$50,850

[1] Reference table in Assumption No. 18 for the projection of the Water Impact Fees anticipated to be received during the Forecast Period.

[2] Percentage amount reflects the amount of the Water Impact Fee that is attributable to Tampa Bay Water and considered as Contracted Water Supply Impact Fees.

[3] Amount estimated by Department; reflects cumulative amount of the Debt Service Component of the Cost of Contracted Water Supply that have not been that have not been funded from Contracted Water Supply Impact Fees.

[4] Reflects estimated amount of TBW debt service allocable to the County that is recovered from rates by TBW.

[5] Reflects minimum of: i) total balance of the Contracted Water Supply Impact Fees and Carryforward Amount subject to payment from the Contracted Water Supply Impact Fees; or ii) the amount of the Contracted Water Supply Impact Fees received during each respective Fiscal Year.

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20. As required in the Bond Resolution and based on the assumptions relied upon in the determination of the Wastewater Impact Fees to be realized during the Forecast Period all Wastewater Impact Fees that are considered as being pledged were deposited in the following priority^[8]:

- a. All moneys received from the payment of Wastewater Impact Fees that are considered as Pledged Wastewater Impact Fees were deposited into the into the Pledged Wastewater Impact Fee Account; provided, however, that Pledged Wastewater Impact Fees in each year shall not exceed i) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Wastewater Expansion Project Percentage; plus ii) the Wastewater Impact Fee Carryforward Amount.
- b. In the case of a deficiency in the Debt Service Account and/or Swap Obligations Account, first be applied and allocated to the respective Accounts, pro rata if applicable, to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein.
- c. In the case of a deficiency in the Reserve Account, second be applied and allocated to the Reserve Account to supplement other Pledged Revenues to be deposited there in of in substitution of other Pledged Revenues to be deposited therein.
- d. At least once per year, all remaining moneys in the Pledged Wastewater Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the County for any use allowed by law relating to the provision of wastewater capacity or expansion.

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[8] Reference is made to Section 9.05 of the Bond Resolution for information regarding all requirements for use of the Wastewater Pledged Impact Fees.

For the Forecast Period, the amount of Wastewater Impact Fees recognized as a Pledged Revenue was estimated as follows:

**Determination of Estimated Pledged Wastewater Impact Fees
For the Forecast Period (\$000s) [1]**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Wastewater Impact Fees Received:					
Paid Up-front [2]	\$14,967	\$12,392	\$12,336	\$13,673	\$13,812
Payment of Fee at Builder Payment [3]	---	---	---	---	---
Impact Fee Assessments [4]	2,766	2,214	2,214	2,214	2,214
Investment Income [5]	---	---	---	---	---
Total Wastewater Impact Fees Received	\$17,733	\$14,606	\$14,550	\$15,887	\$16,026
Bond Service Requirement	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Percent Allocable to Wastewater System	65.91%	84.44%	88.82%	85.25%	85.25%
Allocable Bond Service Requirement	\$16,787	\$43,884	\$67,581	\$74,994	\$84,977
Wastewater Expansion Project Percentage	37.77%	81.45%	86.70%	84.03%	84.03%
Wastewater Expansion-Related Debt Service [6]	\$6,341	\$35,745	\$58,593	\$63,019	\$71,408
Beginning Balance – Wastewater Impact Fee Carryforward Amount [6]	\$60,381	\$49,989	\$70,128	\$114,171	\$161,304
Bond Year Expansion-Related Debt Service Plus Carryforward	\$66,722	\$84,734	\$128,721	\$177,190	\$232,712
Wastewater Impact Fees Recognized as Pledged [8]	\$17,733	\$14,606	\$14,550	\$15,887	\$16,026
Ending Balance – Wastewater Impact Fee Carryforward Amount	\$49,989	\$70,128	\$114,171	\$161,304	\$216,686
Current Year Wastewater Impact Fees Not Pledged	\$---	\$---	\$---	\$---	\$---

Table continued on following page.

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**Determination of Estimated Pledged Wastewater Impact Fees
For the Forecast Period (\$000s) [1] (cont'd.)**

	Fiscal Year Ending September 30,				
	2021	2022	2023	2024	2025
Pledged Wastewater Impact Fee Account:					
Beginning Balance	\$---	\$---	\$---	\$---	\$---
Deposit of Pledged Wastewater Impact Fee	17,733	14,606	14,550	15,887	16,026
Total Available Balance	\$17,733	\$14,606	\$14,550	\$15,887	\$16,026
Less: Deposit into the Debt Service Account	16,787	14,606	14,550	15,887	16,026
Less: Deposit into the General Purpose Account for Capacity or Expansion	946	---	---	---	---
Ending Balance	\$---	\$---	\$---	\$---	\$---
Total Current Year Pledged Wastewater Impact Fees	\$17,733	\$14,606	\$14,550	\$15,887	\$16,026

- [1] Amounts derived from Table 10, footnote 6, at the end of this Report.
- [2] Includes Wastewater Impact Fees paid up-front at time of issuance of Certificate of Occupancy or the Builder Component payment required to enter the Impact Fee assessment (installment payment) program.
- [3] Ordinance No. 21-4 adopted on February 3, 2021 eliminated the option for property owners to pay a portion of the Impact Fees over time in the form of a non-ad valorem assessment resulting in the elimination of the Impact Fee portion included in the Builder Payment. One Assessment District was approved in Fiscal Year 2021 prior to the elimination of the Impact Fee Assessment Program. All previously created existing IFAUs will continue until all non-ad valorem assessments have been paid in full.
- [4] Includes principal and interest payments on Impact Fee Assessment Units that are not dedicated to the payment of Impact Fee Assessment Special Assessment Bonds issued by the County on behalf of the System. Includes amounts that have been reclassified from prior period unpledged IFAU Assessment (Principal and Interest) during the Fiscal Year 2026 in the amount of \$552,235.
- [5] Amounts reflect allocable interest earnings on available fund balances; No interest earnings have been recognized since all of the Wastewater Impact Fees are considered pledged and used to fund the Debt Service Account to pay the then Fiscal Year Bond Service Requirement.
- [6] Amount estimated by Department; reflects cumulative amount of Wastewater System allocated expansion-related Bond Service Requirement payments that have that have not been funded from Pledged Wastewater System Impact Fees.
- [7] Amounts shown are based on the water expansion project percentages for the Series 2016 Bonds (a portion of which is currently being considered to be refunded from proceeds of the Series 2026B Bonds), the Series 2019 Bonds, the Series 2021A Bonds, the Series 2021B Bonds and estimated for the Series 2026A Bonds, Series 2027A Bonds, and Series 2029A Bonds. The Series 2030A Bonds are not reflected as the estimated issue date is October 1, 2030 (Fiscal Year 2031) which is outside of the Forecast Period.
- [8] Reflects minimum of i) Total Available for Pledge; or ii) the amount of Wastewater Impact Fees received for the respective Fiscal Year.

21. During the Fiscal Year 2021, the County issued the 2021 Assessment Bonds in the original aggregate principal amount of \$58,040,000 to finance wastewater expansion related projects in the South-Central Service Area. The issuance of the 2021 Assessment Bonds, along with the Original Issue Premium on such bonds, provided for a deposit to the 2021 Assessment Bonds Project Fund of \$68,525,388. The cash flow for the payment of the bonds was derived from the Impact assessment program that had been in place since 1996 (the program for the future regarding the addition of new Impact Fee Assessment Units was recently discontinued by the Board on February 3, 2021 pursuant to Ordinance No. 21-4,

which eliminated the option for property owners to pay a portion of the water and wastewater Impact Fees over time in the form of a non-ad valorem assessment). Previously created existing IFAUs will continue until all non-ad valorem assessments have been paid in full. The 2021 Assessment Bonds are secured solely from the wastewater non-ad valorem special assessments identified and pledged for repayment (representing 43 assessment units accounting for approximately 1,342 Wastewater ERCs) and are not considered as a debt of the System; it is accounted for and recognized by the County as a component of the general debt of the County. As a result of the issuance of the 2021 Assessment Bonds, the wastewater-related Impact Fees being received through the assessment program will be reduced for the Forecast Period. No water-related special assessment revenue bonds were issued by the County.

22. Pursuant to the Bond Resolution, the County may make a transfer to its General Fund as a payment in lieu of tax (“PILOT”); provided, however, such transfers in any Fiscal Year shall not exceed ten percent of Gross Revenues of the System received by the Issuer in such Fiscal Year. At this time, it is not expected that the Board will approve a PILOT transfer based on discussions with the County; therefore, no PILOT transfers were assumed to be funded from System revenues during the Forecast Period. It should be noted that implementation of a PILOT, assuming no corresponding change in the monthly rates for utility service, may proportionally reduce available cash flows for the capital needs of the System.
23. All contracts, agreements, statutes, rules, and regulations that have been relied upon by us in preparing this Report and the projected operating results contained herein will be fully enforceable and remain in effect in accordance with their terms and conditions, and such terms and conditions will be compiled with by the parties involved throughout the study period. We make no representations or warranties and provide no opinion concerning the enforceability or legal interpretation of such contractual and legal requirements.

Summary of Projected Operating Results

As shown on Table 10 and summarized below, projections have been prepared of the operating results for the System. Such projections were prepared in accordance with our understanding of the flow of funds prescribed by the Bond Resolution and the assumptions and considerations used in the projections as described earlier.

**System Projected Operating Results and
Estimated Debt Coverage Analysis (\$ 000s) [1]**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Total Charges for Services (Monthly Rates)	\$427,061	\$464,069	\$503,120	\$543,826	\$586,779
Other Operating Revenue and Income [2]	38,898	32,386	27,651	24,404	25,402
Gross Revenues [3]	\$465,959	\$496,455	\$530,771	\$568,230	\$612,181
Less Cost of Operation and Maintenance [4]	(349,940)	(339,032)	(353,195)	(368,545)	(382,895)
Net Revenues	\$116,019	\$157,423	\$177,576	\$199,685	\$229,286
Pledged Impact Fees [5]	24,487	22,316	21,909	22,829	22,795
Pledged Revenues	\$140,506	\$179,739	\$199,485	\$222,514	\$252,081
Total Debt Service Payment [6]	\$25,545	\$52,020	\$76,113	\$88,013	\$99,746
Less Federal Direct Subsidy, Capitalized Interest, and Interest Income on Debt Funds [7]	(75)	(49)	(29)	(40)	(62)
Bond Service Requirement [8]	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Bond Service Requirement Coverage Compliance [9]:					
Rate Covenant – Test 1 [10]:					
Gross Revenues plus Pledged Impact Fees	\$490,446	\$518,771	\$552,680	\$591,059	\$634,976
Required Deposits [11]	\$397,352	\$414,231	\$454,031	\$482,984	\$510,919
Bond Service Coverage:					
Coverage Ratio – Calculated	1.23	1.25	1.22	1.22	1.24
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
AND					

Table continued on following page.

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**System Projected Operating Results and
Estimated Debt Coverage Analysis (\$ 000s) [1] (cont'd.)**

	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Rate Covenant – Test 2 [10]:					
Net Revenues plus Pledged Impact Fees	\$140,506	\$179,739	\$199,485	\$222,514	\$252,081
Bond Service Requirement [8]	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Bond Service Coverage:					
Coverage Ratio – Calculated	5.52	3.46	2.62	2.53	2.53
Coverage Ratio – Required	1.20	1.20	1.20	1.20	1.20
AND					
Rate Covenant – Test 3 [10]:					
Net Revenues	\$116,019	\$157,423	\$177,576	\$199,685	\$229,286
Bond Service Requirement [8]	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Bond Service Coverage:					
Coverage Ratio – Calculated	4.56	3.03	2.33	2.27	2.30
Coverage Ratio – Required	1.00	1.00	1.00	1.00	1.00
Gross Revenues					
	\$465,959	\$496,455	\$530,771	\$568,230	\$612,181
Required Deposits [11]:					
Cost of Operation and Maintenance	\$349,940	\$339,032	\$353,195	\$368,545	\$382,895
Bond Service Requirement	\$25,470	\$51,971	\$76,084	\$87,973	\$99,684
Debt Service Reserve Account [12]	\$---	\$---	\$---	\$---	\$---
Renewal and Replacement Account [13]	21,942	23,228	24,752	26,466	28,340
Total Required Deposits	\$397,352	\$414,231	\$454,031	\$482,984	\$510,919

Table continued on following page.

System Projected Operating Results and Estimated Debt Coverage Analysis (\$ 000s) [1] (cont'd.)

1	Fiscal Year Ending September 30,				
	2026	2027	2028	2029	2030
Other Deposits: [14]					
Other Indebtedness Account [15]	\$2,073	\$---	\$---	\$---	\$---
Subordinate Indebtedness Account [16]	286	104	2,655	5,413	8,833
Total Other Deposits	\$2,359	\$104	\$2,655	\$5,413	\$8,833
Total Required and Other Deposits	\$399,711	\$414,335	\$456,686	\$488,397	\$519,752
Excess of Net Revenues above Required Transfers [17]	\$66,248	\$82,120	\$74,085	\$79,833	\$92,429

[1] Amounts derived from Table 10 at end of this Report.

[2] Other Operating Revenue consist of various charges including but not limited to, building permits, settlements, planning services processing fees, parking fees, bad check fees, etc. Investment earnings are derived from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues). Other Miscellaneous Receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenue, administrative service fees, sale and removal of finished compost, special assessment administration fees, etc.

[3] Amounts shown reflect the projected charges for service, other operating revenues, and applicable interest income. Gross Revenues were not adjusted for any transfers to or from the Rate Stabilization Account as previously discussed for purposes of determining compliance with the Rate Covenant of the Bond Resolution.

[4] Pursuant to the Bond Resolution, the Cost of Operation and Maintenance excludes and depreciation and amortization expenses which are considered as non-cash expenses and any payment in lieu of taxes. Amounts shown are net of the payment of the Debt Component of the Cost of Contracted Water Supply from the Contracted Water Supply Impact Fees. Amounts include contractual payments to Tampa Bay Water (i.e., its escrow agent) to finance pipeline projects to be owned by Tampa Bay Water for the benefit of the County (reference footnote [a] in the table below).

Contractual Payments to Tampa Bay Water Included as a Component of the Cost of Operation and Maintenance (\$000s)					
Description	Fiscal Year Ended September 30,				
	2026	2027	2028	2029	2030
Purchased Water	\$84,625	\$88,638	\$92,294	\$95,092	\$97,966
Joint Project Agreement with Tampa Bay Water [a]	27,900	--- [b]	--- [b]	---	---
Total Cost of Purchased Water	\$112,525	\$88,638	\$92,294	\$95,092	\$97,966

[a] On October 20, 2021, the County entered into an Interlocal Joint Project Agreement with Tampa Bay Water ("TBW") for the construction of the South Hillsborough Pipeline Project (Project), which was amended and restated on February 19, 2025 (JPA). According to the terms of the JPA, TBW is responsible for executing the design and construction of the Project. The County will fund the capital costs for a portion of the Project referred to as Segment B. Upon completion of the Project, the assets will be owned, operated, and maintained by TBW except for a portion of the project that will be County-owned (as defined in the JPA). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. TBW has also entered into a Cooperative Funding Initiative Project Agreement with SWFWMD to provide partial funding of the Project of which, it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the JPA require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by TBW based on the deposit schedule identified in the JPA totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the Project being funded by the County be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within 60 days of project closeout, or when the final cooperative funding from SWFWMD is received, whichever is later. Likewise, if the actual total cumulative costs are more than the estimated total cumulative costs, the accrued interest will be used by TBW to assist funding the Segment B Project.

[b] Pursuant to Resolution No. R26-088, adopted on September 2, 2026, (Springing Amendment) the definition of the Cost of Operation and Maintenance in the Bond Resolution was amended to exclude contractual payments made by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System that would otherwise be considered a Cost of Contracted Water Supply. Therefore, no amounts have been recognized after the effective date of the Bond Resolution.

Table footnotes continued on following page.

Table footnotes (cont'd.)

- [5] The determination of Pledged Impact Fees includes the sum of the Impact Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Forecast Period, 98.4% of all Impact Fees received by the System were assumed to be recognized as a component of Pledged Revenues and calculated as follows:

Allocation of Impact Fees Collected (\$000s)					
Description	Fiscal Year Ended September 30,				
	2026	2027	2028	2029	2030
Total Impact Fees Collected	\$32,975	\$29,788	\$28,885	\$29,273	\$29,031
Allocation of Impact Fees Collected					
Deposit into Contracted Water Supply Impact Fee Account	\$8,488	\$7,473	\$6,976	\$6,444	\$6,236
Deposit into Pledged Impact Fee Account	24,487	22,315	21,909	22,829	22,795
Impact Fees Not Pledged and Remain on Deposit in the Impact Fee Account	\$---	\$---	\$---	\$---	\$---
Beginning Balance – Pledged Impact Fee Account:	\$8,887	\$6,958	\$6,581	\$5,437	\$---
Current Fiscal Year Deposits	24,487	22,316	21,909	22,829	22,795
Total Pledged Impact Fees Available	\$33,374	\$29,274	\$28,490	\$28,266	\$22,795
Less Use of Pledged Impact Fees:					
Deposit into the Debt Service Account	\$25,470	\$22,693	\$23,053	\$28,266	\$22,795
Deposit into the Debt Service Reserve Account	---	---	---	---	---
Deposit into General Purpose Account	946	---	---	---	---
Total Use of Pledged Impact Fees	\$26,416	\$22,693	\$23,053	\$28,266	\$22,795
Ending Balance – Pledged Impact Fee Account	\$6,958	\$6,581	\$5,437	\$---	\$---
Total Annual Pledged Impact Fees – Recognized for Rate Covenant	\$24,487	\$22,316	\$21,909	\$22,829	\$22,795

- [6] Amounts shown based on when the cash payment of the interest and principal payments may be made to bond holders consistent with the provisions of the rate covenant as delineated in the Bond Resolution and not on an accrual basis of reporting (when deposits are made to the Debt Service Account from Pledged Revenues as delineated in the flow of funds per the Bond Resolution).
- [7] There are no Federal Direct Subsidies or Capitalized Interest recognized for the Forecast Period.
- [8] As defined in the Bond Resolution, the Bond Service Requirement does not include any capitalized interest that have been deposited into the Debt Service Account from the Bonds or any interest from the investment of funds deposited into the Debt Service Account, the Construction Account, and the Reserve Account.
- [8] The Bond Resolution requires that the utility maintain revenues and fees to generate sufficient: i) Gross Revenues, together with Pledged Impact Fees (as defined in the Bond Resolution) at least equal to 100% of the Required Deposits; and ii) Net Revenues, together with Pledged Impact Fees (as defined in the Bond Resolution) at least equal to 120% of the Bond Service Requirement. In addition, the utility must also generate Net Revenues (as defined in the Bond Resolution) at least equal to 100% of the Bond Service Requirement.
- [10] The Rate Covenant is defined in section 11.02 of the Bond Resolution and are the "tests" as follows:
- Test 1: Gross Revenues plus Pledged Impact Fees and Qualified Derivative Receipts (N/A) must equal to 100% of Required Deposits.
- Test 2: Net Revenues plus Pledged Impact Fees must be at least equal to 120% of the Bond Service Requirement.
- Test 3: Net Revenues must be equal to 100% of the Bond Service Requirement.
- [11] Required deposits as defined in the Bond Resolution included transfers to the Operation and Maintenance Account, Debt Service Account, Reserve Account, and the Renewal and Replacement Account; amounts shown do not include transfers to the Subordinate Indebtedness Account or Other Indebtedness Accounts (if any) as provided in the Bond Resolution.

Table footnotes continued on following page.

Table footnotes (cont'd.)

- [12] No deposit to the Reserve Account is recognized since the fund was considered fully funded during the Forecast Period as the Outstanding Bonds do not and the Additional Parity Bonds are not anticipated by the Municipal Advisor to have a Reserve Requirement allocable to the specific bond issue.
- [13] Amounts shown reflect deposit to the Renewal and Replacement Account equal to five percent of the previous year's Gross Revenues as defined in the Bond Resolution; the Department may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- [14] Reflects other deposits that are recognized in the Bond Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement
- [15] Other Indebtedness reflects the interest payments made on the Department's allocation of the County's CP Program.
- [16] Subordinate Indebtedness reflects the interest payments made on i) the BOA Revolving Agreement; and ii) the BOA Non-Revolving Agreement.
- [17] Amounts shown exclude Pledged Impact Fees and reflect funds available for any lawful purpose of the System or for future transfers to the County's General Fund as a payment-in-lieu-of-tax (no transfers are assumed during the Forecast Period).
-

Findings and Conclusions

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

1. Based upon the intended use of the System facilities, general field observations of the above-ground facilities, discussions with the Department staff, and a review of documents, permit data, and System reports filed with regulatory agencies, the existing facilities of the System appear to be in good to above-average condition. The facilities' conditions are comparable to facilities of similar age. The System appears to be properly operated in accordance with prudent utility practice and can reasonably be expected to provide sufficient and reliable service to meet the existing requirements of the System.
2. Based on the operating information reviewed and the practices described in this Report, the System appears to be adequately operated and maintained and capable of providing reliable water and wastewater service during the Forecast Period. The Department has historically provided for adequate operation by employing personnel capable of operating, maintaining, and expanding the System, as necessary. Current management of the System appears to be well qualified for the positions for which they are responsible.

3. Based on the System's permitting history and assuming that operations, maintenance, and permit reporting continue substantially as demonstrated during the preceding five-year period, the System is expected to retain or timely renew the material permits required for continued.
4. To Carollo's knowledge, other than the violations stated in this Report, the Department is in compliance with all federal and state regulatory requirements relating to the provisions of water and wastewater services, and, with the exception of the Consent Orders discussed in this Report, no other regulatory orders requiring corrective action have been issued by any regulatory agency and remain outstanding. Costs associated with compliance of the Consent Orders have been incorporated into the County's Capital Improvement Program and/or operating budget.
5. The use of Progressive Design-Build and Construction Manager at Risk delivery methods for the respective One Water Program projects are well suited for the size, complexity, and implementation requirements of the planned facilities.
6. The Consulting Engineer is of the opinion that the estimated project costs, implementation schedules, and associated funding requirements presented herein are reasonable for planning and financing purposes based on information currently available. Such estimates are subject to the uncertainties inherent in conceptual planning, including future design refinements, permitting outcomes, procurement conditions, inflation, and construction risks discussed elsewhere in this Report.
7. Based on the monitoring and regulatory information described in this Report, the County has implemented PFAS monitoring and compliance planning efforts and is coordinating with its wholesale water suppliers regarding evolving PFAS regulatory requirements. The County will continue to work with its suppliers, which are responsible for providing finished water that complies with applicable drinking water regulations, to support preparedness for future PFAS compliance obligations as regulatory requirements are finalized and become effective.
8. The existing facilities of the System, together with currently planned renewals, replacements, and additions, can reasonably be expected to meet the projected demand requirements of the System through the Fiscal Year ending September 30, 2030.

In addition, the Feasibility Consultant is of the opinion that:

9. The forecasted growth in customer accounts, demands, and corresponding revenues were developed based on a review of recent historical trends and anticipated development or growth as discussed with the County. It should be noted that based on the reported billing statistics for Fiscal Year 2026 customer growth appears to be slowing when compared to prior years which may be due to, among other things, continued high inflation, on the cost of housing and insurance, effects of prior period weather events, (e.g., hurricanes Helene and Milton in 2024), and potential domestic migration to more mid-sized neighboring counties recognizing affordability concerns. The projected growth in System customers, applicable usage, and revenues during the Forecast Period for the System are considered to represent reasonable projections based on discussions with the County and on recent trends in customers served / billed for the purposes of this Report.
10. For the purposes of this Report, the projections of the Cost of Operations and Maintenance were presented to the County and reflect current staffing and compensation assumptions, contractual purchased-water obligations, anticipated costs associated with planned facilities, inflationary allowances, and recent operating trends and, on that basis, are considered reasonable and attainable for the Forecast Period.
11. Based on financial information as provided or prepared by the County as restated in this Report, the County reports that the Gross Revenues derived by the County from the operation of the System and the Pledged Impact Fees received on behalf of the System have historically (for the past five fiscal years ended September 30, 2025 as presented in this Report) been sufficient to pay the i) Cost of Operation and Maintenance; ii) the annual Bond Service Requirement on the Outstanding Bonds as hereinafter defined; iii) debt service payments on Other Indebtedness and Subordinate Indebtedness (as each are herein defined), if any; and iv) deposits to the Renewal and Replacement Account and in accounts maintained in the General Revenue Capital Expense Account (“the General Purpose Account”) by the County, which is available for paying the cost of extensions, enlargements, or additions to, or the replacement of capital assets of the System or for unusual or extraordinary repairs to the System and have been in compliance with the rate covenant contained in the Bond Resolution.
12. The System revenues for the Forecast Period under the County approved rates contained in the County’s Rate Resolution, which includes and assumes the continued annual application of a price index (inflationary) rate adjustment, the continued annual application of the Purchased-Water Pass-Through Consumption Charge, and the implementation of certain fixed rate (percentage)

adjustments, all as contained in the County's Rate Resolution as previously discussed in the Report, should be sufficient to: i) pay the projected Cost of Operation and Maintenance; ii) pay the estimated Bond Service Requirement on the Outstanding Bonds; iii) pay the anticipated Bond Service Requirement on the Series 2026A Bonds; iv) pay the anticipated Bond Service Requirement on the Series 2027A, Series 2029A and Series 2030A Bonds coming due in such years; and v) make the projected deposits to the Renewal and Replacement Account which is available for paying the cost of the replacement of capital assets of the System or any unusual, unanticipated or extraordinary maintenance or repairs to the System. The Board has annually adjusted the rates associated with the application of the price index since Fiscal Year 2010 and Purchased-Water Pass-Through Consumption Charge since Fiscal Year 2002. Based on the assumptions identified in this Report, the Pledged Revenues of the System are projected for the Forecast Period to be in compliance with the rate covenant delineated in the Bond Resolution.

13. The approved rates for water and wastewater service are considered comparable to charges for similar service provided by other publicly owned utilities located in proximity to the County in the central and southwestern portions of Florida. Based on the assumptions presented in this Report, additional rate increases above the adopted annual price index (inflationary) allowance (represents Board-approved and assumed to be implemented annually through the Fiscal Year ending September 30, 2035), and Purchased-Water Pass-Through Consumption Charge, fixed rate adjustments have been recognized for the Fiscal Year 2026 through the Fiscal Year 2030 (represents Board approved adjustments that are assumed to be implemented with the Fiscal Year 2032 being the final year of the additional Board approved rate adjustment implementation period) to meet the annual expenditure requirements of the System. The anticipated price index rate and Purchased-Water Pass-Through Consumption Charge adjustments and additional fixed rate increases assumed in the Fiscal Year 2026 and for the remainder of the Forecast Period as represented in this Report are not expected by the Department to negatively affect the competitiveness of the County's monthly user rates over the Forecast Period.
14. The Water and Wastewater Impact Fees currently charged by the County are comparable to the fees charged by neighboring utilities. The Feasibility Consultant considers the Impact Fees to be reasonable and were based on the utility plant-in-service and the capital requirements of the System contained in the System's adopted capital improvement plan at the time of fee determination. Based on discussions with Department staff, the application of the Impact Fees is not expected to negatively affect System growth.

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Table 1
Hillsborough County
Water Resources Department
Summary of Historical Customer Statistics and Sales - Water System [1]

Line No.	Description	Fiscal Year Ended September 30,				
		2021	2022 [2]	2023	2024 [3]	2025
	Individually Metered Residential					
1	Average Annual Accounts	183,047	187,278	190,677	193,911	198,425
2	Average Annual ERCs [4]	183,047	187,278	190,677	193,911	198,425
3	Billed Potable Water Sales (000's)	17,008,184	17,296,877	19,149,395	18,151,650	18,858,406
4	Average Monthly Use per ERC	7,743	7,697	8,369	7,801	7,920
	Master Metered Residential					
5	Average Annual Accounts	894	895	901	925	941
6	Average Annual ERCs [4]	39,913	40,227	41,355	42,964	44,553
7	Billed Potable Water Sales (000's)	3,855,336	3,919,988	4,025,270	3,998,783	4,060,881
8	Average Monthly Use per ERC	8,049	8,121	8,111	7,756	7,596
	Commercial					
9	Average Annual Accounts	4,830	4,887	4,967	5,089	5,146
10	Average Annual ERCs [4]	35,645	36,512	38,321	40,105	41,534
11	Billed Potable Water Sales (000's)	2,562,936	2,722,090	2,879,905	2,762,505	2,764,227
12	Average Monthly Use per ERC	5,992	6,213	6,263	5,740	5,546
	Total System					
13	Average Annual Accounts	188,771	193,060	196,545	199,925	204,512
14	Average Annual ERCs [4]	258,605	264,017	270,353	276,980	284,512
15	Billed Potable Water Sales (000's)	23,426,456	23,938,955	26,054,570	24,912,938	25,683,514
16	Average Monthly Use per ERC	7,549	7,556	8,031	7,495	7,523
	Water Purchased					
17	Tampa Bay Water (000's)	26,087,410	26,915,190	29,139,710	27,783,450	28,982,020
18	All Other Public Systems (000's) [4]	644,911	667,000	674,425	747,504	755,252
19	Total Water Purchased (000's)	26,732,321	27,582,190	29,814,135	28,530,954	29,737,272
20	Non-revenue Water (000's)	3,305,865	3,643,235	3,759,565	3,618,016	4,053,758
21	Percent of Water Purchased	12.37%	13.21%	12.61%	12.68%	13.63%
22	Average Annual Water Purchased Per ERC	8,614	8,706	9,190	8,584	8,710
	Average Water Accounts [5]					
23	Receiving Water and Wastewater Service	168,427	172,215	175,789	179,256	182,545
24	Water-only Service Accounts	20,345	20,845	20,757	20,668	21,967
23	Total Average Water Accounts	188,772	193,060	196,545	199,924	204,512

[1] Amounts based on detailed customer statistical information as provided by the Water Resources Department; commercial class does not include fire flow customers. The average fire flow customers (which are not billed for any flow that may be metered for fire service) for each Fiscal Year is summarized below:

	2021	2022	2023	2024	2025
Fire Flow Customer Accounts	484	422	440	442	451

[2] On August 16, 2022 The County acquired the Sunset Plaza Utilities, Inc., a small utility that served a shopping center in Lutz, Florida. The utility served 39 water and sewer customers.

[3] The Windemere Utility Co., (the last of the remaining franchised utility) was acquired by the County on March 6, 2024. The Utility served residential subdivisions in Lutz, Florida consisting of 1,015 water and 970 sewer customers.

[4] Reflects total equivalent residential connections (ERCs) served and calculated based on reported monthly base charge revenues by the County.

[4] Amounts show reflect water purchases from other public utilities for service to certain isolated portions of the County's water service area. Amounts for each Fiscal Year is summarized as

	2021	2022	2023	2024	2025
City of Tampa (000's)	611,597	630,971	632,329	721,595	715,465
City of Plant City (000's)	29,788	33,249	39,727	23,800	37,682
City of Oldsmar (000's)	26	37	25	47	34
City of Temple Terrace (000's)	3,500	2,743	2,344	2,062	2,071
Total Purchases - Other Public Systems	644,911	667,000	674,425	747,504	755,252

[5] Amounts shown do not include Fire Service accounts (reference footnote 1 above for these water-only accounts).

Table 2
Hillsborough County
Water Resources Department

Summary of Historical Customer Statistics and Sales - Wastewater System [1]

Line No.	Description	Fiscal Year Ended September 30,				
		2021 [2]	2022	2023	2024	2025
	Individually Metered Residential					
1	Average Annual Accounts	176,674	180,518	185,188	187,382	190,420
2	Average Annual ERCs [3]	176,674	180,518	185,188	187,382	190,420
3	Billed Wastewater Flow (000's)	10,727,002	10,934,188	11,396,277	11,503,542	11,699,905
4	Average Monthly Billed Flow per ERC	5,060	5,048	5,128	5,116	5,120
	Master Metered Residential					
5	Average Annual Accounts	609	630	667	663	675
6	Average Annual ERCs [3]	57,397	58,007	59,842	61,786	64,081
7	Billed Wastewater Flow (000's)	3,729,701	3,831,499	3,900,146	3,922,462	4,006,100
8	Average Monthly Billed Flow per ERC	5,415	5,504	5,431	5,290	5,210
	Commercial					
9	Average Annual Accounts	3,699	3,704	3,783	3,843	3,835
10	Average Annual ERCs [3]	48,960	50,043	51,594	53,630	55,552
11	Billed Wastewater Flow (000's)	2,614,910	2,790,450	2,946,406	2,855,474	2,893,619
12	Average Monthly Billed Flow per ERC	4,451	4,647	4,759	4,437	4,341
	Total System					
13	Average Annual Accounts	180,982	184,852	189,638	191,888	194,930
14	Average Annual ERCs [3]	283,031	288,568	296,624	302,798	310,053
15	Billed Wastewater Flow (000's)	17,071,613	17,556,137	18,242,829	18,281,478	18,599,624
16	Average Monthly Billed Flow per ERC	5,026	5,070	5,125	5,031	4,999
	Wastewater Treated					
17	County Facilities (000's)	16,352,375	16,453,960	16,893,857	17,381,077	17,449,662
18	Purchased Wastewater Service (000's) [4]	408,247	594,045	445,965	727,454	1,389,646
19	Total Wastewater Treated (000's)	16,760,622	17,048,005	17,339,822	18,108,531	18,839,308
20	Annual Wastewater Treated Per ERC	59,218	59,078	58,457	59,804	60,762
	Average Retail Wastewater Accounts					
21	Receiving Water and Wastewater Service	168,427	172,215	175,789	179,256	182,545
22	Wastewater-only Service Accounts	12,556	12,637	12,646	12,632	12,385
23	Total Average Retail Wastewater Accounts	180,983	184,852	188,435	191,888	194,930

[1] Amounts based on detailed customer statistical information as provided by the Water Resources Department.

[2] During the Fiscal Year 2015, the County acquired two (2) individual franchised wastewater utility systems from Pluris Holdings, LLC Systems representing approximately 2,358 wastewater ERC's. The County acquired the franchise systems mid-year and therefore recognized growth in the average customer accounts from the acquisitions are presented in the Fiscal Years 2015 and 2016. For assumed growth in customer accounts and 2016. For assumed growth in customer accounts for the Fiscal Year 2021, please reference Table 5.

[3] Reflects total equivalent residential connections (ERCs) served and calculated based on reported monthly base charge revenues by the County.

[4] Amounts shown reflect wastewater service provided by other (local governments) for service to certain isolated portions of the County's wastewater service area. Amounts for each Fiscal Year are summarized as follows:

	2021	2022	2023	2024	2025
City of Tampa (000's)	353,459	540,439	362,750	649,193	1,296,199
City of Plant City (000's) (a)	29,788	28,606	39,726	23,800	37,682
City of Temple Terrace (000's) (b)	25,000	25,000	43,489	54,461	55,765
Total Purchases - Other Public Systems	408,247	594,045	445,965	727,454	1,389,646

(a) Reflects purchases for wastewater service to a remote County system referred to as Oak Utilities (approximately 200 residential accounts).

(b) Reflects purchases for wastewater service near the perimeter of the respective City's service area where the County does have sewer collection lines (incidental service).

Table 3
Hillsborough County
Water Resources Department

Summary of Historical Customer Statistics and Sales - Reclaimed Water System [1]

Line No.	Description	For the Fiscal Year Ended, September 30				
		2021	2022	2023	2024	2025
	Residential Service					
1	Average Committed-Class Connections [2]	14,010	13,897	13,803	13,766	13,708
2	Average Metered Connections [3]	5,098	5,831	6,152	6,477	6,782
3	Billed Reclaimed Water Sales (000's)	979,340	1,093,120	1,264,481	1,205,731	1,293,784
4	Average Monthly Use per Account	16,009	15,622	17,128	15,513	15,897
	Commercial - General Users [4]					
5	Average Metered Connections [3]	404	424	421	474	487
6	Billed Reclaimed Water Sales (000's)	1,322,127	1,233,304	1,307,180	1,206,870	1,325,531
7	Average Monthly Use per Account	272,716	242,395	258,745	212,178	226,819
	Commercial - Major Users [5]					
8	Average Metered Connections [3]	17	20	27	27	27
9	Billed Reclaimed Water Sales (000's)	1,711,743	1,851,875	1,894,677	1,902,082	1,705,520
10	Average Monthly Use per Account	8,390,897	7,716,146	5,847,769	5,870,623	5,263,951
	Total Reclaimed Water System					
11	Total Connections	19,529	20,172	20,403	20,744	21,004
12	Total Connections Receiving Metered Service	5,519	6,275	6,600	6,978	7,296
13	Total Billed Reclaimed Water Sales (000's)	4,013,210	4,178,299	4,466,338	4,314,683	4,324,835
14	Average Monthly Use per Account	60,597	55,489	56,393	51,527	49,397

[1] Amounts based on detailed customer statistical information as provided by Resources Department.

[2] Reflects customers that have entered into an agreement with the County to receive an exemption from receiving service on a metered basis; all customers in this class represent un-metered customers billed on a flat-rate basis. Except for minor development in the neighborhoods that are accounted for in this service class, all new residential development is anticipated by the County to receive metered service.

[3] Represents residential connections that receive reclaimed water service that is metered at the premise; the County anticipates that new connections will receive this service.

[4] Represents commercial and multi-family customers that are not classified as Major Users pursuant to the Rate Resolution.

[5] Represents commercial and multi-family customers that are classified as Major Users pursuant to the Rate Resolution; such customers have entered into an agreement with the Water Resources Department which: i) provides for a maximum daily quantity of service to be delivered; ii) provides for the interruption of service above the maximum daily quantity; and iii) may require on-site storage of reclaimed water during wet-weather periods located at the customer's premise or site.

Table 4
Hillsborough County
Water Resources Department
Summary of Projected Customer Statistics - Water System

Line No.	Description	Historical Fiscal Year 2025	Fiscal Year Ending September 30,				
			2026	2027 [2]	2028	2029	2030
	Individually Metered Residential						
1	Average Annual Accounts [3]	198,425	200,625	202,825	204,925	206,925	208,925
2	Average Annual ERCs [4]	198,425	200,625	202,825	204,925	206,925	208,925
3	Billed Potable Water Sales (000's)	18,858,406	19,260,000	19,410,353	19,549,845	19,678,568	19,806,090
4	Average Monthly Use per ERC	7,920	8,000	7,975	7,950	7,925	7,900
	Master Metered Residential						
5	Average Annual Accounts [3]	941	962	982	1,001	1,019	1,036
6	Average Annual ERCs [4]	44,553	45,553	46,503	47,403	48,253	49,053
7	Billed Potable Water Sales (000's)	4,060,881	4,181,765	4,266,185	4,345,907	4,420,940	4,491,293
8	Average Monthly Use per ERC	7,596	7,650	7,645	7,640	7,635	7,630
	Commercial						
9	Average Annual Accounts [3]	5,146	5,198	5,248	5,295	5,338	5,377
10	Average Annual ERCs [4]	41,534	41,954	42,358	42,737	43,084	43,399
11	Billed Potable Water Sales (000's)	2,764,227	2,957,757	2,983,698	3,007,830	3,029,667	3,049,214
12	Average Monthly Use per ERC	5,546	5,875	5,870	5,865	5,860	5,855
	Total System						
13	Average Annual Accounts [3]	204,512	206,785	209,055	211,221	213,282	215,338
14	Average Annual ERCs [4]	284,512	288,132	291,686	295,065	298,262	301,377
15	Billed Potable Water Sales (000's)	25,683,514	26,399,522	26,660,236	26,903,582	27,129,175	27,346,597
16	Average Monthly Use per ERC	7,523	7,635	7,617	7,598	7,580	7,562
	Water Purchased						
17	Tampa Bay Water (000's)	28,982,020	#VALUE!	29,824,024	30,088,323	30,333,837	30,571,771
	All Other Public Systems (000's) [5]	755,252	769,759	784,743	799,831	813,321	825,011
	Total Water Purchased (000's)	29,737,272	#VALUE!	30,608,767	30,888,154	31,147,158	31,396,782
	Non-revenue Water (000's)	4,053,758	#VALUE!	3,948,531	3,984,572	4,017,983	4,050,185
	Percent of Water Purchased	13.63%	#VALUE!	12.90%	12.90%	12.90%	12.90%
	Average Annual Water Purchased Per ERC	8,710	#VALUE!	8,745	8,724	8,702	8,681
	Average Water Accounts						
18	Receiving Water and Wastewater Service	182,545	184,434	186,313	188,081	189,737	191,381
19	Water-only Accounts [6]	21,967	22,351	22,742	23,140	23,545	23,957
20	Total Average Water Accounts	204,512	206,785	209,055	211,221	213,282	215,338

[1] Amounts shown derived from Table 1.

[2] The forecast assumes the acquisition of the last two (2) remaining franchise utility systems in Hillsborough County in Fiscal Year 2022. The Sunset Plaza Utilities, Inc. system serves approximately 39 commercial water accounts equating to 89.5 ERCs. The Windemere Utility Co., system serves approximately 1,020 residential water accounts equating to 1,020 ERCs. The forecast assumes a mid-year acquisition and therefore recognizes growth in the average customer accounts in Fiscal Years 2022 and 2023.

[3] Amounts shown exclude fire flow customer accounts. The following provides a summary of projected growth by each Fiscal Year in fire flow customer accounts:

	2025	2026	2027	2028	2029	2030
Fire Flow Customer Accounts	9	10	10	9	9	8

[4] Reflects total equivalent residential connections (ERCs) served and calculated based on reported monthly base charge revenues by the County.

[5] Amounts show reflect water purchased from other public utilities for service to certain isolated portions of the County's water service area. Amounts by each Fiscal Year are summarized as follows:

	2025	2026	2027	2028	2029	2030
City of Tampa (000's)	715,465	729,774	744,369	759,256	772,543	784,131
City of Plant City (000's)	37,682	37,870	38,249	38,440	38,632	38,729
City of Oldsmar (000's)	34	34	34	34	34	34
City of Temple Terrace (000's)	2,071	2,081	2,091	2,101	2,112	2,117
Total Purchases - Other Public Systems	755,252	769,759	784,743	799,831	813,321	825,011

[6] Amounts shown do not include Fire Service accounts.

Table 5
Hillsborough County
Water Resources Department
Summary of Projected Customer Statistics - Wastewater System

Line No.	Description	Historical Fiscal Year 2025 [1]	Fiscal Year Ending September 30,				
			2026	2027 [2]	2028	2029	2030
	Individually Metered Residential						
1	Average Annual Accounts	190,420	192,565	194,718	196,785	198,762	200,747
2	Average Annual ERCs [3]	190,420	192,565	194,718	196,785	198,762	200,747
3	Billed Wastewater Flow (000's)	11,699,905	11,923,625	12,033,572	12,137,699	12,235,789	12,333,896
4	Average Monthly Use per ERC	5,120	5,160	5,150	5,140	5,130	5,120
	Master Metered Residential						
5	Average Annual Accounts	675	690	704	717	730	742
6	Average Annual ERCs [3]	64,081	65,481	66,811	68,071	69,261	70,381
7	Billed Wastewater Flow (000's)	4,006,100	4,086,014	4,164,998	4,239,462	4,309,419	4,374,883
8	Average Monthly Use per ERC	5,210	5,200	5,195	5,190	5,185	5,180
	Commercial						
9	Average Annual Accounts	3,835	3,875	3,915	3,955	3,985	4,015
10	Average Annual ERCs [3]	55,552	57,881	58,478	59,075	59,523	59,971
11	Billed Wastewater Flow (000's)	2,893,619	3,038,753	3,508,680	3,544,500	3,571,380	3,598,260
12	Average Monthly Use per ERC	4,341	4,375	5,000	5,000	5,000	5,000
	Total System						
13	Average Annual Accounts	194,930	197,130	199,337	201,457	203,477	205,504
14	Average Annual ERCs [3]	310,053	315,927	320,007	323,931	327,546	331,099
15	Billed Wastewater Flow (000's)	18,599,624	19,048,392	19,707,250	19,921,661	20,116,588	20,307,039
16	Average Monthly Use per ERC	4,999	5,024	5,132	5,125	5,118	5,111
	Wastewater Treated						
17	County Facilities (000's)	17,449,662	18,524,355	18,843,782	19,090,758	19,320,613	19,548,425
18	Purchased Wastewater Service (000's) [4]	1,389,646	544,999	491,041	500,589	509,022	516,175
19	Total Wastewater Treated (000's)	18,839,308	19,069,354	19,334,823	19,591,347	19,829,635	20,064,599
20	Annual Wastewater Treated Per ERC	5,063	5,030	5,035	5,040	5,045	5,050
	Average Retail Wastewater Accounts						
21	Receiving Water and Wastewater Service	182,545	184,434	186,313	188,081	189,737	191,381
22	Wastewater-only Accounts	12,385	12,385	13,024	13,376	13,740	14,123
23	Total Average Retail Wastewater Accounts	194,930	196,819	199,337	201,457	203,477	205,504

[1] Amounts shown derived from Table 1.

[2] The forecast assumes the acquisition of the last two (2) remaining franchise utility systems in Hillsborough County in Fiscal Year 2022. The Sunset Plaza Utilities, Inc. system serves approximately 35 commercial wastewater accounts equating to 76.0 ERCs. The Windemere Utility Co., system serves approximately 974 residential wastewater accounts equating to 974 ERCs. The forecast assumes a mid-year acquisition and therefore recognizes growth in the average customer accounts in Fiscal Years 2022 and 2023.

[3] Reflects total equivalent residential connections (ERCs) served and calculated based on reported monthly base charge revenues by the County.

[4] Amounts shown reflect wastewater service provided by certain service providers (local governments) for certain isolated portions of the County's wastewater service area by Fiscal Year.

	2025	2026	2027	2028	2029	2030
City of Tampa (000's)	1,296,199	449,133	392,767	400,622	407,633	413,747
City of Plant City (000's) (a)	37,682	37,870	38,249	38,440	38,633	38,729
City of Temple Terrace (000's) (b)	55,765	57,996	60,025	61,526	62,757	63,698
Total Purchases	1,389,646	544,999	491,041	500,589	509,022	516,175

(a) Reflects purchases for wastewater service to a remote County system referred to as Oak Utilities (approximately 200 residential accounts).

(b) Reflects purchase for wastewater service near the perimeter of the respective City's service area where the County does not have sewer collection lines (incidental service).

Table 6
Hillsborough County
Water Resources Department
Summary of Projected Customer Statistics - Reclaimed Water System

Line No.	Description	Historical Fiscal Year 2025 [1]	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
	Residential Service						
1	Average Committed-Class Connections [2]	13,708	13,708	13,658	13,608	13,558	13,508
2	Average Metered Connections [3]	6,782	7,082	7,377	7,667	7,952	8,232
3	Billed Reclaimed Water Sales (000's)	1,293,784	1,359,744	1,416,384	1,472,064	1,526,784	1,580,544
4	Average Monthly Use per Account	15,897	16,000	16,000	16,000	16,000	16,000
	Commercial - General Users [4]						
5	Average Metered Connections [3]	487	492	497	502	507	512
6	Billed Reclaimed Water Sales (000's)	1,325,531	1,416,960	1,431,360	1,445,760	1,460,160	1,474,560
7	Average Monthly Use per Account	226,819	240,000	240,000	240,000	240,000	240,000
	Commercial - Major Users [5]						
8	Average Metered Connections [3]	27	27	27	27	27	27
9	Billed Reclaimed Water Sales (000's)	1,705,520	1,846,800	1,846,800	1,846,800	1,846,800	1,846,800
10	Average Monthly Use per Account	5,263,951	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
	Total Reclaimed Water System						
11	Total Connections	21,004	21,309	21,559	21,804	22,044	22,279
12	Total Connections Receiving Metered Service	7,296	7,601	7,901	8,196	8,486	8,771
13	Total Billed Reclaimed Water Sales (000's)	4,324,835	4,623,504	4,694,544	4,764,624	4,833,744	4,901,904
14	Average Monthly Use per Metered Account	49,397	50,690	49,514	48,445	47,468	46,573

[1] Amounts shown derived from Table 3.

[2] Reflects customers that have entered into an agreement with the County to receive an exemption from receiving service on a metered basis; all customers in this class represent un-metered customers billed on a flat-rate basis. Growth reflects development in areas which are not metered; no new development receiving un-metered reclaimed water service outside these existing service areas are anticipated by the Department.

[3] Represents residential connections that receive reclaimed water service that is metered at the premise; the County anticipates new connections will receive this service.

[4] Represents commercial and multi-family customers that are not classified as Major Users pursuant to the Rate Resolution.

[5] Represents commercial and multi-family customers that are classified as Major Users pursuant to the Rate Resolution; such customers have entered into an agreement with the Water Resources Department which: i) provides for a maximum daily quantity of service to be delivered; ii) provides for the interruption of service above the maximum daily quantity; and iii) may require on-site storage of reclaimed water during wet-weather periods located at the customer's premise or site.

Table 7
Hillsborough County
Water Resources Department

Summary of Historical Operating Results and Bond Service Coverage Requirement [1]

Line No.	Description	Fiscal Year Ended September 30,				
		2021	2022	2023	2024	2025
	Operating Revenues:					
	Charges for Services [2]					
1	Water Sales	\$ 70,170,770	\$ 75,835,181	\$ 88,303,596	\$ 88,854,503	\$ 99,909,229
2	Purchased Water Pass-Through Consumption Charge	70,727,805	72,335,494	79,323,926	75,064,569	78,478,457
3	Wastewater Sales	139,426,934	151,231,733	168,804,921	178,815,380	196,142,835
4	Customer Billing Charges	11,338,980	12,191,546	13,266,514	14,339,036	15,710,397
5	Reclaimed Water Sales	2,759,114	2,893,875	3,167,096	3,237,337	3,528,090
6	Total Charges for Services	\$ 294,423,603	\$ 314,487,829	\$ 352,866,053	\$ 360,310,825	\$ 393,769,008
	Other Operating Revenues					
7	Accrued Guaranteed Revenue Fees [3]	\$ 1,663,591	\$ 4,244,430	\$ 6,209,009	\$ 6,479,700	\$ 5,837,726
8	Line Maintenance Fee	4,176,649	5,946,613	6,501,832	6,309,119	3,864,827
9	Line Extension Fees	358,457	76,352	74,469	130,139	113,847
10	Meter Installation Charges	770,574	751,050	542,105	655,910	531,135
11	Industrial Pretreatment	98,699	99,112	71,412	74,004	141,762
12	Other Operating Revenues [4]	670,301	611,037	550,229	1,057,379	773,245
13	Total Other Operating Revenues	\$ 7,738,271	\$ 11,728,594	\$ 13,949,056	\$ 14,706,251	\$ 11,262,542
14	Total Operating Revenues	\$ 302,161,874	\$ 326,216,423	\$ 366,815,109	\$ 375,017,076	\$ 405,031,550
15	Investment Earnings and Other Miscellaneous Receipts [5]	5,305,321	3,776,709	17,380,641	32,231,549	33,801,111
16	Gross Revenues	\$ 307,467,195	\$ 329,993,132	\$ 384,195,750	\$ 407,248,625	\$ 438,832,661
17	Pledged Capacity (Impact) Fees [6]	23,727,004	21,133,497	26,304,388	26,139,811	22,916,795
18	Gross Revenues and Pledged Capacity (Impact) Fees	\$ 331,194,199	\$ 351,126,629	\$ 410,500,138	\$ 433,388,436	\$ 461,749,456
	Cost of Operation and Maintenance [7]:					
19	Employee Services	\$ 65,647,847	\$ 68,512,556	\$ 73,774,313	\$ 78,725,622	\$ 85,981,698
20	Purchased Water [8]	69,664,346	74,854,980	80,528,098	85,164,094	122,939,575
21	Other Contractual Services	32,379,299	31,862,248	34,335,462	45,348,441	46,863,456
22	Fleet Services	2,594,337	3,367,345	3,930,126	4,217,367	4,601,459
23	Repairs & Maintenance	13,128,890	15,743,273	18,613,086	22,764,083	23,204,189
24	Utilities and Communications Services	14,378,249	15,611,072	18,821,408	20,550,787	27,497,775
25	Supplies	991,664	1,286,156	986,243	1,232,391	1,477,211
26	Other Operating Expenses	4,334,231	4,497,396	6,540,453	8,271,761	8,428,686
27	Pension Expense / (Benefit)	(3,610,787)	531,099	9,577,350	(135,114)	(3,716,029)
28	OPEB Expense / (Benefit)	(96,672)	(131,000)	115,877	131,391	56,143
29	Subtotal	\$ 199,411,404	\$ 216,135,125	\$ 247,222,416	\$ 266,270,823	\$ 317,334,163
30	Less Contracted Water Supply Capacity (Impact) Fees	(8,492,256)	(9,204,109)	(10,370,281)	(10,251,330)	(9,380,102)
31	Total Cost of Operation and Maintenance	\$ 190,919,148	\$ 206,931,016	\$ 236,852,135	\$ 256,019,493	\$ 307,954,061
32	Pledged Revenues [9]	\$ 140,275,050	\$ 144,195,612	\$ 173,648,002	\$ 177,368,943	\$ 153,795,395
	Bond Service Requirement:					
	Senior Lien Debt Service					
33	Series 2010C Bonds	\$ 1,227,135	\$ -	\$ -	\$ -	\$ -
34	Series 2016 Bonds	9,983,100	9,980,850	9,980,600	9,981,850	9,979,100
35	Series 2019 Bonds	7,130,700	7,131,200	7,132,950	7,135,450	7,133,200
36	Series 2021A Bonds	-	4,960,142	4,800,138	8,020,137	8,019,137
37	Series 2021B Bonds	-	426,011	412,269	412,269	412,269
38	Less Federal Direct Subsidy Payment	(538,691)	-	-	-	-
39	Less Interest Income on Debt Service and Reserve Accts.	(6,107)	(135,256)	(275,155)	(538,793)	(561,925)
40	Bond Service Requirement [10]	\$ 17,796,137	\$ 22,362,947	\$ 22,050,802	\$ 25,010,913	\$ 24,981,781
	Rate Covenant Test 1 [11]:					
41	Gross Revenues and Pledged Capacity (Impact) Fees	\$ 331,194,199	\$ 351,126,629	\$ 410,500,138	\$ 433,388,436	\$ 461,749,456
	Required Deposits					
42	Cost of Operation and Maintenance	190,919,148	206,931,016	236,852,135	256,019,493	307,954,061
43	Renewal and Replacement Account Requirement	14,643,048	15,373,360	16,499,657	19,209,788	20,362,431
44	Bond Service Requirement [10]	17,796,137	22,362,947	22,050,802	25,010,913	24,981,781
45	Total Required Deposits	\$ 223,358,333	\$ 244,667,323	\$ 275,402,594	\$ 300,240,194	\$ 353,298,273
46	Coverage Ratio - Calculated	1.48	1.44	1.49	1.44	1.31
47	Coverage Ratio - Required	1.00	1.00	1.00	1.00	1.00

Footnotes on Pages 2 through 5.

Table 7
Hillsborough County
Water Resources Department

Summary of Historical Operating Results and Bond Service Coverage Requirement [1]

	Description	Fiscal Year Ended September 30, [1]				
		2021	2022	2023	2024	2025
48	Rate Covenant Test 2 [11]:					
49	Net Revenues plus Pledged Capacity (Impact) Fees	\$ 140,275,050	\$ 144,195,612	\$ 173,648,002	\$ 177,368,943	\$ 153,795,395
50	Bond Service Requirement [10]	\$ 17,796,137	\$ 22,362,947	\$ 22,050,802	\$ 25,010,913	\$ 24,981,781
51	Coverage Ratio - Calculated	7.88	6.45	7.87	7.09	6.16
52	Coverage Ratio - Required	1.20	1.20	1.20	1.20	1.20
	Rate Covenant Test 3 [11]:					
53	Net Revenues	\$ 116,548,046	\$ 123,062,115	\$ 147,343,615	\$ 151,229,132	\$ 130,878,600
54	Bond Service Requirement [10]	\$ 17,796,137	\$ 22,362,947	\$ 22,050,802	\$ 25,010,913	\$ 24,981,781
55	Coverage Ratio - Calculated	6.55	5.50	6.68	6.05	5.24
56	Coverage Ratio - Required	1.00	1.00	1.00	1.00	1.00
57	Gross Revenues	\$ 307,467,195	\$ 329,993,132	\$ 384,195,750	\$ 407,248,625	\$ 438,832,661
	Required Deposits [12]:					
	Cost of Operation and Maintenance	\$ 190,919,148	\$ 206,931,016	\$ 236,852,135	\$ 256,019,493	\$ 307,954,061
	Bond Service Requirement [10]	17,796,137	22,362,947	22,050,802	25,010,913	24,981,781
58	Debt Service Reserve Account [13]	-	-	-	-	-
59	Renewal & Replacement Account Requirement [14]	14,643,048	15,373,360	16,499,657	19,209,788	20,362,431
60	Total Required Deposits	\$ 223,358,333	\$ 244,667,323	\$ 275,402,594	\$ 300,240,194	\$ 353,298,273
	Other Deposits: [15]					
61	Subordinated Indebtedness Account [16]	-	822	7,686	207,186	-
62	Total Required and Other Deposits	\$ 223,358,333	\$ 244,668,145	\$ 275,410,280	\$ 300,447,380	\$ 353,298,273
63	Excess of Net Revenues above Required Transfers [17]	\$ 84,108,861	\$ 85,324,986	\$ 108,785,470	\$ 106,801,245	\$ 85,534,388

Footnotes:

- [1] Unless otherwise noted, amounts shown for each respective fiscal year were derived from the County's: i) audited Annual Financial Reports; and ii) other financial information as provided by the County. Amounts shown are rounded to the nearest thousand dollars.
- [2] Amounts include additional revenues associated with the annual application of: i) the Purchased Water Pass-through Consumption Charge associated with the pass-through of any increase or decrease in the cost of purchased water from Tampa Bay Water and other service providers; ii) price index rate adjustment to allow for increases in general inflation on certain components of the Cost of Operation and Maintenance associated with providing utility service; and iii) fixed rate adjustments (if
- [3] Amounts reflect revenues derived from fees charged to new development which represent the recovery of certain costs to carry and maintain plant investment on behalf of such customers prior to receiving service. Such revenues are considered as a Revenue of the System and are in addition to the collection of Capacity (Impact) Fees from
- [4] Amounts shown includes various charges and other operating revenues including, but not limited to, building permits, settlements, planning services processing fees, parking fees, bad check fees, etc.
- [5] Amounts shown reflect: i) investment earnings from funds and accounts established by the County that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available or recognized as a component of Gross Revenues); and ii) other miscellaneous operating revenues. Amounts shown also do not include investment earnings on the Debt Service Account or Reserve Account since earnings serve to reduce the amount of the Bond Service Requirement funded from Revenues of the System as provided in the Bond Resolution. Such amounts were adjusted in each Fiscal Year as follows:

	2021	2022	2023	2024	2025
Investment Earnings and Other Miscellaneous Receipts					
Total Investment Earnings (a)	\$ 9,412,570	\$ 8,643,451	\$ 35,530,808	\$ 51,734,614	\$ 38,232,660
Adjustment for Unrealized (Gains) / Losses	2,855,104	-	(9,031,553)	(9,956,858)	1,972,886
Adjusted Investments Earnings	\$ 12,267,674	\$ 8,643,451	\$ 26,499,255	\$ 41,777,756	\$ 40,205,546
Other Miscellaneous Receipts (b)	3,476,845	2,314,450	2,254,553	2,473,116	2,154,268
Less Adjustments for:					
Interest Earnings on Non-Operating Grants	-	-	7,396	20,159	79,382
Installment Interest Payments on non-bonded IFAUs	(9,404,498)	(5,861,605)	(5,460,784)	(4,839,231)	(4,312,457)
Interest on Non-Bonded IFAU	(169,662)	(97,324)	(896,791)	(1,524,047)	(143,806)
Interest on Capacity (Impact) Fee Account	(706,783)	(22,005)	(349,159)	(852,327)	(1,947,408)
Interest Earnings on Capacity Fee Project Accounts	-	-	-	-	(332,040)
Interest on Debt Service and Reserve Accounts	(6,107)	(135,256)	(275,155)	(538,793)	(561,925)
Interest on Construction Account Income	(152,148)	(1,065,002)	(4,398,674)	(4,285,084)	(1,340,449)
Total Investment Earnings & Other Miscellaneous Receipts	\$ 5,305,321	\$ 3,776,709	\$ 17,380,641	\$ 32,231,549	\$ 33,801,111

(a) Amounts shown include and are adjusted for: i) installment based interest payments associated with the Capacity (Impact) Fee Assessment Unit (IFAU) program, which are separately reflected as a component of the Pledged Capacity (Impact) Fees (reference note 8); ii) interest earnings on fund balances associated with debt service-related accounts which are deducted from the Bond Service Requirement (reference note 11); and iii) interest earnings on fund balances associated with bond proceeds held within the Construction Account.

(b) Other miscellaneous receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenue, administrative service fees, sale and removal of finished compost, special assessment administration fees, etc.

Table 7
Hillsborough County
Water Resources Department

Summary of Historical Operating Results and Bond Service Coverage Requirement [1]

Footnotes Continued

- [6] The determination of Pledged Capacity (Impact) Fees includes the sum of the Capacity (Impact) Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Historical Period, 98.9% of all Capacity (Impact) Fees received by the System were considered as pledged and were either i) applied to the payment of the Debt Service Component of the Cost of Contracted Water Supply with funds being transferred to the O&M Account; ii) applied to the payment of the Bond Service Requirement with funds being transferred to the Debt Service Account; iii) available to be applied to the Debt Service Account but are to be deposited into the General Purpose Account because they could not be transferred in the current period due to the receipts being higher than the amount available to be deposited Debt Service Account; and iv) remained on deposit in the respective Pledged Capacity (Impact) Fee Account. Amounts determined by each Fiscal Year as follows:

	2021	2022	2023	2024	2025
Determination of Pledged Water Capacity (Impact) Fees					
Current Period Water Capacity (Impact) Fees Received (a)	\$ 14,748,620	\$ 16,257,535	\$ 18,698,668	\$ 18,474,194	\$ 16,773,643
Less Contracted Water Supply ("CWS") Capacity (Impact) Fees (b)	(8,492,256)	(9,204,109)	(10,370,281)	(10,251,330)	(9,380,102)
Water Capacity (Impact) Fees Available for Pledge	\$ 6,256,364	\$ 7,053,426	\$ 8,328,387	\$ 8,222,864	\$ 7,393,541
Bond Service Requirement	\$ 17,796,137	\$ 22,362,947	\$ 22,050,802	\$ 25,010,913	\$ 24,981,781
Percent Allocable to Water System	34.09%	34.09%	34.09%	34.09%	34.09%
Allocable Bond Service Requirement	\$ 6,066,960	\$ 7,623,852	\$ 7,517,437	\$ 8,526,582	\$ 8,516,650
Water Expansion Project Percentage (c)	93.93%	93.93%	93.93%	93.93%	93.93%
Water Expansion-Related Debt Service	\$ 5,698,932	\$ 7,161,381	\$ 7,061,422	\$ 8,009,351	\$ 8,000,021
Beginning Water Capacity (Impact) Fee Carryforward Amount	-	-	107,955	-	-
Bond Year Expansion-Related Debt Service Plus Carryforward	\$ 5,698,932	\$ 7,161,381	\$ 7,169,377	\$ 8,009,351	\$ 8,000,021
Water Capacity (Impact) Fees Recognized as Pledged	5,698,932	7,053,426	7,169,377	8,009,351	7,393,541
Ending Water Capacity (Impact) Fee Carryforward Amount	\$ -	\$ 107,955	\$ -	\$ -	\$ 606,480
Pledged Water Capacity (Impact) Fee Account					
Beginning Pledged Water Capacity (Impact) Fees	\$ 11,814,263	\$ 11,446,234	\$ 10,875,808	\$ 10,527,748	\$ 10,010,517
Current Year Deposit into Pledged Water Capacity (Impact) Fee Acct.	5,698,932	7,053,426	7,169,377	8,009,351	7,393,541
Total Pledged Water Capacity (Impact) Fees Available	\$ 17,513,195	\$ 18,499,660	\$ 18,045,185	\$ 18,537,099	\$ 17,404,058
Use of Pledged Water Capacity (Impact) Fees					
Deposit into the Debt Service Account	\$ 6,066,960	\$ 7,623,852	\$ 7,517,437	\$ 8,526,582	\$ 8,516,650
Deposit into the Debt Service Reserve Account	-	-	-	-	-
Total Use of Pledged Water Capacity (Impact) Fees	\$ 6,066,960	\$ 7,623,852	\$ 7,517,437	\$ 8,526,582	\$ 8,516,650
Ending Pledged Water Capacity (Impact) Fees	\$ 11,446,235	\$ 10,875,808	\$ 10,527,748	\$ 10,010,517	\$ 8,887,408
Summary of Water Capacity (Impact) Fee Account					
Total Water Capacity (Impact) Fees Received	\$ 14,748,620	\$ 16,257,535	\$ 18,698,668	\$ 18,474,194	\$ 16,773,643
Uses:					
Contracted Water Supply	(8,492,256)	(9,204,109)	(10,370,281)	(10,251,330)	(9,380,102)
Current Year Deposit into Pledged Water Capacity (Impact) Fee Account	(5,698,932)	(7,053,426)	(7,169,377)	(8,009,351)	(7,393,541)
Remain on Deposit in Water Capacity (Impact) Fee Account	\$557,432	\$0	\$1,159,010	\$213,513	\$0
Determination of Pledged Wastewater Capacity (Impact) Fees					
Current Period Wastewater Capacity (Impact) Fees Received (a)	\$ 18,028,072	\$ 14,080,071	\$ 19,135,011	\$ 18,130,460	\$ 15,523,254
Wastewater Capacity (Impact) Fees Available for Pledge	\$ 18,028,072	\$ 14,080,071	\$ 19,135,011	\$ 18,130,460	\$ 15,523,254
Bond Service Requirement	\$ 17,796,137	\$ 22,362,947	\$ 22,050,802	\$ 25,010,913	\$ 24,981,781
Percent Allocable to Wastewater System	65.91%	65.91%	65.91%	65.91%	65.91%
Allocable Bond Service Requirement	\$ 11,729,177	\$ 14,739,095	\$ 14,533,365	\$ 16,484,331	\$ 16,465,131
Wastewater Expansion Project Percentage (c)	37.77%	37.77%	37.77%	37.77%	37.77%
Wastewater Expansion-Related Debt Service	\$ 4,430,326	\$ 5,567,227	\$ 5,489,519	\$ 6,226,435	\$ 6,219,183
Beginning Wastewater Capacity (Impact) Fee Carryforward Amount	113,309,903	99,712,157	91,199,313	77,553,821	65,649,796
Bond Year Expansion-Related Debt Service Plus Carryforward	\$ 117,740,229	\$ 105,279,384	\$ 96,688,832	\$ 83,780,256	\$ 71,868,979
Wastewater Capacity (Impact) Fees Recognized as Pledged	18,028,072	14,080,071	19,135,011	18,130,460	15,523,254
Ending Wastewater Capacity (Impact) Fee Carryforward Amount	\$ 99,712,157	\$ 91,199,313	\$ 77,553,821	\$ 65,649,796	\$ 56,345,725
Pledged Wastewater Capacity (Impact) Fee Account					
Beginning Pledged Wastewater Capacity (Impact) Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Current Year Deposit into Pledged Wastewater Capacity (Impact) Fee Ac	18,028,072	14,080,071	19,135,011	18,130,460	15,523,254
Total Pledged Wastewater Capacity (Impact) Fees Available	\$ 18,028,072	\$ 14,080,071	\$ 19,135,011	\$ 18,130,460	\$ 15,523,254
Use of Pledged Wastewater Capacity (Impact) Fees					
Deposit into the Debt Service Account	\$ 11,729,177	\$ 14,080,071	\$ 14,533,365	\$ 16,484,331	\$ 15,523,254
Deposit into the Debt Service Reserve Account	-	-	-	-	-
Deposit into the General Purpose Account	6,298,895	-	4,601,646	1,646,129	-
Total Use of Pledged Wastewater Capacity (Impact) Fees	\$ 18,028,072	\$ 14,080,071	\$ 19,135,011	\$ 18,130,460	\$ 15,523,254
Ending Pledged Wastewater Capacity (Impact) Fees Account	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes Continued to Page 4 of 5.

Table 7
Hillsborough County
Water Resources Department

Summary of Historical Operating Results and Bond Service Coverage Requirement [1]

Footnotes Continued

Summary of Wastewater Capacity (Impact) Fees

Total Wastewater Capacity (Impact) Fees Received	\$ 18,028,072	\$ 14,080,071	\$ 19,135,011	\$ 18,130,460	\$ 15,523,254
Uses:					
Current Year Deposit into Pledged Wastewater Capacity (Impact) Fee	(18,028,072)	(14,080,071)	(19,135,011)	(18,130,460)	(15,523,254)
Remain on Deposit in Wastewater Capacity (Impact) Fee Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Water and Wastewater Summary

Capacity (Impact) Fee Accounts

Sources:

Total Capacity (Impact) Fee Collections	\$ 32,776,692	\$ 30,337,606	\$ 37,833,679	\$ 36,604,654	\$ 32,296,897

Uses:

Deposit into Contracted Water Supply Capacity (Impact) Fee Account	8,492,256	9,204,109	10,370,281	10,251,330	9,380,102
Deposit to Pledged Capacity (Impact) Fee Accounts	23,727,004	21,133,497	26,304,388	26,139,811	22,916,795

Capacity (Impact) Fees Not Pledged and Remain on Deposit in the Capacity (Impact) Fee Account

\$ 557,432	\$ -	\$ 1,159,010	\$ 213,513	\$ -

Pledged Capacity (Impact) Fee Accounts

Beginning Balance of Pledged Capacity (Impact) Fee Accounts	\$ 11,814,263	\$ 11,446,234	\$ 10,875,808	\$ 10,527,748	\$ 10,010,517

Sources:

Deposit from Capacity (Impact) Fee Accounts	\$ 23,727,004	\$ 21,133,497	\$ 26,304,388	\$ 26,139,811	\$ 22,916,795
Total Pledged Capacity (Impact) Fees Available	\$ 35,541,267	\$ 32,579,731	\$ 37,180,196	\$ 36,667,559	\$ 32,927,312

Uses:

Deposit into the Debt Service Account	\$ 17,796,137	\$ 21,703,923	\$ 22,050,802	\$ 25,010,913	\$ 24,039,904
Deposit into the Debt Service Reserve Account	-	-	-	-	-
Deposit into the General Purpose Account	6,298,895	-	4,601,646	1,646,129	-
Total Uses	\$ 24,095,032	\$ 21,703,923	\$ 26,652,448	\$ 26,657,042	\$ 24,039,904

Ending Balance of Pledged Capacity (Impact) Fee Accounts

\$ 11,446,235	\$ 10,875,808	\$ 10,527,748	\$ 10,010,517	\$ 8,887,408

Total Annual Pledged Capacity (Impact) Fees - Recognized for Rate Covenant

\$ 23,727,004	\$ 21,133,497	\$ 26,304,388	\$ 26,139,811	\$ 22,916,795

(a) Capacity (Impact) Fee amounts include i) investment earning on cash deposits in the Capacity (Impact) Fee Funds; and ii) interest received on Capacity (Impact) Fee Assessment Units (essentially a installment-based collection of Capacity (Impact) Fees that is assessed to property owners which is elected prior by the owner [developer]) as part of the overall development process.

(b) The pledge of Water System Capacity (Impact) Fees for the payment of the Debt Service Component of the Cost of Contracted Water Supply associated with Tampa Bay Water (TBW) for each Fiscal Year was determined as follows:

	2021	2022	2023	2024	2025
Beginning Contracted Water Supply Water Capacity (Impact) Fee Carryforward	\$ 28,364,738	\$ 26,759,534	\$ 24,296,686	\$ 21,702,016	\$ 18,879,715
County Allocable Expansion-Related TBW Debt Service	6,887,052	6,741,261	7,775,611	7,429,029	7,588,189
Water Capacity (Impact) Fees Collected Allocable to TBW Payment	(8,492,256)	(9,204,109)	(10,370,281)	(10,251,330)	(9,380,102)
Ending Contracted Water Supply Water Capacity (Impact) Fee Carryforward	\$ 26,759,534	\$ 24,296,686	\$ 21,702,016	\$ 18,879,715	\$ 17,087,802

(c) Expansion percentages calculated based on a review of the expansion-related improvements financed by the issuance of the outstanding bonds.

- [7] Amounts shown for the Cost of Operation and Maintenance reflect the following adjustments: i) addition of nonoperating expenses classified as a component of the Cost of Operation and Maintenance (e.g., trustee fees); ii) adjustments to remove depreciation and amortization expenses which are considered as non-cash expenses and excluded pursuant to the Bond Resolution; and iii) the recognition of applicable Pledged Impact Fees applied to the Debt Service Component of the Cost of Contracted Water Supply associated with the purchase of water from Tampa Bay Water pursuant to the Bond Resolution.
- [8] Included as a component of the Water System Capacity (Impact) Fees is the cost of expansion-related water production and conveyance facilities of Tampa Bay Water. Amounts shown reflect apportionment of such estimated amounts collected applied toward the payment of the Debt Service Component of the Cost of Contractual Water Supply which is considered as a Cost of Operation and Maintenance. Amounts include contractual payments to Tampa Bay Water (i.e., its escrow agent) to finance pipeline projects to be owned by Tampa Bay Water for the benefit of the County (reference footnote [b] in the table below). Reference is also made to footnote 6 identifying the Pledged Capacity (Impact) Fee determination. Additionally, the use of the Capacity (Impact) Fees applied to the payment of the Debt Service Component for the Cost of Contractual Water Supply is reflected in the determination of the annual Purchased Water Pass-Through Consumption Charge. The determination of the net
- | | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------|-------------|---------------|--------------|----------------|
| Cost of Purchased Water (a) | \$ 69,664,346 | #VALUE! | \$ 80,528,098 | #VALUE! | \$ 84,603,417 |
| Joint Project Agreement with Tampa Bay Water (b) | - | 1,500,000 | - | 5,206,000 | 38,336,158 |
| Total Cost of Purchased Water | \$ 69,664,346 | #VALUE! | \$ 80,528,098 | #VALUE! | \$ 122,939,575 |
| Less Pledged Capacity (Impact) Fees toward Debt Service Component of | | | | | |
| Cost of Contractual Water | (8,492,256) | (9,204,109) | (10,370,281) | (10,251,330) | (9,380,102) |
| Net Cost of Purchased Water | \$ 61,172,090 | #VALUE! | \$ 70,157,817 | #VALUE! | \$ 113,559,473 |
- (a) Amounts shown reflect the total cost of purchased water and is not net of: i) proceeds of sale of water assets by the County to Tampa Bay Water as part of the governance initiative; and ii) Pledged Water Capacity (Impact) Fees dedicated for the payment of the Debt Service component of the Cost of Contracted Water Supply.

Footnotes Continued to Page 5 of 5.

Table 7

**Hillsborough County
Water Resources Department**

Summary of Historical Operating Results and Bond Service Coverage Requirement [1]

Footnotes Continued

(b) On October 20, 2021, the County entered into an Interlocal Joint Project Agreement with Tampa Bay Water (TBW) for the construction of the South Hillsborough Pipeline Project (Project) which was amended and restated on February 19, 2025 (JPA). According to the terms of the JPA, TBW is responsible for executing the design and construction of the Project. The County will fund the capital costs for a portion of the Project referred to as Segment B. Upon completion of the Project, the assets will be owned, operated, and maintained by TBW except for a portion of the project that will be County-owned (as defined in the JPA). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. TBW has also entered into a Cooperative Funding Initiative Project Agreement with the Southwest Florida Water Management District (SWFWMD) to provide partial funding of the Project of which it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the JPA require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by TBW based on the deposit schedule identified in the JPA totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the Project being funded by the County be less than the estimated total cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within (60) sixty days of project closeout, or when the final cooperative funding from SWFWMD is received whichever is later. Likewise, if the actual total cumulative costs are more than the estimated total cumulative costs, the accrued interest will be used by TBW to assist funding the Segment B Project.

- [9] As defined in the Bond Resolution, Pledged Revenues include Net Revenues and Pledged Capacity (Impact) Fees.
- [10] Pursuant to the Bond Resolution the Bond Service Requirement does not include: i) any capitalized interest from Bond Proceeds, if any, that have been deposited into the Debt Service Account; ii) amounts received from Federal Direct Payments; and iii) any interest from the investment of funds in the Debt Service Account and the Reserve Account. Any interest income earned on amounts on deposit in the Debt Service Account or the Reserve Account is deposited in the Debt Service Account and reduces the annual deposit from Gross Revenues.
- [11] The Rate Covenant as defined in section 11.02 of the Bond Resolution is as follows:
 - Test 1 - Gross Revenues plus Pledged Capacity (Impact) Fees and Qualified Derivative Receipts (N/A) must be at least equal to 100% of Required Deposits;
 - Test 2 - Net Revenues plus Pledged Capacity (Impact) Fees must be at least equal to 120% of Bond Service Requirement; and
 - Test 3 - Net Revenues must be at least equal to 100% of Bond Service Requirement.
- [12] Reflects other required transfers which are recognized in the Rate Covenant requirements of the Bond Resolution, payments which are subordinate to the payment of the Bond Service Requirement.
- [13] No deposit to the Reserve Account was recognized since the fund was considered fully funded during the Historical Period by i) proceeds from the issuance of the Bonds Outstanding or ii) secured by a debt service reserve credit facility during such period.
- [14] Amounts shown reflect deposit to the Renewal and Replacement Account equal to 5% of the previous year Gross Revenues as defined in the Bond Resolution; the Department may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- [15] Reflects other deposits that are recognized in the Bond Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement.
- [16] On March 3, 2022, Resolution No. 22-026 was adopted for the issuance of the Hillsborough County, Florida, Subordinate Utility Revenue Note, Series 2022 ("the Series 2022 Note") in the principal amount not to exceed \$37,500,000 to finance on an interim basis the acquisition, construction, reconstruction, expansion replacement and/or equipping of various capital improvement projects to the System and paying the costs of issuance. The Series 2022 Note was issued in the form of a Non-revolving Credit Agreement with Truist Commercial Equity, Inc. The Series 2022 Note was paid-off in Fiscal Year 2024 and closed out in Fiscal Year 2025.
- [17] Amounts shown do not include Pledged Capacity (Impact) Fees that are deposited in a restricted account and used for the payment of the Debt Service Component of the Contracted Cost of Water Supply, expansion-related debt service payments or for expansion-related capital improvements for the System.

Table 8

**Hillsborough County
Water Resources Department**

Projected Capital Improvement Program for the Forecast Period [1]

CIP Ref.	No.	Project Description and Funding Source	Project Type	Funding Source	For the Fiscal Year Ending September 30,					Totals
					2026	2027	2028	2029	2030	
		Departmental Capital Outlay [2]								
1		Water	Equipment	W-Rates	\$ 12,530,494	\$ 4,460,830	\$ 4,530,535	\$ 4,589,113	\$ 4,650,256	\$ 30,761,228
2		Wastewater	Equipment	WW-Rates	16,456,351	6,848,023	7,060,236	7,206,859	7,366,279	44,937,748
3		Customer Service	Equipment	IQ-Rates	2,172,376	633,850	640,893	647,674	654,578	4,749,371
4		Reclaimed	Equipment	CS-Rates	214,934	59,295	60,152	60,892	61,661	456,934
5		Total Departmental Capital Outlay			\$ 31,374,155	\$ 12,001,998	\$ 12,291,816	\$ 12,504,538	\$ 12,732,774	\$ 80,905,281
		Wastewater Projects								
	C10138	Countywide Wastewater Pump Stations R&R (Master Project)								
6	C10138	General Revenue Capital Projects	Replacement	40105	\$ 3,930,879	\$ -	\$ -	\$ -	\$ -	\$ 3,930,879
7	C10138	R&R Fund	Replacement	40104	27,120,291	14,465,000	7,000,000	7,000,000	7,000,000	62,585,291
8	C10138	Future Financing	Replacement	Bond Plan	-	-	5,500,000	5,500,000	2,100,000	13,100,000
	C10171	Countywide WW Collection & Transmission System R&R (Master Project)								
9	C10171	R&R Fund	Replacement	40104	-	5,216,763	6,426,000	5,000,000	5,000,000	21,642,763
10	C10171	General Revenue Capital Projects	Replacement	40105	-	28,494,297	-	1,600,000	1,142,000	31,236,297
11	C10171	BOCC - BP Oil Spill Proceeds (Water) Prj Fd	Replacement	40164	-	601,137	-	-	-	601,137
12	C10171	BOCC - DEP FY24 USEPA Septic to Sewer Grant - match	Replacement	40187m	-	105,000	-	-	-	105,000
13	C10171	BOCC - DEP FY24 USEPA Septic to Sewer Grant	Replacement	40187	-	420,000	-	-	-	420,000
	C10280	Crosby Road Force Main (Flow Diversion Falkenburg to Valrico)								
14	C10280	General Revenue Capital Projects	Expansion	40105	2,970,757	3,819,545	-	-	-	6,790,302
	C10291	Valrico Equalization Basin								
15	C10291	General Revenue Capital Projects	Replacement	40105	44,090	11,022	-	-	-	55,112
	C10293	Falkenburg Structural Rehabilitation								
16	C10293	R&R Fund	Replacement	40104	30,031	30,031	-	-	-	60,062
	C10296	Ruskin and Wimauma Sewer System - LPSS								
17	C10296	General Revenue Capital Projects	Util Exten	40105	1,485,943	1,485,943	1,485,943	1,485,943	1,485,943	7,429,716
18	C10296	BOCC - BP Oil Spill Proceeds (Water) Prj Fd	Util Exten	40164	173,761	-	-	-	-	173,761
	C10297	Palm River Utility Expansion Program (Septic to Sewer)								
19	C10297	General Revenue Capital Projects	Util Exten	40105	254,455	254,455	254,455	254,455	254,455	1,272,276
20	C10297	BOCC - DEP Palm River Utility Expansion Grant - match	Util Exten	40186m	382,979	382,979	382,979	382,979	382,979	1,914,894
21	C10297	BOCC - DEP Palm River Utility Expansion Grant	Util Exten	40186	382,979	382,979	382,979	382,979	382,979	1,914,894
	C10298	One Water Campus - South County WWTP Modular Capacity Expansion								
22	C10298	General Revenue Capital Projects	Expansion	40105	17,662,700	4,415,675	-	-	-	22,078,375
	C10299	Gibsonston Area Septic To Sewer Conversion Program								
23	C10299	BOCC - BP Oil Spill Proceeds (Water) Prj Fd	Util Exten	40164	281,249	-	-	-	-	281,249
24	C10299	General Revenue Capital Projects	Util Exten	40105	19,196,777	-	-	-	-	19,196,777
	C10300	Van Dyke Immediate Facility Improvements								
25	C10300	R&R Fund	Replacement	40104	-	164,790	-	-	-	164,790
26	C10300	General Revenue Capital Projects	Replacement	40105	2,509,392	2,509,392	627,348	-	-	5,646,133
	C10301	South County One Water Campus AWWTF								
27	C10301	BOCC - Wastewater Proj Impact Fees South	Expansion	40181	2,445,006	2,445,006	2,445,006	2,445,006	2,445,006	12,225,032
28	C10301	General Revenue Capital Projects	Expansion	40105	1,466,750	1,466,750	1,466,750	1,466,750	1,466,750	7,333,752
29	C10301	Future Financing	Expansion	Bond Plan Exp	129,226,315	285,979,155	241,804,853	92,386,926	51,179,555	800,576,804
	C10302ww	Franchise Acquisition and Connection (NW Service Area) - Sunset & Windemere								
30	C10302ww	General Revenue Capital Projects	Util Exten	40105	4,543,928	4,543,928	4,543,928	4,543,928	378,661	18,554,371
	C10303	Operations Building (NWRWRF)								
31	C10303	General Revenue Capital Projects	Other	40105	-	3,340,705	4,008,846	4,008,846	1,336,282	12,694,678
	C10304ww	Maintenance Facility (NW Service Area)								
32	C10304ww	General Revenue Capital Projects	Other	40105	-	1,849,806	2,219,767	2,219,767	739,922	7,029,261
	C10309	South County Wastewater Pipeline Corridor - One Water								
33	C10309	BOCC - Wastewater Proj Impact Fees South	Expansion	40181	1,701,203	1,701,203	1,701,203	1,701,203	1,701,203	8,506,013
34	C10309	General Revenue Capital Projects	Expansion	40105	577,852	577,852	577,852	577,852	577,852	2,889,258
35	C10309	2026/2027 Water/Wastewater Financing	Expansion	Bond Plan Exp	18,156,548	40,180,626	33,974,051	12,980,542	7,190,827	112,482,593
	C10310	LPSS SCADA System Replacement (MP)								
36	C10310	R&R Fund	Replacement	40104	-	1,949,717	487,429	-	-	2,437,146
	C10311	Valrico AWWTF Aeration Improvements								
37	C10311	General Revenue Capital Projects	Replacement	40105	773,649	193,412	-	-	-	967,061
	C10312	Northwest RWRf Odor Control								
38	C10312	R&R Fund	Replacement	40104	2,181,711	-	-	-	-	2,181,711
	C10313	Northwest RWRf Access Roads from Citrus Park Dr								
39	C10313	R&R Fund	Replacement	40104	1,136,761	1,948,732	1,948,732	649,577	-	5,683,803
	C10314	Balm Road Super Lift Station and Foremain								
40	C10314	General Revenue Capital Projects	Expansion	40105	2,858,512	2,858,512	2,858,512	2,858,512	2,858,512	14,292,562
41	C10314	2026/2027 Water/Wastewater Financing	Expansion	Bond Plan Exp	11,172,339	24,724,500	20,905,384	7,987,367	4,424,759	69,214,348
	C10317	University Area Septic to Sewer Innovation Area - ARP Act 3 Funds								
42	C10317	BOCC - ARP 3 Act Project	Util Exten	10041	137,246	34,311	-	-	-	171,557
	C10318	Gibsonston Area Septic To Sewer Conversion Program - ARP Act 3 Funds								
43	C10318	BOCC - ARP 3 Act Project - match	Util Exten	10041m	3,804,378	951,094	-	-	-	4,755,472
44	C10318	BOCC - ARP 3 Act Project	Util Exten	10041	12,607,100	3,151,775	-	-	-	15,758,875
45	C10318	BOCC - DEP Gibsonston Septic-to-Sewer Grant	Util Exten	40184	12,721,268	3,180,317	-	-	-	15,901,585
46	C10318	BOCC - DEP Gibsonston Septic-to-Sewer Ph2 Grant	Util Exten	40185	9,207,636	2,301,909	-	-	-	11,509,545
	C10319	Palm River Utility Expansion Program Septic to Sewer - ARP Act 3 Funds								
47	C10319	BOCC - ARP 3 Act Project	Util Exten	10041	1,760,000	440,000	-	-	-	2,200,000
48	C10319	BOCC - ARP 3 Act Project - match	Util Exten	10041m	805,673	201,418	-	-	-	1,007,091
49	C10319	BOCC - DEP Palm River Utility Expansion Grant	Util Exten	40186	1,212,519	303,130	-	-	-	1,515,649
	C10320	Ruskin and Wimauma Sewer System - ARP Act 3 Funds								
50	C10320	BOCC - ARP 3 Act Project	Util Exten	10041	10,606,209	10,606,209	2,651,552	-	-	23,863,971
51	C10320	BOCC - FLDEP Ruskin and Wimauma LPSS Septic to Sewer Grant	Util Exten	40189	1,944,680	1,944,680	486,170	-	-	4,375,531
	C10323	Waters Ave Foremain Replacement								
52	C10323	General Revenue Capital Projects	Replacement	40105	5,955,688	8,933,531	8,933,531	2,233,383	-	26,056,133
	C10324	Williams Rd Foremain Extension								
53	C10324	General Revenue Capital Projects	Expansion	40105	886	1,639,646	1,639,646	1,639,646	1,639,646	6,559,472
	C10326	Ruskin and Wimauma Water and Sewer Connection - ARP Act 3 Funds								
54	C10326	BOCC - ARP 3 Act Project	Util Exten	10041	1,600,000	400,000	-	-	-	2,000,000
	C10338	Valrico Improvements (Permitted Capacity)								
55	C10338	General Revenue Capital Projects	Replacement	40105	11,924,836	11,924,836	11,924,836	11,924,836	11,924,836	59,624,178
	C10339	Van Dyke Flow Diversion (Pump Station and Pipeline)								
56	C10339	Future Financing	Replacement	Bond Plan	-	-	13,290,000	33,000,000	30,500,000	76,790,000
	C10340ww	Countywide Water & Wastewater Extension - ARP Act 3 Funds (MP)								
57	C10340ww	BOCC - ARP 3 Act Project	Util Exten	10041	281,854	845,561	211,390	-	-	1,338,805

Footnotes on Page 3 of 3.

Table 8
Hillsborough County
Water Resources Department

Projected Capital Improvement Program for the Forecast Period [1]

Line No.	CIP Ref. Number	Project Description and Funding Source	Project Type	Funding Source	For the Fiscal Year Ending September 30,					Totals
					2026	2027	2028	2029	2030	
58	C10341	Falkenburg Improvements	Expansion	40105	1,405,595	1,405,595	1,405,595	1,405,595	351,399	5,973,780
59	C10341	General Revenue Capital Projects	Expansion	40104	2,662,987	2,662,987	2,662,987	2,662,987	665,747	11,317,694
60	C10341	2026/2027 Water/Wastewater Financing	Expansion	Bond Plan Exp	-	856,186	9,210,997	28,888,358	22,451,106	61,406,648
61	C10341	Future Financing	Expansion	Bond Plan Exp	-	520,814	5,603,003	17,572,642	13,656,894	37,353,352
62	C10342	Northwest AWWTF Structural Eval & Repairs	Replacement	40104	5,000,000	5,000,000	-	-	-	10,000,000
63	C10343	Collection System Improvements to One Water	Expansion	Bond Plan Exp	-	-	11,000,000	27,500,000	9,100,000	47,600,000
64	C10745	Regional Wastewater Treatment Plant R&R (Master Project)	Replacement	40104	-	8,682,334	3,125,000	4,500,000	4,500,000	20,807,334
65	C10745	R&R Fund	Replacement	40105	-	2,924,667	2,500,000	2,500,000	2,500,000	10,424,667
66	C10768	General Revenue Capital Projects	Util Exten	40104	-	333	-	-	-	333
67	C10768	Low Pressure Sewer System (LPSS) (Master Project)	Util Exten	40105	-	1,384,076	773,000	796,000	820,000	3,773,076
68	C31945ww	Utility Relocation (MP)	Replacement	40104	-	1,399,369	-	-	-	1,399,369
69	C31945ww	R&R Fund	Replacement	40105	-	11,013,705	2,575,000	2,652,500	2,750,000	18,991,205
70	C31978ww	General Revenue Capital Projects	Replacement	40105	-	1,170,277	625,000	625,000	625,000	3,045,277
71	C31979ww	Countywide Non-Urgent Facility R&R (Master Project)	Replacement	40104	-	459,548	250,000	250,000	250,000	1,209,548
72	C31979ww	R&R Fund	Replacement	40105	-	3,896	-	-	-	3,896
73	C32025ww	General Revenue Capital Projects	Replacement	40104	-	250,000	537,000	1,700,000	-	2,487,000
74	C32025ww	Neighborhood Pipeline Retrofit Program (MP)	Replacement	Bond Plan	-	-	3,250,000	10,150,000	11,750,000	25,150,000
75	C77824ww	ERP System Enhancements	Other	40105	-	8,585	-	-	-	8,585
76	C77832ww	General Revenue Capital Projects	Other	40105	538,893	-	-	-	-	538,893
Total Wastewater Projects					\$ 336,844,303	\$ 521,119,701	\$ 423,656,724	\$ 305,433,578	\$ 205,532,312	\$ 1,792,586,619
Reclaimed Water Projects										
77	C10238	Northwest Hillsborough Aquifer Recharge Program (NHARP)	Replacement	40105	89,567	22,392	-	-	-	111,959
78	C10259	General Revenue Capital Projects	Expansion	40105	1,026,993	256,748	-	-	-	1,283,741
79	C10308	South Hillsborough Aquifer Recharge Program (SHARP)	Expansion	40105	4,151,526	4,151,526	4,151,526	4,151,526	4,151,526	20,757,628
80	C10308	General Revenue Capital Projects	Expansion	40117	485,382	485,382	-	-	-	970,764
81	C10308	Reclaimed Water Improvement Unit Project Fund	Expansion	Bond Plan Exp	23,237,554	51,424,943	43,481,494	16,613,072	9,203,138	143,960,202
82	C10327	Countywide Aquifer Recharge Program (Master Project)	Expansion	40105	-	3,759,655	1,880,750	940,837	470,649	7,051,891
83	C10327	General Revenue Capital Projects	Expansion	40188	-	375,184	187,684	93,888	46,967	703,723
84	C10327	BOCC - SWFWMD NHARP Coop Phase 2 Grant	Expansion	40188m	-	375,184	187,684	93,888	46,967	703,723
85	C10327	BOCC - SWFWMD NHARP Coop Phase 2 Grant - match	Expansion	Bond Plan Exp	-	3,600,000	20,396,400	14,450,600	8,603,400	47,050,400
86	C10344	2026/2027 Water/Wastewater Financing	Expansion	Bond Plan Exp	-	-	9,000,000	11,000,000	-	20,000,000
87	C10795	South Central Reclaimed Water System Additions	Expansion	Bond Plan Exp	-	-	9,000,000	11,000,000	-	20,000,000
88	C19017	Reclaimed Water PS & Remote Telemetry Monitoring (Master Project)	Replacement	40104	-	1,993,162	870,000	700,000	700,000	4,263,162
89	C19017	R&R Fund	Util Exten	40105	-	1,184,241	600,000	600,000	600,000	2,984,241
Total Reclaimed Water Projects					\$ 28,991,021	\$ 67,628,417	\$ 80,755,538	\$ 48,643,811	\$ 23,822,647	\$ 249,841,434
Water Projects										
90	C10302w	Franchise Acquisition and Connection (NW Service Area)	Util Exten	40105	4,543,928	4,543,928	4,543,928	4,543,928	378,661	18,554,371
91	C10304w	General Revenue Capital Projects	Other	40105	-	1,849,806	2,219,767	2,219,767	739,922	7,029,261
92	C10304w	Maintenance Facility (NW Service Area)	Util Exten	10041	281,854	845,561	211,390	-	-	1,338,805
93	C30116	Countywide Water & Wastewater Extension - ARP Act 3 Funds	Replacement	40104	-	6,536,270	6,921,000	2,800,000	2,900,000	19,157,270
94	C30116	BOCC - ARP 3 Act Project	Replacement	40105	-	137,754	-	-	-	137,754
95	C31945w	Potable Water Treatment Plant R&R (Master Project)	Replacement	40104	-	1,399,369	-	-	-	1,399,369
96	C31945w	R&R Fund	Replacement	40105	-	11,013,705	2,575,000	2,652,500	2,750,000	18,991,205
97	C31977	General Revenue Capital Projects	Replacement	40104	-	3,759,094	-	-	-	3,759,094
98	C31977	Countywide Potable Water T&D System R&R (Master Project)	Replacement	40105	-	7,355,700	1,900,000	1,900,000	2,000,000	13,155,700
99	C31978w	R&R Fund	Replacement	40105	-	1,170,277	625,000	625,000	625,000	3,045,277
100	C31979w	Public Utilities Telemetry / Data Network & Support (Master Project)	Replacement	40104	-	459,548	250,000	250,000	250,000	1,209,548
101	C31979w	General Revenue Capital Projects	Replacement	40105	-	3,896	-	-	-	3,896
102	C32012	Countywide Non-Urgent Facility R&R (Master Project)	Expansion	40180	-	12,854,700	-	-	-	12,854,700
103	C32012	South County Drinking Water Facility PH1 - One Water	Expansion	Bond Plan Exp	-	18,283,000	63,990,500	73,132,000	27,424,500	182,830,000
104	C32013	2026/2027 Water/Wastewater Financing	Expansion	40105	1,113,887	1,113,887	2,047,220	2,047,220	511,805	6,834,020
105	C32013	General Revenue Capital Projects	Expansion	40105	1,235,872	720,925	-	-	-	1,956,797
106	C32016	Turbine Power to Fawn Ridge WTP	Replacement	40105	2,429,910	2,429,910	809,970	-	-	5,669,790
107	C32019	General Revenue Capital Projects	Util Exten	40105	-	2,600,000	-	-	-	2,600,000
108	C32019	Ruskin Potable Water Transmission	Util Exten	Bond Plan	-	1,006,494	3,432,143	8,283,442	2,777,922	15,500,000
109	C32019	2026/2027 Water/Wastewater Financing	Util Exten	Bond Plan	-	1,493,506	5,092,857	12,291,558	4,122,078	23,000,000

Footnotes on Page 3 of 3.

Table 8

**Hillsborough County
Water Resources Department**

Projected Capital Improvement Program for the Forecast Period [1]

Line No.	CIP Ref. Number	Project Description and Funding Source	Project Type	Funding Source	For the Fiscal Year Ending September 30,					Totals
					2026	2027	2028	2029	2030	
110	C32025w	Neighborhood Pipeline Retrofit Program (MP)	Replacement	40104	-	250,000	537,000	1,700,000	-	2,487,000
111	C32025w	R&R Fund	Replacement	Bond Plan	-	-	3,250,000	10,150,000	11,750,000	25,150,000
112	C32026	Williams Road Potable Water Main	Replacement	40105	-	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
	C77824w	ERP System Enhancements								
113	C77824w	General Revenue Capital Projects	Other	40105	-	8,585	-	-	-	8,585
	C77832w	Consolidated & Hardened Maintenance Facilities								
114	C77832w	General Revenue Capital Projects	Other	40105	538,893	-	-	-	-	538,893
115		Total Water Projects			\$ 10,144,343	\$ 81,835,914	\$ 100,405,775	\$ 124,595,415	\$ 58,229,888	\$ 375,211,335
116		Total Capital Improvement Projects			375,979,667	670,584,032	604,818,037	478,672,804	287,584,847	2,417,639,388
117		Total Capital Expenditures			<u>\$ 407,353,822</u>	<u>\$ 682,586,030</u>	<u>\$ 617,109,853</u>	<u>\$ 491,177,342</u>	<u>\$ 300,317,621</u>	<u>\$ 2,498,544,669</u>
		Capital Expenditure Funding Sources								
118		Wastewater Impact Fee Project Fund		40181	\$ 4,146,209	\$ 4,146,209	\$ 4,146,209	\$ 4,146,209	\$ 4,146,209	\$ 20,731,044
119		Water Impact Fees		40180	-	12,854,700	-	-	-	12,854,700
120		Reclaimed Water Improvement Unit Project Fund		40117	485,382	485,382	-	-	-	\$970,764
121		Grants		Grt Rev	57,808,405	26,985,267	4,131,166	476,867	429,946	89,831,650
122		County Grant Match		Grt Match	382,979	863,163	570,663	476,867	429,946	2,723,617
123		General Revenue Capital Expenditure (General Purpose Account)		40105	93,232,157	140,553,041	71,773,170	64,473,790	45,078,821	415,110,979
124		R&R Fund		40104	38,131,780	56,627,047	31,015,148	27,212,564	21,265,747	174,252,287
125		Water Rate Revenues [2]		W-Rates	12,530,494	4,460,830	4,530,535	4,589,113	4,650,256	30,761,228
126		Wastewater Rate Revenues [2]		WW-Rates	16,456,351	6,848,023	7,060,236	7,206,859	7,366,279	44,937,748
127		Reclaimed Rate Revenues [2]		IQ-Rates	2,172,376	633,850	640,893	647,674	654,578	4,749,371
128		Customer Service Rate Revenues [2]		CS-Rates	214,934	59,295	60,152	60,892	61,661	456,934
129		Bond Plan		Bond Plan	-	2,500,000	33,815,000	79,375,000	63,000,000	178,690,000
130		Bond Plan Expansion Projects		Bond Plan Exp	181,792,756	425,569,223	459,366,681	302,511,508	153,234,179	1,522,474,346
131		Total Capital Expenditure Funding Sources			<u>\$ 407,353,822</u>	<u>\$ 682,586,030</u>	<u>\$ 617,109,853</u>	<u>\$ 491,177,342</u>	<u>\$ 300,317,621</u>	<u>\$ 2,498,544,669</u>

Footnotes:

[1] Amounts shown reflect the projected capital needs associated with the adopted Capital improvement Program provided by the Department.

[2] The Departmental capital outlay expenditures, which are included as a component of the County's Operating Budget and reflect recurring expenditures for assets with a short duration or life (e.g., vehicles), and are funded from ongoing utility operations (e.g., rate revenues).

Table 9

**Hillsborough County
Water Resources Department**

Summary of Projected Cost of Operation and Maintenance for the Forecast Period

Line No.	Object Code	Expense Description	Fiscal Years Ending September 30,					
			2026 [1]	Esc Factor [2]	2027	2028	2029	2030
1	512001	Salaries & Wages	\$ 58,163,561	Labor	\$ 59,907,688	\$ 61,710,284	\$ 63,561,647	\$ 65,469,226
2	512004	Cafeteria Plan Benefits	2,201,977	Labor	2,268,018	2,336,183	2,406,270	2,478,475
3	512005	Deferred Compensation	623,571	Labor	642,268	661,609	681,458	701,911
4	512008	Shift Pay	455,603	Labor	469,271	483,349	497,850	512,785
5	512009	Stand-by Pay	1,222,051	Labor	1,258,713	1,296,474	1,335,368	1,375,429
6	514001	Overtime Pay	3,611,043	Labor	3,719,374	3,830,956	3,945,884	4,064,261
7	515002	Monthly Auto Allowance	3,810	Labor	3,920	4,064	4,187	4,316
8	521001	FICA/Medicare Taxes	4,659,506	Labor	4,799,235	4,943,597	5,091,909	5,244,719
9	522001	Florida Retirement System	8,544,076	Labor	8,800,181	9,065,682	9,337,667	9,618,000
10	523001	Health Insurance	14,366,436	MedIns	17,325,054	18,132,655	18,978,243	19,864,355
11	523002	Short and Long Term Disability	841,681	MedIns	1,012,021	1,058,949	1,108,031	1,159,461
12	523003	Employee Life Insurance	55,308	MedIns	66,687	69,805	73,059	76,471
13	524001	Workers' Comp Assessments	514,907	Labor	530,353	546,269	562,658	579,538
14	526001	OPEB Expense	304,653	Labor	313,791	323,218	332,915	342,904
15	529005	Attrition Savings Adj	(1,879,009)	Labor	(1,935,379)	(1,993,441)	(2,053,244)	(2,114,841)
16	531001	Engineering Services	4,123,850	Labor	4,247,566	4,374,992	4,506,242	4,641,430
17	531005	Computer Software Support Agreements	2,484,965	Labor	2,559,480	2,636,182	2,715,183	2,796,553
18	531007	Computer Software Annual Maintenance Agreements	726,020	Labor	747,789	770,194	793,270	817,038
19	531540	Information Technology Services	2,175,300	ProfSvc	2,240,559	2,307,776	2,377,009	2,448,319
20	531970	Recording Expenses	23,150	Marginal	23,795	24,458	25,141	25,843
21	531990	Other Professional Services	12,870,623	Insurance	13,189,968	13,587,716	13,995,368	14,415,507
22	532010	Accounting and Auditing	50,042	TotalRev	51,393	53,968	55,597	57,405
23	534001	Contractual Non-Payroll Personnel	1,032,287	Eliminate	1,061,585	1,089,428	1,118,015	1,147,366
24	534041	Contracted Pest Control Services	20,170	Inflation	20,729	21,239	21,763	22,299
25	534042	Custodial/Janitorial	125,000	Inflation	128,675	132,356	136,142	140,039
26	534160	Hazardous Material Collection & Disposal	204,395	Inflation	210,614	216,985	223,539	230,289
27	534200	Effluent Disposal	13,993,778	FlowS	14,568,934	15,099,169	15,632,066	16,178,871
28	534320	Odor Control	4,229,379	Labor	4,350,772	4,468,144	4,588,734	4,712,633
29	534330	SCADA & Telemetry	386,518	Labor	397,284	407,215	417,398	427,840
30	534990	Other Contractual Services	5,117,846	ProfSvc	5,256,944	5,380,056	5,506,066	5,635,042
31	540001	Vicinity Meals	9,004	Inflation	9,247	9,460	9,677	9,900
32	540002	Vicinity Mileage	32,514	Fuel	33,267	34,048	34,817	35,607
33	540003	Hotel/Lodging	54,075	Inflation	55,497	56,811	58,122	59,468
34	540004	Airfare	18,150	Inflation	18,625	19,145	19,609	20,092
35	540005	Auto Rental & Fuel	2,150	Inflation	2,197	2,246	2,295	2,346
36	540006	Out-of-Vicinity Auto Mileage	2,218	Fuel	2,267	2,317	2,368	2,420
37	540007	Parking and Tolls	43,376	Inflation	44,547	45,572	46,620	47,692
38	540009	Meal Allowance	4,202	Inflation	4,315	4,415	4,516	4,620
39	540010	Other Travel Expenses	64,325	Inflation	66,062	67,581	69,136	70,726
40	540011	Per Diem Reimbursement	608	Inflation	624	639	653	668
41	540100	Fleet Fuel & Oil (Fleet Mgmt Charges)	2,397,310	Fuel	2,454,382	2,509,268	2,565,382	2,622,751
42	540110	Fleet Vehicle Rental (for Fleet Management Use Only)	187,217	Fuel	191,882	196,215	200,647	205,178
43	541001	Telecommunications Services	274,435	IncPerSup	281,845	291,844	299,537	307,764
44	541002	Telephone Equipment/Service	2,000	Inflation	2,054	2,157	2,222	2,294
45	541003	Cell Phones Equipment/Service	304,760	IncPerSup	312,989	328,667	338,591	349,603
46	541006	Cable Service	14,000	Inflation	14,378	14,709	15,047	15,393
47	541007	Internet Wireless Service	11,350	IncPerSup	11,656	11,925	12,199	12,479
48	541990	Other Communications Costs	13,000	Inflation	13,351	13,658	13,972	14,294
49	542070	Postage & Freight Services-General	1,087,254	Inflation	1,116,610	1,142,292	1,168,565	1,195,442
50	542071	Postage & Clerk's Mail Room Charges	23,236	Inflation	23,863	24,412	24,974	25,548
51	542072	Ups/Fedex/Courier Services	1,300	Inflation	1,335	1,366	1,397	1,429
52	542991	Armored Car Services	6,522	Inflation	6,698	6,852	7,010	7,171
53	543001	Electricity	12,155,313	Electric	13,000,418	13,539,817	14,089,623	14,656,860
54	543090	Utility Services	57,860	Inflation	59,422	60,789	62,187	63,617
55	543092	Utility Services-WW/Sewer	5,490,395	Inflation	5,125,566	5,377,386	5,626,489	5,869,756
56	543093	Solid Waste/Garbage Collection Service	587,697	SWDisp	620,253	655,327	681,496	705,784
57	543094	Natural Gas Service	2,234,165	Fuel	2,294,487	2,347,261	2,401,248	2,456,476
58	544005	Rental Of Equip -General	\$ 2,232,012	Inflation	\$ 2,292,276	\$ 2,344,999	\$ 2,398,934	\$ 2,454,109
59	544006	Rental Of Pumps	747,540	Inflation	767,724	785,381	803,445	821,924
60	544007	Rental Of Generators	422,232	Inflation	433,632	443,606	453,809	464,246
61	544008	Rental Of Vehicles	500	Inflation	514	525	537	550
62	544016	Rental Of Uniforms	2,542	Inflation	2,611	2,671	2,732	2,795
63	544101	Lease Payments	346,872	Inflation	356,238	364,431	372,813	381,388
64	544990	Rentals & Leases -Other	1,250	Inflation	1,284	1,313	1,343	1,374
65	545001	Commercial Insurance Premiums	3,013,897	Insurance	3,095,272	3,250,326	3,348,467	3,457,372

**Hillsborough County
Water Resources Department**

Summary of Projected Cost of Operation and Maintenance for the Forecast Period

Line No.	Object Code	Expense Description	Fiscal Years Ending September 30,					
			2026 [1]	Esc Factor [2]	2027	2028	2029	2030
66	545050	Automobile Liability Insurance Assessments	649,548	Insurance	675,658	701,764	729,000	757,416
67	545060	General Liab Insurance Assessments	410,775	Insurance	427,425	446,604	464,767	483,961
68	545100	Automobile Liability Insurance Dept. Experience Adjustment	25,404	Insurance	26,674	28,008	29,408	30,879
69	545110	General Liability Insurance Dept. Experience Adjustment	65,857	Insurance	67,635	71,023	73,168	75,547
70	545990	Other Insurance & Bonds	68,609	Insurance	72,039	75,641	79,423	83,395
71	546001	Maint - Building/Facility	13,711,303	Repair	14,156,920	14,638,256	15,157,914	15,718,757
72	546002	Maint - Installed Equip & Fixtures General	103,012	Repair	106,068	109,076	112,252	115,607
73	546003	Maint - Elevators/Escalators	25,000	Repair	25,813	26,690	27,638	28,660
74	546004	Maint - Hvac	1,061,849	Repair	1,096,084	1,132,786	1,172,343	1,214,968
75	546005	Maint - Utility Lines & Hydrants	8,149,956	Repair	8,414,830	8,700,934	9,009,817	9,343,180
76	546010	Maint - Equipment	596,891	Repair	616,290	637,244	659,866	684,281
77	546011	Maint - Signs	1,000	Inflation	1,033	1,068	1,106	1,146
78	546012	Maint - Office Equip & Furniture	584	Repair	603	623	646	670
79	546016	Maint - Medical/Safety Equip	19,865	Repair	20,511	21,208	21,961	22,773
80	546018	Maint - TV Monitors/Cameras	1,000	Repair	1,033	1,068	1,106	1,146
81	546019	Maint - Generators	1,475,252	Repair	1,523,198	1,574,986	1,630,898	1,691,242
82	546020	Maint - Computer Equipment	23,300	Repair	24,057	24,875	25,758	26,711
83	546060	Maint - Grounds & Landscaping	556,804	Repair	574,628	593,606	614,029	636,003
84	546061	Maint - Facility Security/Alarm Services	7,052	Repair	7,276	7,513	7,768	8,042
85	546065	Maint - Fencing	319,000	Inflation	329,368	340,566	352,656	365,704
86	546066	Maint - Parking Areas	15,000	Repair	15,488	16,014	16,583	17,196
87	546067	Maint - Mowing	160,880	Repair	166,109	171,756	177,854	184,434
88	546090	Fleet Management Services	2,452,882	Repair	2,532,601	2,618,709	2,711,673	2,812,005
89	546990	Maint - Other Repair & Maintenance Services	750	Repair	774	801	829	860
90	546992	Maint - Annual Service	50,000	Repair	51,625	53,380	55,275	57,320
91	547001	Printing And Binding	114,841	Inflation	117,942	120,654	123,429	126,268
92	547006	Printing - Copying/Reproduction	39,600	Inflation	40,669	41,605	42,561	43,540
93	548001	Public Awareness Programs	61,375	Inflation	63,032	64,482	65,965	67,482
94	548030	Industry Promotion	219,497	Inflation	225,423	230,608	235,912	241,338
95	549001	Awards Programs	34,428	Inflation	35,358	36,171	37,003	37,854
96	549200	Other Current Chgs-Uncollectible Accts W/O	562,663	Inflation	577,855	591,146	604,742	618,651
97	549240	Collection Expense	2,277,221	Inflation	2,338,706	2,392,496	2,447,524	2,503,817
98	549300	Legal Advertising	42,810	Inflation	43,966	44,977	46,012	47,070
99	549390	Non-Ad Valorem Assessment For Special District	16,500	Inflation	16,946	17,335	17,734	18,142
100	549400	Permits	112,600	Inflation	115,640	118,300	121,021	123,804
101	549500	Professional Licenses & Certifications	57,537	Inflation	59,090	61,247	62,877	64,627
102	549980	Indirect Administrative Costs	21,598,879	Inflation	22,086,694	23,193,096	23,893,394	24,670,498
103	549990	Other Miscellaneous Expenses	2,013,195	Inflation	2,067,140	2,114,685	2,163,322	2,213,079
104	551001	Office Supplies & Minor Office Equipment	520,647	Inflation	534,704	547,058	559,656	572,549
105	551020	Computer Software/Hardware Upgrades	1,071,843	Inflation	1,100,783	1,126,101	1,152,001	1,178,497
106	552001	General oper supplies & minor equipment	2,017,347	Inflation	2,071,815	2,119,467	2,168,215	2,218,084
107	552020	Unrecorded Property	723,421	Inflation	742,953	760,041	777,522	795,405
108	552021	Tools & Minor Equipment	334,512	Inflation	343,544	351,445	359,529	367,798
109	552120	Uniforms & Safety Apparel	716,381	IncPerSup	735,723	772,578	795,906	821,792
110	552140	Bulk Water Purchases	84,624,921	FlowW	88,637,831	92,294,364	95,091,512	97,966,344
111	552150	Chemicals & Medical Supplies	8,384,782	Chemical	8,890,410	9,344,185	9,812,741	10,301,337
112	554001	Memberships & Dues	124,104	Inflation	127,455	130,386	133,385	136,453
113	554010	Books & Subscriptions	35,045	Marginal	35,701	36,299	36,908	37,528
114	554011	Books	500	Marginal	505	510	515	520
115	554012	Subscriptions	10,000	Marginal	10,100	10,201	10,303	10,406
116	555040	Training/Educational Costs-General	824,592	IncPerSup	846,856	888,895	915,631	945,270
117	555052	Training - Out Of Town	5,320	IncPerSup	5,464	5,737	5,911	6,103
118	555053	Training - Registration	11,950	IncPerSup	12,273	12,887	13,277	13,708
119	555054	Training - Tuition	2,000	IncPerSup	2,054	2,157	2,222	2,294
120	564020	Computer Equipment	570,541	CapOutlay	585,946	615,298	633,876	654,492
121	564021	Computer-Related Equip	9,000	CapOutlay	9,090	9,181	9,273	9,365
122	564030	Fleet Equipment	22,831,379	CO-Fleet	3,356,494	3,517,951	3,620,774	3,734,706
123	564990	Other Equipment	4,894,169	CapOutlay	4,950,712	5,018,630	5,078,554	5,140,528
124	564991	Installed Equipment	211,208	CapOutlay	213,320	215,453	217,608	219,784
125	568001	Computer Software	2,857,859	CapOutlay	2,886,438	2,915,302	2,944,455	2,973,900

**Hillsborough County
Water Resources Department**

Summary of Projected Cost of Operation and Maintenance for the Forecast Period

Line No.	Object Code	Expense Description	Fiscal Years Ending September 30,					
			2026 [1]	Esc Factor [2]	2027	2028	2029	2030
126		Incremental O&M [3]	-	Calculated	534,955	1,763,527	4,769,939	6,196,667
127	Incr O&M	Allowance for Additional Water Pumping - Lithia Line	-	Calculated	100,000	200,000	206,000	212,200
130	Incr O&M 3	Incremental O&M - Water Distribution	-	Calculated	-	283,111	291,645	588,858
131	Incr O&M 4	Incremental O&M - Wastewater Collection	-	Calculated	-	283,111	291,645	588,858
132	Incr O&M 5	Incremental O&M - Customer Svc. / Field Svc. / Call Center	-	Calculated	-	74,114	76,286	151,437
133	Incr O&M 6	Incremental O&M - Meter Reading	-	Calculated	74,394	147,532	225,132	307,055
134	Incr O&M 7	Incremental O&M - Planning & Proj. Mgmt.	-	Calculated	360,561	371,461	382,788	394,131
135	TBWJPA_O	Reclassification of CIP to O&M - TBW JPA	27,900,000	Calculated	30,000,000	23,367,843	-	-
136		Contingency [4]	-	Calculated	-	-	919,866	1,899,674
137		Total Operating Expenses	<u>\$ 388,882,018</u>		<u>\$ 386,311,993</u>	<u>\$ 393,845,457</u>	<u>\$ 386,140,721</u>	<u>\$ 400,763,901</u>

Footnotes:

[1] Amounts shown based on the Fiscal Year 2021 adopted operating expense budget, as adjusted for current trends and year-to-date results and discussions with the Department.

[2] Amounts shown adjusted for the remainder of the Forecast Period after Fiscal Year 2021 based on the assumed escalation factors as reported in Table 9A.

[3] Incremental O&M represent additional expenses associated with placing constructed assets in service and increases in personnel due to continued growth of the System.

[4] Amounts shown reflect operating expense contingency associated equal to 0.25% of annual operating expenses beginning in the Fiscal Year 2022.

**Hillsborough County
Water Resources Department**

Summary of Projected Cost of Operation and Maintenance for the Forecast Period - Escalation Factors

Line No.	Escalators	Reference	For the Fiscal Year ending September 30,			
			2027	2028	2029	2030
	General:					
1	Constant	Constant	1.0000	1.0000	1.0000	1.0000
2	General Inflation - CPI	Inflation	1.0270	1.0230	1.0230	1.0230
3	General Inflation - GDP	GDP	1.0180	1.0180	1.0180	1.0180
4	Labor	Labor	1.0300	1.0300	1.0300	1.0300
5	Medical Insurance	MedIns	1.2500	1.0500	1.0500	1.0500
6	Professional Services	ProfSvc	1.0300	1.0300	1.0300	1.0300
7	Fuel and Oil	Fuel	1.0220	1.0220	1.0220	1.0220
8	Marginal Escalator	Marginal	1.0100	1.0100	1.0100	1.0100
9	Eliminate	Eliminate	0.0000	0.0000	0.0000	0.0000
10	Chemical Expense	Chemical	1.0603	1.0510	1.0501	1.0498
11	Repairs and Maintenance	Repair	1.0325	1.0340	1.0355	1.0370
12	Insurance	Insurance	1.0500	1.0500	1.0500	1.0500
13	Electrical Expense	Electric	1.0696	1.0415	1.0407	1.0403
14	Solid Waste Disposal & Collection Service	SWDisp	1.1695	1.1749	1.0920	1.0720
15	Construction	ENR	1.0380	1.0380	1.0380	1.0380
	Personnel Additions Adjusted:					
16	Monthly Auto and Cell Phone Stipend	GenLaborInf	1.0270	1.0501	1.0302	1.0325
17	Personnel-Related Supplies	IncPerSup	1.0270	1.0501	1.0302	1.0325
	Customer and Flow Adjusted:					
18	Customer Growth - Water	WaterCust	1.0109	1.0103	1.0097	1.0095
19	Customer Growth - Sewer	SewerCust	1.0111	1.0105	1.0099	1.0099
20	Customer Growth - Total System	TotalCust	1.0110	1.0104	1.0098	1.0097
21	Customer Growth - Total System + Inflation	TotalCustInf	1.0380	1.0334	1.0328	1.0327
22	Delta Water Growth	Delta-W	0.9878	0.9444	0.9423	0.9880
23	Flow Growth+Inflation-Water	FlowW	1.0816	1.0323	1.0315	1.0311
24	Flow Growth+Inflation-Sewer	FlowS	1.0411	1.0364	1.0353	1.0350
25	Treated Water Flows + Chemical	W-Chemical	1.1005	1.0605	1.0589	1.0581
26	Treated Sewer Flows + Chemical	S-Chemical	1.0749	1.0648	1.0628	1.0621
27	Treated Water Flows + Electric	W-Electric	1.1265	1.0510	1.0493	1.0486
	Rate Revenue Adjusted:					
28	Rate Revenue - Water	WaterRev	1.0568	1.0687	1.0653	1.0624
29	Rate Revenue - Sewer	SewerRev	1.0987	1.0846	1.0821	1.0811
30	Rate Revenue - Total System	TotalRev	1.0796	1.0775	1.0746	1.0729
	Other Factors:					
31	RRF Electric Purchases - Central WTP	RRF-W-Elec	1.0531	1.0090	1.0083	1.0080
32	Treated Sewer Flows + Electric	S-Electric	1.0843	1.0552	1.0532	1.0525
33	RRF Electric Purchases - Falkenburg WWTP	RRF-S-Elec	1.0137	1.0131	1.0120	1.0117
34	Capital Outlay	CapOutlay	1.0100	1.0100	1.0100	1.0100
35	Capital Outlay - Fleet Equipment (564030)	CO-Fleet	0.0000	1.0230	1.0230	1.0230
36	Customer Billing Postage	Postage	1.0380	1.0334	1.0328	1.0327
37	Approved Fixed Rate Adjustments + Price Index	FRA+PI	1.0806	1.0797	1.0787	1.0779

Table 10
Hillsborough County
Water Resources Department

Summary of Projected Operating Results and Bond Service Coverage Requirement

Line No.	Description	Fiscal Year Ended September 30,				
		2026	2027	2028	2029	2030
	Gross Revenues:					
	Revenues from Monthly User Charges [1]					
1	Water Sales	\$ 189,780,193	\$ 201,199,182	\$ 216,047,794	\$ 231,132,952	\$ 246,525,434
2	Wastewater Sales	216,474,017	240,192,983	262,403,889	285,880,149	311,119,900
3	Customer Billing Charges	17,088,684	18,712,996	20,433,758	22,283,923	24,282,889
4	Reclaimed Water Sales	3,717,758	3,964,274	4,234,350	4,529,176	4,850,591
5	Total Revenues from Monthly User Charges	\$ 427,060,652	\$ 464,069,435	\$ 503,119,791	\$ 543,826,200	\$ 586,778,814
	Other Operating Revenues					
6	Accrued Guaranteed Revenue Fees [2]	\$ 4,725,840	\$ 4,233,702	\$ 4,432,647	\$ 4,410,259	\$ 4,494,830
7	Line Maintenance Fee	5,201,049	5,201,049	5,201,049	5,201,049	5,201,049
8	Line Extension Fees	88,333	87,721	84,956	82,248	81,719
9	Meter Installation Charges	551,711	545,000	514,698	485,015	479,219
10	Industrial Pretreatment	108,045	108,045	108,045	108,045	108,045
11	Other Operating Revenues [3]	665,864	666,083	666,275	666,471	666,672
12	Total Other Operating Revenues	\$ 11,340,842	\$ 10,841,600	\$ 11,007,671	\$ 10,953,088	\$ 11,031,535
13	Total Charges for Services	\$ 438,401,494	\$ 474,911,035	\$ 514,127,462	\$ 554,779,288	\$ 597,810,349
14	Investment Earnings and Other Miscellaneous Receipts [4]	\$ 27,557,478	\$ 21,544,343	\$ 16,642,765	\$ 13,450,872	\$ 14,370,744
15	Total Gross Revenues [5]	\$ 465,958,972	\$ 496,455,378	\$ 530,770,227	\$ 568,230,160	\$ 612,181,093
16	Pledged Capacity (Impact) Fees [6]	24,486,568	22,315,758	21,909,390	22,828,681	22,795,150
17	Gross Revenues and Pledged Capacity (Impact) Fees	\$ 490,445,540	\$ 518,771,137	\$ 552,679,617	\$ 591,058,841	\$ 634,976,242
	Cost of Operation and Maintenance [7]:					
18	Employee Services	\$ 93,689,174	\$ 99,181,196	\$ 102,469,638	\$ 105,863,902	\$ 109,377,011
19	Purchased Water [8]	112,524,921	88,637,831	92,294,364	95,091,512	97,966,344
20	Contractual Services	79,622,740	81,388,901	84,422,232	87,051,945	89,798,957
21	Fleet Services	2,584,527	2,646,263	2,705,483	2,766,028	2,827,929
22	Repairs & Maintenance	28,731,380	29,664,306	30,671,159	31,757,971	32,930,707
23	Utilities	16,185,195	17,139,107	17,785,748	18,436,571	19,108,372
24	Supplies	12,309,993	12,921,602	13,468,094	14,031,500	14,617,128
25	Other Operating Expenses	11,859,932	12,195,834	12,605,538	12,946,949	13,308,338
26	Incremental O&M	-	534,955	1,763,527	4,769,939	6,196,667
27	Contingency Allowance	-	-	-	919,866	1,899,674
28	Subordinate Debt Fees	920,728	2,194,836	1,985,075	1,352,484	1,099,334
29	Subtotal	\$ 358,428,590	\$ 346,504,831	\$ 360,170,859	\$ 374,988,666	\$ 389,130,460
30	Less Contracted Water Supply Capacity (Impact) Fees	(8,488,294)	(7,472,552)	(6,975,579)	(6,444,015)	(6,235,772)
31	Cost of Operation and Maintenance	\$ 349,940,296	\$ 339,032,279	\$ 353,195,280	\$ 368,544,651	\$ 382,894,688
32	Pledged Revenues [9]	\$ 140,505,244	\$ 179,738,858	\$ 199,484,337	\$ 222,514,190	\$ 252,081,554
	Bond Service Requirement [10]:					
	Senior Lien Debt Service - Cash Basis					
33	Series 2016 Bonds	\$ 9,982,100	\$ 9,981,500	\$ 9,979,300	\$ 9,980,050	\$ 9,976,750
34	Utility Refunding Revenue Bonds, Series 2019	7,130,950	7,133,200	7,134,200	7,133,450	7,135,450
35	Series 2021A Bonds	8,020,138	8,017,638	8,016,388	8,015,888	8,015,638
36	Series 2021B Bonds	412,269	412,269	412,269	412,269	412,269
37	Proposed New Debt	-	26,475,400	50,570,738	62,470,896	74,205,638
38	Less Interest Income on Debt Service and Reserve Accounts	(75,196)	(49,330)	(28,505)	(39,565)	(61,899)
39	Bond Service Requirement	\$ 25,470,260	\$ 51,970,677	\$ 76,084,389	\$ 87,972,987	\$ 99,683,845
	Rate Covenant Test 1 [11]:					
40	Gross Revenues and Pledged Capacity (Impact) Fees Required Deposits	\$490,445,540	\$518,771,137	\$552,679,617	\$591,058,841	\$634,976,242
41	Cost of Operation and Maintenance	349,940,296	339,032,279	353,195,280	368,544,651	382,894,688
42	Renewal and Replacement Account Requirement	21,941,633	23,227,685	24,751,482	26,466,453	28,340,273
43	Bond Service Requirement [10]	25,470,260	51,970,677	76,084,389	87,972,987	99,683,845
44	Total Required Deposits	\$ 397,352,189	\$ 414,230,640	\$ 454,031,151	\$ 482,984,092	\$ 510,918,806
45	Coverage Ratio - Calculated	1.23	1.25	1.22	1.22	1.24
46	Coverage Ratio - Required	1.00	1.00	1.00	1.00	1.00

AND

Footnotes on Page 2 of 6.

Table 10
Hillsborough County
Water Resources Department
Summary of Projected Operating Results and Bond Service Coverage Requirement

Line No.	Description	Fiscal Year Ended September 30, [1]				
		2026	2027	2028	2029	2030
	Rate Covenant Test 2 [11]:					
47	Net Revenues plus Pledged Capacity (Impact) Fees	\$ 140,505,244	\$ 179,738,858	\$ 199,484,337	\$ 222,514,190	\$ 252,081,554
48	Bond Service Requirement [10]	\$ 25,470,260	\$ 51,970,677	\$ 76,084,389	\$ 87,972,987	\$ 99,683,845
49	Coverage Ratio - Calculated	5.52	3.46	2.62	2.53	2.53
50	Coverage Ratio - Required	1.20	1.20	1.20	1.20	1.20
	AND					
	Rate Covenant Test 3 [11]:					
51	Net Revenues	\$ 116,018,676	\$ 157,423,100	\$ 177,574,947	\$ 199,685,509	\$ 229,286,404
52	Bond Service Requirement [10]	\$ 25,470,260	\$ 51,970,677	\$ 76,084,389	\$ 87,972,987	\$ 99,683,845
53	Coverage Ratio - Calculated	4.56	3.03	2.33	2.27	2.30
54	Coverage Ratio - Required	1.00	1.00	1.00	1.00	1.00
55	Gross Revenues	\$ 465,958,972	\$ 496,455,378	\$ 530,770,227	\$ 568,230,160	\$ 612,181,093
	Required Deposits [12]:					
56	Cost of Operation and Maintenance	\$ 349,940,296	\$ 339,032,279	\$ 353,195,280	\$ 368,544,651	\$ 382,894,688
57	Bond Service Requirement [10]	25,470,260	51,970,677	76,084,389	87,972,987	99,683,845
58	Debt Service Reserve Account [13]	-	-	-	-	-
59	Renewal & Replacement Account Requirement [14]	21,941,633	23,227,685	24,751,482	26,466,453	28,340,273
60	Total Required Deposits	\$ 397,352,189	\$ 414,230,640	\$ 454,031,151	\$ 482,984,092	\$ 510,918,806
	Other Deposits: [15]					
61	Other Indebtedness Account [16]	\$ 2,072,680	\$ -	\$ -	\$ -	\$ -
62	Subordinated Indebtedness Account [17]	286,086	103,523	2,654,516	5,412,597	8,833,350
63	Total Other Deposits	\$ 2,358,766	\$ 103,523	\$ 2,654,516	\$ 5,412,597	\$ 8,833,350
64	Total Required and Other Deposits	\$ 399,710,955	\$ 414,334,163	\$ 456,685,667	\$ 488,396,689	\$ 519,752,156
65	Excess of Net Revenues above Required Transfers [18]	\$ 66,248,017	\$ 82,121,215	\$ 74,084,560	\$ 79,833,471	\$ 92,428,936

Footnotes:

- [1] Amounts shown include additional revenues associated with the annual application of the: i) price index rate adjustment to allow for increases in general inflation on certain components of the Cost of Operation and Maintenance assumed to be effective October 1st of each Fiscal Year through September 30, 2030 and ii) any anticipated Purchased Water Pass-Through Consumption Charges associated with any increase or decrease in the cost of purchased water from Tampa Bay Water and other service providers assumed to be effective October 1st of each Fiscal Year, as provided by the Rate Resolution adopted by the Board of County Commissioners (Board) during the Forecast Period. The following is a summary of the assumed rate adjustments above rates for utility service for each Fiscal Year of the Forecast Period:

	2026	2027	2028	2029	2030
Price Index Adjustments - Effective October 1 (a)	3.29%	2.91%	2.83%	2.73%	2.66%
Additional Rate Adjustments - Effective October 1 (b)	0.00%	5.00%	5.00%	5.00%	5.00%
Applicable Revenues (c)	\$ 345,853,632	\$ 381,591,687	\$ 416,657,227	\$ 453,875,610	\$ 493,891,160
Purchased Water Adjustments (d)	0.00%	0.66%	4.28%	3.15%	2.45%
Purchased Water Revenues (d)	\$ 79,726,556	\$ 81,002,684	\$ 84,992,900	\$ 88,486,326	\$ 91,428,790
Flat Rate Reclaimed Revenues (e)	\$ 1,480,464	\$ 1,475,064	\$ 1,469,664	\$ 1,464,264	\$ 1,458,864
Total Charges for Service	\$ 427,060,652	\$ 464,069,435	\$ 503,119,791	\$ 543,826,200	\$ 586,778,814
Annualized Effective Rate Increase (f)	2.66%	6.74%	7.32%	7.08%	6.94%

(a) Increases shown reflected the anticipated adopted automatic Price Index adjustments to applicable revenues (reference note (c) below). Such rate increases are assumed effective every October 1st of the respective Fiscal Year.

(b) Increases shown reflect additional rate adjustments to applicable revenues (reference note (c) below) to maintain operating margins target and a minimum all-in debt coverage from Net Revenues equal to or about 2.0x for the Forecast Period. It is assumed that such rate increases would become effective at the outset of the respective Fiscal Year on October 1st.

(c) Applicable revenues reflect water, wastewater and certain reclaimed rate revenues which may be adjusted by the Price Index, adopted 5% fixed rate adjustments for Fiscal Year 2026 through 2030 as defined in the Rate Resolution. Such revenues exclude charges for service associated with the Purchased Water Pass-Through Charge and the Flat Rate Reclaimed Water charge. Amounts shown reflect projected revenues assuming application of the identified rate adjustments noted above.

(d) The Purchased Water Pass-Through Charge was remained at \$3.02 per 1,000 gallons of metered water service effective October 1, 2025 and adjusted annually during the Forecast Period as shown below:

	Existing	Projected			
	2026	2027	2028	2029	2030
Purchased Water Pass-Through (000s)	\$ 3.02	\$ 3.04	\$ 3.17	\$ 3.27	\$ 3.35
Percentage Change	0.00%	0.66%	4.28%	3.15%	2.45%

(e) The existing Flat Rate reclaimed water monthly rates are assumed to remain unadjusted during the Forecast Period.

(f) Reflects the estimated effective annual increase to total System rate revenues from the application of the Price Index, Purchased Water Pass-Through and Additional Rate Adjustments.

Table 10

**Hillsborough County
Water Resources Department**

Summary of Projected Operating Results and Bond Service Coverage Requirement

Footnotes Continued.

- [2] Amounts reflect revenues derived from fees charged to new development which represent the recovery of certain costs to carry and maintain plant investment on behalf of such customers prior to receiving service. Such revenues are considered as a Revenue of the System and are in addition to the collection of Capacity (Impact) Fees from new development. Such fees were suspended as of April 2014 by the Board. On June 17, 2020, the Board adopted Resolution No. R20-046, which reinstated the Accrued Guaranteed Revenue Fees (AGRF). Effective October 1, 2020, the fees were set at \$833 for potable water and \$989 for wastewater.
- [3] Amounts shown includes various charges and other operating revenues including but not limited to, building permits, planning services processing fees, bad check fees, etc.
- [4] Amounts shown include interest earning on unrestricted funds as defined in the Bond Resolution, and do not include earning on the Capacity Fees or the Construction Accounts since such earnings are restricted to such funds. Amounts shown do not include investment earnings on the Debt Service Account or Reserve Account since earnings serve to reduce the amount of the Bond Service Requirement funded from Revenues of the System as provided in the Bond Resolution. Amounts shown determined as follows:

	2026	2027	2028	2029	2030
Investment Earnings and Other Miscellaneous Receipts					
Total Investment Earnings (a)	\$ 27,118,679	\$ 20,974,842	\$ 15,955,815	\$ 12,804,648	\$ 13,765,654
Other Miscellaneous Receipts (b)	866,035	824,006	780,731	738,139	719,339
Adjustments to Investment Earnings:	\$ 27,984,714	\$ 21,798,848	\$ 16,736,546	\$ 13,542,787	\$ 14,484,993
Less Capacity (Impact) Fees and Equivalents (c)	(352,040)	(205,175)	(65,276)	(52,350)	(52,350)
Less Construction Account Income	-	-	-	-	-
Less Interest on Debt Service and Reserve Accounts	(75,196)	(49,330)	(28,505)	(39,565)	(61,899)
Less Other Restricted Income (Non-operating Grants)	-	-	-	-	-
Total Investment Earnings & Other Miscellaneous Receipts	<u>\$ 27,557,478</u>	<u>\$ 21,544,343</u>	<u>\$ 16,642,765</u>	<u>\$ 13,450,872</u>	<u>\$ 14,370,744</u>

(a) Amounts shown reflect projections of total interest earnings on fund balances for the Forecast Period. For a complete listing of projected interest income by fund please reference Table 11. Additionally, amounts shown exclude interest payments received on an installment basis associated with non-bonded Impact Fee Assessment Unit (IFAU) which are included as a component in the determination of Pledged Capacity Fees (reference note 6 below).

(b) Other miscellaneous receipts include various operating miscellaneous revenues including but not limited to miscellaneous revenues, sale and removal of compost, special assessment administration fees, sales of surplus materials, etc.

(c) Interest income earned from balances held in Capacity (Impact) Fee Accounts are included as a component in the determination of Pledged Capacity (Impact) Fees (reference note 6 below). Capacity (Impact) Fee equivalents included interest received on Capacity (Impact) Fee Assessment units (essentially an installment-based collection of Capacity (Impact) Fees that is assessed to property owners which is elected prior by the owner [developer] as part of the overall development process).

- [5] Amounts shown reflect the projected charges for service, other operating revenues, and applicable interest income. Gross Revenues were not adjusted for any transfers to or from the Rate Stabilization Account as previously discussed for purposes of determining compliance with the Rate Covenant of the Bond Resolution.
- [6] The determination of Pledged Capacity (Impact) Fees includes the sum of the Capacity (Impact) Fees received and interest income earned on such funds adjusted by the estimated aggregate project expansion percentage for the Outstanding Bonds for each applicable Fiscal Year to recognize the amount of fees collected which are pledged to the Debt Service Component of the Cost of Contracted Water Supply and the aggregate Bond Service Requirement attributable to Expansion Facilities. For the Forecast Period, 100% of all Capacity (Impact) Fees received by the System were assumed to be recognized as a component of Pledged Revenues and calculated as follows:

	2026	2027	2028	2029	2030
Determination of Pledged Water Capacity (Impact) Fees					
Total Water System Capacity (Impact) Fees Received / Realized					
Full Payment of Fee	\$ 5,328,686	\$ 6,872,967	\$ 7,204,878	\$ 7,290,647	\$ 7,360,603
Payment of Fee at Builder Payment	-	-	-	-	-
Assessments (Principal and Interest)	9,112,503	8,103,800	7,065,192	6,042,991	5,591,786
Reclass of Prior Period Unpledged IFAU Assessments (Principal and Interest)	448,814	-	-	-	-
Water System Allocable Interest Earnings on Capacity (Impact) Fee Fund Balances	352,040	205,175	65,276	52,350	52,350
Total Water System Capacity (Impact) Fees Received / Realized (a)	\$ 15,242,043	\$ 15,181,942	\$ 14,335,346	\$ 13,385,988	\$ 13,004,739
Less Contracted Water Supply ("CWS") Capacity (Impact) Fees (b)	(8,488,294)	(7,472,552)	(6,975,579)	(6,444,015)	(6,235,772)
Net Water System Capacity (Impact) Fees Available to Pledge	\$ 6,753,749	\$ 7,709,390	\$ 7,359,767	\$ 6,941,973	\$ 6,768,967
Bond Service Requirement	\$ 25,470,260	\$ 51,970,677	\$ 76,084,389	\$ 87,972,987	\$ 99,683,845
Percent Allocable to Water System	34.09%	15.56%	11.18%	14.75%	14.75%
Allocable Bond Service Requirement	\$ 8,683,180	\$ 8,086,266	\$ 8,503,456	\$ 12,978,829	\$ 14,706,555
Water Expansion Project Percentage (c)	93.93%	91.85%	93.34%	96.29%	96.29%
Water Expansion-Related Debt Service	\$ 8,156,449	\$ 7,427,376	\$ 7,936,933	\$ 12,497,875	\$ 14,161,577
Beginning Water Capacity (Impact) Fee Carryforward Amount	\$ -	\$ 1,402,700	\$ 1,120,686	\$ 1,697,852	\$ 7,253,754
Bond Year Expansion-Related Debt Service Plus Carryforward	\$ 8,156,449	\$ 8,830,076	\$ 9,057,619	\$ 14,195,727	\$ 21,415,331
Water Capacity (Impact) Fees Recognized as Pledged	6,753,749	7,709,390	7,359,767	6,941,973	6,768,967
Ending Water Capacity (Impact) Fee Carryforward Amount	<u>\$ 1,402,700</u>	<u>\$ 1,120,686</u>	<u>\$ 1,697,852</u>	<u>\$ 7,253,754</u>	<u>\$ 14,646,364</u>

Footnotes Continued to Page 4 of 6.

Table 10

**Hillsborough County
Water Resources Department**

Summary of Projected Operating Results and Bond Service Coverage Requirement

Footnotes Continued.

	2026	2027	2028	2029	2030
Pledged Water Capacity (Impact) Fee Account					
Beginning Pledged Water Capacity (Impact) Fees	\$ 8,887,408	\$ 6,957,977	\$ 6,581,101	\$ 5,437,412	\$ -
Current Year Deposit into Pledged Water Capacity (Impact) Fee Acct.	6,753,749	7,709,390	7,359,767	6,941,973	6,768,967
Total Pledged Water Capacity (Impact) Fees Available	\$ 15,641,157	\$ 14,667,367	\$ 13,940,868	\$ 12,379,385	\$ 6,768,967
Use of Pledged Water Capacity (Impact) Fees					
Deposit into the Debt Service Account	\$ 8,683,180	\$ 8,086,266	\$ 8,503,456	\$ 12,379,385	\$ 6,768,967
Deposit into the Debt Service Reserve Account	-	-	-	-	-
Total Use of Pledged Water Capacity (Impact) Fees	\$ 8,683,180	\$ 8,086,266	\$ 8,503,456	\$ 12,379,385	\$ 6,768,967
Ending Pledged Water Capacity (Impact) Fees	\$ 6,957,977	\$ 6,581,101	\$ 5,437,412	\$ -	\$ -
Summary of Water Capacity (Impact) Fee Account					
Total Water Capacity (Impact) Fees Received	\$ 15,242,043	\$ 15,181,942	\$ 14,335,346	\$ 13,385,988	\$ 13,004,739
Uses:					
Contracted Water Supply	(8,488,294)	(7,472,552)	(6,975,579)	(6,444,015)	(6,235,772)
Current Year Deposit into Pledged Water Capacity (Impact) Fee Account	(6,753,749)	(7,709,390)	(7,359,767)	(6,941,973)	(6,768,967)
Remain on Deposit in Water Capacity (Impact) Fee Account	\$ -	\$ -	\$ -	\$ -	\$ -
Determination of Pledged Wastewater Capacity (Impact) Fees					
Wastewater System Capacity (Impact) Fees Received / Realized (a)					
Full Payment of Fee	\$ 14,966,517	\$ 12,392,277	\$ 12,335,531	\$ 13,672,616	\$ 13,812,090
Payment of Fee at Builder Payment	-	-	-	-	-
Assessments (Principal and Interest)	2,214,067	2,214,092	2,214,092	2,214,092	2,214,092
Reclass of Prior Period Unpledged IFAU Assessments (Principal and Interest)	552,235	-	-	-	-
Wastewater System Allocable Interest Earnings on Capacity (Impact)	-	-	-	-	-
Fee Fund Balances	-	-	-	-	-
Net Wastewater System Capacity (Impact) Fees Available to Pledge	\$ 17,732,819	\$ 14,606,369	\$ 14,549,623	\$ 15,886,708	\$ 16,026,182
Bond Service Requirement	\$ 25,470,260	\$ 51,970,677	\$ 76,084,389	\$ 87,972,987	\$ 99,683,845
Percent Allocable to Wastewater System	65.91%	84.44%	88.82%	85.25%	85.25%
Allocable Bond Service Requirement	\$ 16,787,080	\$ 43,884,410	\$ 67,580,933	\$ 74,994,158	\$ 84,977,290
Wastewater Expansion Project Percentage (c)	37.77%	81.45%	86.70%	84.03%	84.03%
Wastewater Expansion-Related Debt Service	\$ 6,340,789	\$ 35,744,917	\$ 58,593,026	\$ 63,019,229	\$ 71,408,273
Beginning Wastewater Capacity (Impact) Fee Carryforward Amount	\$ 60,381,078	\$ 48,989,048	\$ 70,127,597	\$ 114,171,000	\$ 161,303,520
Bond Year Expansion-Related Debt Service Plus Carryforward	\$ 66,721,867	\$ 84,733,965	\$ 128,720,623	\$ 177,190,229	\$ 232,711,793
Wastewater Capacity (Impact) Fees Recognized as Pledged	17,732,819	14,606,369	14,549,623	15,886,708	16,026,182
Ending Wastewater Capacity (Impact) Fee Carryforward Amount	\$ 48,989,048	\$ 70,127,597	\$ 114,171,000	\$ 161,303,520	\$ 216,685,611
Pledged Wastewater Capacity (Impact) Fee Account					
Beginning Pledged Wastewater Capacity (Impact) Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Current Year Deposit into Pledged Wastewater Capacity (Impact) Fee Acct.	17,732,819	14,606,369	14,549,623	15,886,708	16,026,182
Total Pledged Wastewater Capacity (Impact) Fees Available	\$ 17,732,819	\$ 14,606,369	\$ 14,549,623	\$ 15,886,708	\$ 16,026,182
Use of Pledged Wastewater Capacity (Impact) Fees					
Deposit into the Debt Service Account	\$ 16,787,080	\$ 14,606,369	\$ 14,549,623	\$ 15,886,708	\$ 16,026,182
Deposit into the Debt Service Reserve Account	-	-	-	-	-
Deposit into the General Purpose Account for Capacity or Expansion	945,739	-	-	-	-
Total Use of Pledged Wastewater Capacity (Impact) Fees	\$ 17,732,819	\$ 14,606,369	\$ 14,549,623	\$ 15,886,708	\$ 16,026,182
Ending Pledged Wastewater Capacity (Impact) Fees Account	\$ -	\$ -	\$ -	\$ -	\$ -
Summary of Wastewater Capacity (Impact) Fees					
Total Wastewater Capacity (Impact) Fees Received	\$ 17,732,819	\$ 14,606,369	\$ 14,549,623	\$ 15,886,708	\$ 16,026,182
Uses:					
Current Year Deposit into Pledged Wastewater Capacity (Impact) Fee	(17,732,819)	(14,606,369)	(14,549,623)	(15,886,708)	(16,026,182)
Remain on Deposit in Wastewater Capacity (Impact) Fee Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes Continued to Page 5 of 6.

Table 10
Hillsborough County
Water Resources Department
Summary of Projected Operating Results and Bond Service Coverage Requirement

Footnotes Continued.

Water and Wastewater Summary

Capacity (Impact) Fee Accounts

Sources:

Total Capacity (Impact) Fee Collections	\$	32,974,862	\$	29,788,310	\$	28,884,969	\$	29,272,696	\$	29,030,922

Uses:

Deposit into Contracted Water Supply Capacity (Impact) Fee Account	\$	8,488,294	\$	7,472,552	\$	6,975,579	\$	6,444,015	\$	6,235,772
Deposit to Pledged Capacity (Impact) Fee Accounts		24,486,568		22,315,758		21,909,390		22,828,681		22,795,150

Capacity (Impact) Fees Not Pledged and Remain on Deposit in the Capacity (Impact) Fee Account	\$	-	\$	-	\$	-	\$	-	\$	-

Pledged Capacity (Impact) Fee Accounts

Beginning Balance of Pledged Capacity (Impact) Fee Accounts

Sources:

Current Year Deposit from Capacity (Impact) Fee Accounts		24,486,568		22,315,758		21,909,390		22,828,681		22,795,150
Total Pledged Capacity (Impact) Fees Available	\$	33,373,976	\$	29,273,736	\$	28,490,491	\$	28,266,093	\$	22,795,150

Uses:

Deposit into the Debt Service Account		25,470,260		22,692,635		23,053,079		28,266,093		22,795,150
Deposit into the Debt Service Reserve Account		-		-		-		-		-
Deposit into the General Purpose Account		945,739		-		-		-		-

Total Uses

Ending Balance of Pledged Capacity (Impact) Fee Accounts

Total Annual Pledged Capacity (Impact) Fees - Recognized for Rate Covenant

(a) Capacity (Impact) Fee amounts include i) investment earning on cash deposits in the Capacity (Impact) Fee Funds; and ii) interest received on Capacity (Impact) Fee Assessment Units (essentially an installment-based collection of Capacity (Impact) fees that is assessed to property owners which is elected prior by the owner [developer]) as part of the overall development process).

(b) The pledge of Water System Capacity (Impact) Fees for the payment of the Debt Service Component of the Cost of Contracted Water Supply associated with Tampa Bay Water (TBW) was determined by Fiscal Year as follows:

	2026	2027	2028	2029	2030
Beginning Contracted Water Supply Water Capacity Fee Carryforward Amount	\$ 17,087,803	\$ 21,066,061	\$ 26,361,456	\$ 33,263,272	\$ 41,318,600
County Allocable Expansion Related TBW Debt Service	12,466,552	12,767,947	13,877,395	14,499,343	15,767,293
Water Capacity (Impact) Fees Collected Allocable to TBW Payment	8,488,294	7,472,552	6,975,579	6,444,015	6,235,772
Ending Contracted Water Supply Water Capacity (Impact) Fee Carryforward Amount	<u>\$21,066,061</u>	<u>\$26,361,456</u>	<u>\$33,263,272</u>	<u>\$41,318,600</u>	<u>\$50,850,121</u>

(c) Expansion percentages calculated based on a review of the expansion related improvements financed by the issuance of the outstanding bonds for the respective

- [7] Amounts shown derived from Table 9 and pursuant to the Bond Resolution, the Cost of Operation and Maintenance excludes and depreciation and amortization expenses which are considered as non-cash expenses and any payment in lieu of taxes. Amounts shown are net of the payment of the Debt Component of the Cost of Contracted Water Supply from the Contracted Water Supply Capacity (Impact) Fees.

Footnotes Continued to Page 6 of 6.

Table 10

**Hillsborough County
Water Resources Department**

Summary of Projected Operating Results and Bond Service Coverage Requirement

Footnotes Continued.

- [8] Included as a component of the Water System Capacity (Impact) Fees is the cost of expansion-related water production and conveyance facilities of Tampa Bay Water. Amounts shown reflect apportionment of such estimated amounts collected applied toward the payment of the Debt Service Component of the Cost of Contractual Water Supply which is considered as a Cost of Operation and Maintenance. Amounts include contractual payments to Tampa Bay Water (i.e., its escrow agent) to finance pipeline projects to be owned by Tampa Bay Water for the benefit of the County (reference footnote [a] in the table below). Reference is also made to footnote 6 identifying the Pledged Capacity (Impact) Fee determination. Additionally, the use of the Capacity (Impact) Fees applied to the payment of the Debt Service Component for the Cost of Contractual Water Supply is reflected in the determination of the annual Purchased Water Pass-Through Consumption Charge. The determination of the net purchased water
- | | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Cost of Purchased Water (a) | \$ 84,624,921 | \$ 88,637,831 | \$ 92,294,364 | \$ 95,091,512 | \$ 97,966,344 |
| Joint Project Agreement with Tampa Bay Water (b)(c) | 27,900,000 | - | - | - | - |
| Total Cost of Purchased Water | \$ 112,524,921 | \$ 88,637,831 | \$ 92,294,364 | \$ 95,091,512 | \$ 97,966,344 |
| Less Pledged Capacity (Impact) Fees toward Debt Service Component of Cost Contractual Water | (8,488,294) | (7,472,552) | (6,975,579) | (6,444,015) | (6,235,772) |
| Net Cost of Purchased Water | <u>\$ 104,036,627</u> | <u>\$ 81,165,279</u> | <u>\$ 85,318,785</u> | <u>\$ 88,647,497</u> | <u>\$ 91,730,572</u> |
- (a) Amounts shown reflect the total cost of purchased water and is not net of: i) proceeds of sale of water assets by the County to Tampa Bay Water as part of the governance initiative; and ii) Pledged Water Capacity (Impact) Fees dedicated for the payment of the Debt Service component of the Cost of Contracted Water Supply.
- (b) On October 20, 2021, the County entered into an Interlocal Joint Project Agreement with Tampa Bay Water (TBW) for the construction of the South Hillsborough Pipeline Project (Project) which was amended and restated on February 19, 2025 (JPA). According to the terms of the JPA, TBW is responsible for executing the design and construction of the Project. The County will fund the capital costs for a portion of the Project referred to as Segment B. Upon completion of the Project, the assets will be owned, operated, and maintained by TBW except for a portion of the project that will be County-owned (as defined in the JPA). The total estimated cost of the Segment B Project is \$128,410,000, of which the County's ownership is estimated at \$2,100,000. TBW has also entered into a Cooperative Funding Initiative Project Agreement with the Southwest Florida Water Management District (SWFWMD) to provide partial funding of the Project of which it is estimated that \$44,386,200 is allocated to the Segment B Project. Additional terms of the JPA require the County to make intermittent deposits into an interest-bearing escrow account established and maintained by TBW based on the deposit schedule identified in the JPA totaling \$128,410,000. The escrow deposits will fund the County share of the Segment B Project estimated at \$84,023,800 and will cover cumulative costs, the unused funds as well as any accrued interest shall be returned to the County within (60) sixty days of project closeout, or when the final cooperative funding from SWFWMD is received whichever is later. Likewise, if the actual total cumulative any of the cooperative funding from the SWFWMD allocated to the Segment B Project until the cooperative funding is received. Should the actual cumulative costs to complete the Project being funded by the County be less than the estimated total costs are more than the estimated total cumulative costs, the accrued interest will be used by TBW to assist funding the Segment B Project.
- (c) Pursuant to Resolution No. R26-XXX, adopted on September 2, 2026, (Springing Amendment) the definition of the cost of Operation and Maintenance in the Bond Resolution was amended to exclude contractual payments made by the County to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System that would otherwise be considered a Cost of Contracted Water Supply. Therefore, no amount have been recognized upon the effective date of the
- [9] As defined in the Bond Resolution, Pledged Revenues include Net Revenues and Pledged Capacity (Impact) Fees.
- [10] As defined in the Bond Resolution, the Bond Service Requirement does not include any capitalized interest that have been deposited into the Debt Service Account from the Bonds or any interest from the investment of funds deposited into the Debt Service Account, the Construction Account, and the Reserve Account.
- [11] The Rate Covenant is defined in section 11.02 of the Bond Resolution and are the "tests" as follows:
Test 1 - Gross Revenues, together with Pledged Capacity (Impact) Fees at least equal to 100% of the Required Deposits; and
Test 2 - Net Revenues, together with Pledged Capacity (Impact) Fees; at least equal to 120% of the Bond Service Requirement; and
Test 3 - Net Revenues at least equal to 100% of the Bond Service Requirement.
of the Bond Service Requirement.
- [12] Required deposits as defined in the Bond Resolution included transfers to the Operation and Maintenance Account, Debt Service Account, Reserve Account, and the Renewal and Replacement Account; amounts shown do not include transfers to the Subordinate Indebtedness Account or Other Indebtedness Accounts (if any) as provided in the Bond Resolution.
- [13] No deposit to the Reserve Account was recognized since the account was considered fully funded during the Forecast Period by i) proceeds from the Outstanding and additional parity bonds, if any or ii) secured by a debt service reserve credit facility during such period.
- [14] Amounts shown reflect deposit to the Renewal and Replacement Account equal to 5% of the previous year Gross Revenues as defined in the Bond Resolution; the Department may have deposited an amount greater than the Renewal and Replacement Account Requirement.
- [15] Reflects other deposits that are recognized in the Bond Resolution and include interest payments on any outstanding advances on short-term credit facilities which are subordinate to the payment of the Bond Service Requirement
- [16] The funding plan of the One Water Program includes utilizing approximately \$152M of the County's General Obligations Commercial Program, a \$300M revolving Line of Credit with an Accordion increase of \$50M, and a \$650M non-revolving Line of Credit (LOC) to encumber contracts and an interim funding mechanism and will be released as fixed rate revenue bonds are issued. Amounts reflect the estimated interest expense associated with the utilization of the LOCs. Other fees associated with the LOCs have been included as a cost of Cost of Operation and Maintenance.
- [17] Amounts shown exclude Pledged Capacity (Impact) Fees and reflect funds available for any lawful purpose of the System or for future transfers to the County's General Fund as a payment-in-lieu-of-tax (no transfers are assumed during the Forecast Period).

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
	Ending Cash Balance						
1	Operating Reserves (40100, 40102)	Unrestricted	\$ 376,334,212	\$ 373,527,501	\$ 361,220,954	\$ 361,220,954	\$ 361,220,954
2	Customer Deposits (710)	Unrestricted	20,309,337	20,309,337	20,309,337	20,309,337	20,309,337
3	Renewal & Replacement Account (40104)	Unrestricted	45,571,406	13,289,310	8,264,112	8,756,469	15,830,995
4	General Revenue Capital Expense Acct. (General Purpose) (40105)	Unrestricted	226,788,426	152,862,070	154,873,511	184,318,615	241,173,831
5	Water Impact Fee Account (40103w, 40118w)	Restricted	9,269,598	9,224,762	8,081,073	2,643,661	2,643,661
6	Wastewater Impact Fee Account (40103ww, 40118ww)	Restricted	-	-	-	-	-
7	Debt Service Account (40101)	Restricted	2,148,384	1,140,260	1,140,177	2,816,309	3,373,584
8	Subordinate Indebtedness Account	Restricted	-	-	-	-	-
9	RWU Assessment and Project Fund (40116, 40117)	Unrestricted	364,181	-	-	-	-
10	Rate Stabilization Account (40115)	Unrestricted	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000
11	Water Impact Fee Project Funds (40106, 40180)	Restricted	13,186,740	-	-	-	-
12	Wastewater Impact Fee Project Funds (40107, 40181)	Restricted	20,731,043	16,584,834	12,438,625	8,292,416	4,146,207
	Construction Account - CP, LOC, Series 2026A, Series 2027A, Series 2029A and Series 2030A Bonds	Restricted	2,438	47,531,688	117,190,507	111,917,932	23,077,470
14	Series 2000 IFAU, Series 2006 CAU Bond (40167, 40169)	Restricted	-	-	-	-	-
15	Series 2000 RWIU Assessment Fund (40168)	Unrestricted	-	-	-	-	-
16	Other Misc. Funds & Grants	Restricted	3,642,547	2,779,384	2,208,721	1,731,854	1,301,908
17	Total Ending Cash Balances		<u>\$ 794,348,311</u>	<u>\$ 713,249,147</u>	<u>\$ 761,727,017</u>	<u>\$ 778,007,547</u>	<u>\$ 749,077,947</u>
20	Total Interest Income		<u>\$ 27,118,679</u>	<u>\$ 20,974,842</u>	<u>\$ 15,955,815</u>	<u>\$ 12,804,648</u>	<u>\$ 13,765,654</u>
	Operating Reserves (#40100, #40102)						
21	Beginning Balance		\$ 379,397,916	\$ 376,334,212	\$ 373,527,501	\$ 361,220,954	\$ 361,220,954
22	Transfers In - System Operations		-	-	-	-	-
23	Total Funds Available		<u>379,397,916</u>	<u>376,334,212</u>	<u>373,527,501</u>	<u>361,220,954</u>	<u>361,220,954</u>
24	Transfers Out - Renewal & Replacement Account (#40104)		-	-	-	-	-
25	Total Transfers Out		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26	Ending Balance Before Other Adjustments		379,488,313	376,334,212	373,527,501	361,220,954	361,220,954
27	Transfer In Year End Surplus / (Transfer Out Year End Deficiency)		(3,154,101)	(2,806,711)	(12,306,547)	14,084,355	14,554,258
28	Transfers In/(Out) - General Revenue Capital Projects (maintain available cash balances as available)		-	-	-	(14,084,355)	(14,554,258)
29	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
30	Interest Income on Fund Balance	Unrestricted	13,225,312	11,247,926	9,338,188	7,224,419	7,224,419
31	Interest Income to Fund Revenue Requirements		(13,225,312)	(11,247,926)	(9,338,188)	(7,224,419)	(7,224,419)
32	Ending Balance		<u>\$ 376,334,212</u>	<u>\$ 373,527,501</u>	<u>\$ 361,220,954</u>	<u>\$ 361,220,954</u>	<u>\$ 361,220,954</u>
33	Operating Expenses		\$ 358,428,590	\$ 376,504,831	\$ 383,538,702	\$ 374,988,666	\$ 389,130,460
34	Days of O&M		383	362	344	352	339
35	Targeted Days of O&M (Per Bond Reso Sec 9.03 Requires Min 30 Days)		150	150	150	150	150
36	Minimum Target Reserve Balance at 150 Days		\$ 147,299,421	\$ 154,728,013	\$ 157,618,645	\$ 154,104,931	\$ 159,916,627
	Customer Deposits (#710)						
37	Beginning Balance		\$ 20,309,337	\$ 20,309,337	\$ 20,309,337	\$ 20,309,337	\$ 20,309,337
38	Total Funds Available		<u>20,309,337</u>	<u>20,309,337</u>	<u>20,309,337</u>	<u>20,309,337</u>	<u>20,309,337</u>
39	Total Transfers Out		-	-	-	-	-
40	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
41	Interest Income on Fund Balance	Unrestricted	710,827	609,280	507,733	406,187	406,187
42	Interest Income to Fund Revenue Requirements		(710,827)	(609,280)	(507,733)	(406,187)	(406,187)
43	Ending Balance		<u>\$ 20,309,337</u>	<u>\$ 20,309,337</u>	<u>\$ 20,309,337</u>	<u>\$ 20,309,337</u>	<u>\$ 20,309,337</u>

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
Renewal & Replacement Account (#40104)							
48	Beginning Balance		\$ 60,523,085	\$ 45,571,406	\$ 13,289,310	\$ 8,264,112	\$ 8,756,469
49	Transfers In - Required Deposit		21,941,633	23,227,685	24,751,482	26,466,453	28,340,273
50	Transfers In - TBW Purchase Discounts for Asset Sales Due to Governance (Ends FY 2029)		1,238,468	1,238,468	1,238,468	1,238,468	-
51	Total Funds Available		83,703,186	70,037,559	39,279,260	35,969,033	37,096,742
52	Transfers Out - CIP		38,131,780	56,627,047	31,015,148	27,212,564	21,265,747
53	Transfers Out - RWIU Assessment Fund, RWIU Project and Infrastructure Funds		-	121,201	-	-	-
54	Total Transfers Out		38,131,780	56,748,248	31,015,148	27,212,564	21,265,747
55	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
56	Interest Income on Fund Balance	Unrestricted	1,856,654	882,911	269,418	170,206	245,875
57	Interest Income to Fund Revenue Requirements		(1,856,654)	(882,911)	(269,418)	(170,206)	(245,875)
58	Ending Balance		\$ 45,571,406	\$ 13,289,310	\$ 8,264,112	\$ 8,756,469	\$ 15,830,995
General Revenue Capital Expense Account (General Purpose) (40105)							
59	Beginning Balance		\$ 242,784,252	\$ 226,788,426	\$ 152,862,070	\$ 154,873,511	\$ 184,318,615
60	Transfers In - Operations		63,498,364	66,626,685	73,784,611	79,834,539	87,379,779
61	Transfers In - Sale of County Assets (Per R16-065)		197,507	-	-	-	-
62	Transfers In - Wastewater Pledged Capacity Fee Account		945,739	-	-	-	-
63	Transfers In - Series 2016 Bond Fund (40156)		7,404	-	-	-	-
64	Transfers In - Series 2021A Bond Fund (40163)		5,597,678	-	-	-	-
65	Transfers In - Series 2021 WW IFAU Bond Fund (40165)		4,830,484	-	-	-	-
66	Transfers In - 19th Ave RWTM SWFWMD Fund (40161)		175,246	-	-	-	-
67	Transfers In - Franchise Fee Fund (40182)		644	-	-	-	-
69	Transfers In - County General Fund		60,000	-	-	-	-
70	Total Funds Available		324,851,067	293,415,111	226,646,681	234,708,050	271,698,394
71	Transfers Out - CIP		93,232,157	140,553,041	71,773,170	64,473,790	45,078,821
72	Transfer Out - Series 2021 WW IFAU Construction Fund (40165)		4,830,484	-	-	-	-
73	Total Transfers Out		98,062,641	140,553,041	71,773,170	64,473,790	45,078,821
74	Ending Balance Before Other Adjustments		226,788,426	152,862,070	154,873,511	170,234,260	226,619,573
75	Transfer In Year End Surplus / (Transfer Out Year End Deficiency)		-	-	-	14,084,355	14,554,258
76	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
77	Interest Income on Fund Balance	Unrestricted	8,217,522	5,694,757	3,846,695	3,391,921	4,254,924
78	Interest Income to Fund Revenue Requirements		(8,217,522)	(5,694,757)	(3,846,695)	(3,391,921)	(4,254,924)
79	Ending Balance		\$ 226,788,426	\$ 152,862,070	\$ 154,873,511	\$ 184,318,615	\$ 241,173,831
Water Impact Fee Account (#40103w, #40118w)							
80	Beginning Balance		\$ 11,199,029	\$ 9,269,598	\$ 9,224,762	\$ 8,081,073	\$ 2,643,661
81	Transfers In - Water Impact Fees & Assessments		14,441,189	14,976,767	14,270,070	13,333,638	12,952,389
82	Transfers In - Allocated Series 2000 & 2006 Impact Fee Asmts. (40167, 40169)		448,814	-	-	-	-
83	Transfers In - Infrastructure Assessment Fund (40119)		-	332,040	-	-	-
84	Total Funds Available		26,089,032	24,578,405	23,494,832	21,414,711	15,596,050
85	Transfer Out - Application of Capacity Fees to TBW Charges (debt component)		8,488,294	7,472,552	6,975,579	6,444,015	6,235,772
86	Pledged (Payments) to Debt Service Account (40101)		8,683,180	8,086,266	8,503,456	12,379,385	6,768,967
87	Total Transfers Out		17,171,474	15,558,818	15,479,035	18,823,400	13,004,739
88	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
89	Interest Income on Fund Balance	Restricted	352,040	205,175	65,276	52,350	52,350
90	Interest Income to Fund Revenue Requirements		-	-	-	-	-
91	Ending Balance		\$ 9,269,598	\$ 9,224,762	\$ 8,081,073	\$ 2,643,661	\$ 2,643,661

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
Wastewater Impact Fee Account (#40103ww, #40118ww)							
93	Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -
94	Transfers In - Wastewater Impact Fees & Assessments		17,180,584	14,606,369	14,549,623	15,886,708	16,026,182
95	Transfers In - Allocated Series 2000 & 2006 Impact Fee Asmts. (40167, 40169)		552,235	-	-	-	-
96	Total Funds Available		17,732,819	14,606,369	14,549,623	15,886,708	16,026,182
97	Pledged (Payments) to Debt Service Account (40101)		16,787,080	14,606,369	14,549,623	15,886,708	16,026,182
98	Transfers Out - General Purpose (Capital Expense) Account		945,739	-	-	-	-
99	Total Transfers Out		17,732,819	14,606,369	14,549,623	15,886,708	16,026,182
100	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
101	Interest Income on Fund Balance	Restricted	-	-	-	-	-
102	Interest Income to Fund Revenue Requirements		-	-	-	-	-
103	Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Account (#40101)							
104	Beginning Balance		\$ 2,148,525	\$ 2,148,384	\$ 1,140,260	\$ 1,140,177	\$ 2,816,309
105	Transfers In - Rate Revenues (RevReq)		25,545,315	51,011,884	76,112,810	89,688,685	100,303,018
106	Total Funds Available		27,693,840	53,160,268	77,253,070	90,828,862	103,119,328
107	Transfers Out - Existing Debt Service - Senior		25,545,456	25,544,606	25,542,156	25,541,656	25,540,106
108	Transfers Out - Proposed Debt Service - Senior		-	26,475,401	50,570,737	62,470,896	74,205,637
109	Total Transfers Out		25,545,456	52,020,007	76,112,894	88,012,552	99,745,743
110	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
111	Interest Income on Fund Balance	Restricted	75,196	49,330	28,505	39,565	61,899
112	Interest Income to Fund Revenue Requirements		(75,196)	(49,330)	(28,505)	(39,565)	(61,899)
113	Ending Balance		\$ 2,148,384	\$ 1,140,260	\$ 1,140,177	\$ 2,816,309	\$ 3,373,584
Subordinate Indebtness Account (#401xx)							
114	Beginning Balance		\$ -	\$ -	\$ -	\$ -	\$ -
115	Transfers In - Rate Revenues		2,358,766	103,523	2,654,516	5,412,597	8,833,350
116	Total Funds Available		2,358,766	103,523	2,654,516	5,412,597	8,833,350
117	Transfers Out - Proposed Debt Service - Subordinate		286,086	103,523	2,654,516	5,412,597	8,833,350
119	Total Transfers Out		2,358,766	103,523	2,654,516	5,412,597	8,833,350
120	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
121	Interest Income on Fund Balance		-	-	-	-	-
122	Interest Income to Fund Revenue Requirements		-	-	-	-	-
123	Ending Balance	Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
RWIU Assessment and Project Fund (40116, 40117)							
124	Beginning Balance		\$ 843,115	\$ 364,181	\$ -	\$ -	\$ -
125	Transfers In - R&R Fund		-	121,201	-	-	-
126	Transfers In - Series 2000 RWIU Assessments (40168)		6,448	-	-	-	-
127	Total Funds Available		849,563	485,382	-	-	-
128	Transfers Out - Capital Improvements		485,382	485,382	-	-	-
129	Total Transfers Out		485,382	485,382	-	-	-
130	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
131	Interest Income on Fund Balance	Unrestricted	21,128	5,463	-	-	-
132	Interest Income to Fund Revenue Requirements		(21,128)	(5,463)	-	-	-
133	Ending Balance		\$ 364,181	\$ -	\$ -	\$ -	\$ -

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
	Rate Stabilization Account (#40115)						
134	Beginning Balance		\$ 76,000,000	\$ 76,000,000	\$ 76,000,000	\$ 76,000,000	\$ 76,000,000
135	Transfers In - Rate Revenues		-	-	-	-	-
136	Total Funds Available		76,000,000	76,000,000	76,000,000	76,000,000	76,000,000
137	Transfers Out - Transfer to General Revenue Account (40102)		-	-	-	-	-
138	Total Transfers Out		-	-	-	-	-
139	Interest Rate		3.50%	3.00%	2.50%	2.00%	2.00%
140	Interest Income on Fund Balance	Unrestricted	2,660,000	2,280,000	1,900,000	1,520,000	1,520,000
141	Interest Income to Fund Revenue Requirements		(2,660,000)	(2,280,000)	(1,900,000)	(1,520,000)	(1,520,000)
142	Ending Balance		\$ 76,000,000	\$ 76,000,000	\$ 76,000,000	\$ 76,000,000	\$ 76,000,000
	Water Impact Fee Project Funds (40106, 40180)						
143	Beginning Balance		\$ 13,186,740	\$ 13,186,740	\$ -	\$ -	\$ -
144	Transfers In		-	-	-	-	-
145	Total Funds Available		13,186,740	13,186,740	-	-	-
146	Transfers Out - CIP		-	12,854,700	-	-	-
147	Transfers Out - Water Impact Fee Fund (40103w)		-	332,040	-	-	-
148	Total Transfers Out	Restricted	-	13,186,740	-	-	-
149	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
150	Interest Income on Fund Balance		-	-	-	-	-
151	Interest Income to Fund Revenue Requirements		-	-	-	-	-
152	Ending Balance		\$ 13,186,740	\$ -	\$ -	\$ -	\$ -
	Wastewater Impact Fee Project Funds (40107, 40181)						
153	Beginning Balance		\$ 24,877,252	\$ 20,731,043	\$ 16,584,834	\$ 12,438,625	\$ 8,292,416
154	Transfers In - From Wastewater Impact Fee Fund		-	-	-	-	-
155	Total Funds Available		24,877,252	20,731,043	16,584,834	12,438,625	8,292,416
156	Transfers Out - CIP		4,146,209	4,146,209	4,146,209	4,146,209	4,146,209
157	Total Transfers Out	Restricted	4,146,209	4,146,209	4,146,209	4,146,209	4,146,209
158	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
159	Interest Income on Fund Balance		-	-	-	-	-
160	Interest Income to Fund Revenue Requirements		-	-	-	-	-
161	Ending Balance		\$ 20,731,043	\$ 16,584,834	\$ 12,438,625	\$ 8,292,416	\$ 4,146,207
	Construction Account - Series 2016 Bonds (40156)						
162	Beginning Balance		\$ 7,404	\$ -	\$ -	\$ -	\$ -
163	Transfers In		-	-	-	-	-
164	Total Funds Available		7,404	-	-	-	-
165	Transfers Out - General Revenue Capital Expenditure Account (40105)		7,404	-	-	-	-
166	Total Transfers Out		7,404	-	-	-	-
167	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
168	Interest Income on Fund Balance	Restricted	-	-	-	-	-
169	Interest Income to Fund Revenue Requirements		-	-	-	-	-
170	Ending Balance		\$ (0)	\$ -	\$ -	\$ -	\$ -
	Construction Account - Series 2021A Bonds - (40163)						
171	Beginning Balance		\$ 5,597,678	\$ -	\$ -	\$ -	\$ -
172	Transfers In		-	-	-	-	-
173	Total Funds Available		5,597,678	-	-	-	-
174	Transfers Out - General Revenue Capital Expenditure Account (40105)		5,597,678	-	-	-	-
175	Total Transfers Out	Restricted	5,597,678	-	-	-	-
176	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
177	Interest Income on Fund Balance		-	-	-	-	-
178	Interest Income to Fund Revenue Requirements		-	-	-	-	-
179	Ending Balance		\$ 0	\$ -	\$ -	\$ -	\$ -

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
Construction Account - Series 2021 WW IFAU Construction Fund (40165)							
180	Beginning Balance		\$ 4,830,484	\$ -	\$ -	\$ -	\$ -
181	Transfers In - General Revenue Capital Expenditure Account (40105)		-	-	-	-	-
182	Total Funds Available		4,830,484	-	-	-	-
183	Transfers Out - General Revenue Capital Expenditure Account (40105)		4,830,484	-	-	-	-
184	Total Transfers Out	Restricted	4,830,484	-	-	-	-
185	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
186	Interest Income on Fund Balance		-	-	-	-	-
187	Interest Income to Fund Revenue Requirements		-	-	-	-	-
188	Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -
Construction Account - 2022 LOC Fund (40171)							
189	Beginning Balance		\$ 90,397	\$ -	\$ -	\$ -	\$ -
191	Total Funds Available		\$ 90,397	\$ -	\$ -	\$ -	\$ -
192	Transfers Out - To close Fund 40171		90,397	-	-	-	-
	Transfers Out - CIP		-	-	-	-	-
193	Total Transfers Out	Restricted	90,397	-	-	-	-
194	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
195	Interest Income on Fund Balance		-	-	-	-	-
196	Interest Income to Fund Revenue Requirements		-	-	-	-	-
197	Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -
Construction Account - CP, LOC, Series 2026A, Series 2027A, Series 2029A and Series 2030A Bonds							
198	Beginning Balance		\$ -	\$ 2,438	\$ 47,531,688	\$ 117,190,507	\$ 111,917,932
199	Transfers In - CP and LOC		181,795,194	7,477,000	153,015,900	251,918,600	127,393,717
200	Transfers In -Proceeds for Series 2026A Bonds		-	468,121,473	-	-	-
201	Transfers In -Proceeds for Series 2027A Bonds		-	-	409,824,600	-	-
202	Transfers In -Proceeds for Series 2029A Bonds		-	-	-	124,695,333	-
203	Transfers In -Proceeds for Series 2030A Bonds		-	-	-	-	-
204	Total Funds Available		\$ 181,795,194	\$ 475,600,911	\$ 610,372,188	\$ 493,804,440	\$ 239,311,649
205	Transfers Out to CIP		181,792,756	428,069,223	493,181,681	381,886,508	216,234,179
206	Total Transfers Out	Restricted	181,792,756	428,069,223	493,181,681	381,886,508	216,234,179
207	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
208	Interest Income on Fund Balance		-	-	-	-	-
209	Interest Income to Fund Revenue Requirements		-	-	-	-	-
210	Ending Balance		\$ 2,438	\$ 47,531,688	\$ 117,190,507	\$ 111,917,932	\$ 23,077,470
Series 2000 IFAU, Series 2006 CAU Bond (40167, 40169)							
211	Beginning Balance		\$ 1,022,213	\$ -	\$ -	\$ -	\$ -
212	Transfers In - From Impact Fee Fund (40103)		-	-	-	-	-
213	Total Funds Available		\$ 1,022,213	\$ -	\$ -	\$ -	\$ -
214	Transfers Out to Impact Fee Funds		1,022,213	-	-	-	-
215	Total Transfers Out	Restricted	1,022,213	-	-	-	-
216	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
217	Interest Income on Fund Balance		-	-	-	-	-
218	Interest Income to Fund Revenue Requirements		-	-	-	-	-
219	Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -

Table 11

**Hillsborough County
Water Resources Department**

Summary of Projected Cash Balances and Fund Transfers

Line No.		Restrictions Coverage	Fiscal Year Ending September 30,				
			2026	2027	2028	2029	2030
Series 2000 RWIU Assessment Fund (40168)							
220	Beginning Balance		\$ 6,448	\$ -	\$ -	\$ -	\$ -
221	Transfers In		-	-	-	-	-
222	Total Funds Available		\$ 6,448	\$ -	\$ -	\$ -	\$ -
223	Transfers Out - RWIU Project Fund (40117)		6,448	-	-	-	-
224	Total Transfers Out	Unrestricted	6,448	-	-	-	-
225	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
226	Interest Income on Fund Balance		-	-	-	-	-
227	Interest Income to Fund Revenue Requirements		-	-	-	-	-
228	Ending Balance		\$ -	\$ -	\$ -	\$ -	\$ -
Other Misc. Funds & Grants							
229	Beginning Balance		\$ 4,201,416	\$ 3,642,547	\$ 2,779,384	\$ 2,208,721	\$ 1,731,854
230	Transfer In - Contributions / Grants		57,808,405	26,985,267	4,131,166	476,867	429,946
231	Total Funds Available		\$ 62,009,821	\$ 30,627,814	\$ 6,910,550	\$ 2,685,588	\$ 2,161,800
232	Transfers Out - CIP		58,191,384	27,848,429	4,701,829	953,734	859,892
233	Transfers Out - Reclassification of Funds to General Revenue Capital Expenditure Accou		175,890	-	-	-	-
234	Total Transfers Out	Restricted	58,367,274	27,848,429	4,701,829	953,734	859,892
235	Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%
236	Interest Income on Fund Balance		-	-	-	-	-
237	Interest Income to Fund Revenue Requirements		-	-	-	-	-
238	Ending Balance		\$ 3,642,547	\$ 2,779,384	\$ 2,208,721	\$ 1,731,854	\$ 1,301,908

Table 12
Hillsborough County
Water Resources Department

Comparison of Typical Monthly Residential Bills For Water Service [1]

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	6,000 Gallons [2]	10,000 Gallons	15,000 Gallons	20,000 Gallons
Hillsborough County									
1	Effective October 1, 2025 [3] [4]	\$16.85	\$25.13	\$33.41	\$37.55	\$43.66	\$68.10	\$98.65	\$139.70
2	Adopted (Estimated) October 1, 2026 [3][4][5]	18.20	26.70	35.20	39.45	45.83	71.35	103.25	146.50
3	Adopted (Estimated) October 1, 2027 [3][4][5]	19.65	28.61	37.57	42.05	48.83	75.95	109.85	156.00
4	Adopted (Estimated) October 1, 2028 [3][4][5]	21.20	30.56	39.92	44.60	51.76	80.40	116.20	165.25
5	Adopted (Estimated) October 1, 2029 [3][4][5]	22.85	32.59	42.33	47.20	54.74	84.90	122.60	174.60
Other Utilities Within Hillsborough County:									
8	City of Plant City	\$10.39	\$14.73	\$19.07	\$21.24	\$24.11	\$35.59	\$49.94	\$69.74
9	City of Tampa [4]	8.00	17.49	27.19	32.72	38.26	61.44	107.96	156.20
10	City of Temple Terrace	8.46	13.86	19.26	21.96	24.66	38.94	61.14	83.34
Other Florida Utilities:									
11	City of Bradenton	\$17.44	\$22.92	\$30.06	\$34.46	\$38.86	\$56.46	\$78.46	\$100.46
12	Charlotte County	30.72	43.94	57.16	63.77	71.36	101.72	149.57	204.02
13	City of Clearwater	29.58	29.58	41.57	53.56	65.55	116.63	192.18	267.73
14	Collier County	32.84	41.72	50.60	55.04	61.74	88.54	132.99	177.44
15	City of Fort Myers	11.81	22.61	33.41	44.20	54.99	108.95	206.07	313.97
16	City of Lakeland	11.83	16.53	21.23	23.58	25.93	37.79	56.82	80.79
17	Lee County	17.12	26.02	34.92	39.37	43.82	66.06	97.22	135.06
18	Manatee County	12.95	19.17	25.39	28.50	31.61	47.17	66.62	113.42
19	City of New Port Richey [4]	13.51	22.93	32.35	37.06	42.89	66.21	104.91	158.01
20	City of North Port	30.26	43.18	56.10	65.77	75.44	121.98	203.57	314.70
21	City of Oldsmar	17.08	24.71	39.97	47.60	55.23	85.75	136.80	202.10
22	Pasco County [4]	11.00	15.36	19.72	21.90	25.37	39.25	73.95	120.75
23	Pinellas County [4]	10.55	18.65	26.75	35.96	45.17	82.01	128.06	174.11
24	Polk County	11.72	17.80	24.60	28.36	32.12	47.16	80.51	113.86
25	Sarasota County	22.78	29.50	36.22	40.45	44.68	67.80	118.85	189.12
26	City of St. Petersburg [4]	11.00	24.66	39.47	48.59	57.71	121.49	253.63	390.33
27	Other Florida Utilities' Average Cost	\$16.79	\$24.49	\$33.42	\$39.16	45.24	\$73.21	\$121.01	\$177.11

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.
- [2] Represents the median use for the County's individually metered residential class; the average monthly water use for this class approximates 6,000 gallons.
- [3] Amounts shown include the current Purchases Water Pass-Through Consumption Charge of \$3.02 per 1,000 gallons for all Billed Water Consumption.
- [4] Reflects utilities that wholesale customers receiving potable water service from Tampa Bay Water.
- [5] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates as shown above are subject to change based on the actual Price Index used in the rate determination adjustment as contained in the Rate Resolution that will be calculated and known for each respective Fiscal Year.

Table 13
Hillsborough County
Water Resources Department

Comparison of Typical Monthly Residential Bills For Wastewater Division [1]

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	6,000 Gallons [2]	10,000 Gallons	15,000 Gallons	20,000 Gallons
Hillsborough County									
1	Effective October 1, 2025 [3]	\$25.22	\$39.36	\$53.50	\$60.57	\$67.64	\$81.78	\$81.78	\$81.78
2	Adopted (Estimated) October 1, 2026 [3][4][5]	27.25	42.53	57.81	65.45	73.09	88.37	88.37	88.37
3	Adopted (Estimated) October 1, 2027 [3][4][5]	29.42	45.92	62.42	70.67	78.92	95.42	95.42	95.42
4	Adopted (Estimated) October 1, 2028 [3][4][5]	31.73	49.53	67.33	76.23	85.13	102.93	102.93	102.93
5	Adopted (Estimated) October 1, 2029 [3][4][5]	34.20	53.38	72.56	82.15	91.74	110.92	110.92	110.92
Other Utilities Within Hillsborough County:									
7	City of Plant City	\$20.28	\$34.26	\$48.24	\$55.23	\$62.22	\$90.18	\$125.13	\$125.13
8	City of Tampa [4]	8.00	23.48	38.96	46.70	54.44	85.41	124.11	162.81
9	City of Temple Terrace	4.61	29.99	55.37	68.06	80.75	131.51	194.96	258.41
Other Florida Utilities:									
10	City of Bradenton	\$25.76	\$30.44	\$37.97	\$43.16	\$48.35	\$69.11	\$95.06	\$121.01
11	Charlotte County	45.66	58.38	71.10	77.46	83.82	109.26	109.26	109.26
12	City of Clearwater	40.74	40.74	54.32	67.90	81.48	135.80	203.70	271.60
13	Collier County	53.06	67.98	82.90	90.36	97.82	127.66	164.96	164.96
14	City of Fort Myers	21.83	53.11	84.39	100.03	115.67	178.23	256.43	334.63
15	City of Lakeland	22.83	33.07	43.31	48.43	53.55	74.03	84.27	84.27
16	Lee County	27.83	43.75	59.67	67.63	75.59	107.43	107.43	107.43
17	Manatee County	30.88	44.66	58.44	65.33	72.22	99.78	99.78	99.78
18	City of New Port Richey	16.97	29.75	42.53	48.92	55.31	80.87	112.82	112.82
18	City of North Port	41.89	60.13	78.37	87.49	96.61	133.09	151.33	151.33
19	City of Oldsmar	17.78	26.73	44.63	53.58	62.53	98.33	143.08	187.83
19	Pasco County	23.42	37.82	52.22	59.42	66.62	95.42	95.42	95.42
20	Pinellas County	22.10	38.24	54.38	62.45	70.52	102.80	102.80	102.80
21	Polk County	40.61	55.17	69.73	77.01	84.29	91.57	91.57	91.57
22	Sarasota County	24.60	48.52	72.44	84.40	96.36	144.20	144.20	144.20
23	City of St. Petersburg	28.54	50.54	72.54	83.54	94.54	138.54	193.54	248.54
24	Other Florida Utilities' Average Cost	\$27.23	\$42.46	\$59.03	\$67.74	\$76.46	\$110.17	\$136.83	\$156.52

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.
- [2] Represents the median use for the County's individually metered residential class; the average monthly water use for this class approximates 6,000 gallons.
- [3] Individually metered single-family residential service usage charge capped at 8,000 per month
- [4] City of Tampa charges residential customers based on the metered water consumption associated with the account. For those City customers that do not have a separate potable or reclaimed irrigation meter, the City offers customers to enroll in the "Sewer Max" program. The Sewer Max is essentially a sewer billing cap set at a customers average metered water consumption during the months of January and February. For new accounts, a Sewer Max may be placed on the account using an assumption of 3 CCF per occupant, or 12 CCF per dwelling if the number of occupants is unknown. For purposes of this comparison no Sewer Max was assumed in calculation of the sewer bills shown above.
- [5] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates as shown above are subject to change based on the actual Price Index used in the rate determination adjustment as contained in the Rate Resolution that will be calculated and known for each respective Fiscal Year.

Table 14
Hillsborough County
Water Resources Department

Comparison of Typical Monthly Residential Bills For Combined Water and Wastewater Division [1]

		Residential Service for a 5/8" or 3/4" Meter							
Line No.	Description	0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	6,000 Gallons [2]	10,000 Gallons	15,000 Gallons	20,000 Gallons
Hillsborough County									
1	Effective October 1, 2025 [3]	\$42.07	\$64.49	\$86.91	\$98.12	\$111.30	\$149.88	\$180.43	\$221.48
2	Adopted (Estimated) October 1, 2026 [3][4][5]	45.45	69.23	93.01	104.90	118.92	159.72	191.62	234.87
3	Adopted (Estimated) October 1, 2027 [3][4][5]	49.07	74.53	99.99	112.72	127.75	171.37	205.27	251.42
4	Adopted (Estimated) October 1, 2028 [3][4][5]	52.93	80.09	107.25	120.83	136.89	183.33	219.13	268.18
5	Adopted (Estimated) October 1, 2029 [3][4][5]	57.05	85.97	114.89	129.35	146.48	195.82	233.52	285.52
<u>Other Utilities Within Hillsborough County:</u>									
7	City of Plant City	\$30.67	\$48.99	\$67.31	\$76.47	\$86.33	\$125.77	\$175.07	\$194.87
8	City of Tampa [4]	16.00	40.97	66.15	79.43	92.70	146.84	232.07	319.01
9	City of Temple Terrace	13.07	43.85	74.63	90.02	105.41	170.45	256.10	341.75
<u>Other Florida Utilities:</u>									
10	City of Bradenton	\$43.20	\$53.36	\$68.03	\$77.62	\$87.21	\$125.57	\$173.52	\$221.47
11	Charlotte County	76.38	102.32	\$128.26	\$141.23	155.18	\$210.98	258.83	313.28
12	City of Clearwater	70.32	70.32	\$95.89	\$121.46	147.03	\$252.43	395.88	539.33
13	Collier County	85.90	109.70	\$133.50	\$145.40	159.56	\$216.20	297.95	342.40
14	City of Fort Myers	33.64	75.72	\$117.80	\$144.23	170.66	\$287.18	462.50	648.60
15	City of Lakeland	34.66	49.60	\$64.54	\$72.01	79.48	\$111.82	141.09	165.06
16	Lee County	44.95	69.77	\$94.59	\$107.00	119.41	\$173.49	204.65	242.49
17	Manatee County	43.83	63.83	\$83.83	\$93.83	103.83	\$146.95	166.40	213.20
18	City of New Port Richey	30.48	52.68	\$74.88	\$85.98	98.20	\$147.08	217.73	270.83
19	City of North Port	72.15	103.31	\$134.47	\$153.26	172.05	\$255.07	354.90	466.03
20	City of Oldsmar	34.86	51.44	\$84.60	\$101.18	117.76	\$184.08	279.88	389.93
21	Pasco County	34.42	53.18	\$71.94	\$81.32	91.99	\$134.67	169.37	216.17
22	Pinellas County	32.65	56.89	\$81.13	\$98.41	115.69	\$184.81	230.86	276.91
23	Polk County	52.33	72.97	\$94.33	\$105.37	116.41	\$138.73	172.08	205.43
24	Sarasota County	47.38	78.02	\$108.66	\$124.85	141.04	\$212.00	263.05	333.32
25	City of St. Petersburg	39.54	75.20	\$112.01	\$132.13	152.25	\$260.03	447.17	638.87
26	Other Florida Utilities' Average Cost	\$44.02	\$66.95	\$92.45	\$106.90	\$121.69	\$183.38	\$257.85	\$333.63

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.
- [2] Represents the median use for the County's individually metered residential class; the average monthly water use for this class approximates 6,000 gallons.
- [3] Amounts shown include the current Purchases Water Pass-Through Consumption Charge of \$3.02 per 1,000 gallons for all Billed Water Consumption.
- [4] City of Tampa charges residential customers based on the metered water consumption associated with the account. For those City customers that do not have a separate potable or reclaimed irrigation meter, the City offers customers to enroll in the "Sewer Max" program. The Sewer Max is essentially a sewer billing cap set at a customers average metered water consumption during the months of January and February. For new accounts, a Sewer Max may be placed on the account using an assumption of 3 CCF per occupant, or 12 CCF per dwelling if the number of occupants is unknown. For purposes of this comparison no Sewer Max was assumed in calculation of the sewer bills shown above.
- [5] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates as shown above are subject to change based on the actual Price Index used in the rate determination adjustment as contained in the Rate Resolution that will be calculated and known for each respective Fiscal Year.

Table 15
Hillsborough County
Water Resources Department

Page 1 of 1

Comparison of Typical Monthly Residential Bills For Reclaimed Water Division [1]

		Residential Service for a 5/8" or 3/4" Meter							
Line No.	Description	0 Gallons	5,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	25,000 Gallons	30,000 Gallons	50,000 Gallons
Hillsborough County									
Metered / Pressurized Service									
1	Effective October 1, 2025	\$6.44	\$8.44	\$11.79	\$15.14	\$19.74	\$24.34	\$28.94	\$47.34
2	Adopted (Estimated) October 1, 2026 [3]	6.96	9.11	12.71	16.31	21.26	26.21	31.16	50.96
3	Adopted (Estimated) October 1, 2027 [3]	7.51	9.81	13.71	17.61	22.96	28.31	33.66	55.06
4	Adopted (Estimated) October 1, 2028 [3]	8.10	10.60	14.80	19.00	24.75	30.50	36.25	59.25
5	Adopted (Estimated) October 1, 2029 [3]	8.73	11.43	15.98	20.53	26.73	32.93	39.13	63.93
Unmetered (Committed-Class) Service									
7	Existing Rates [2]	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Other Florida Utilities:									
8	Charlotte County	\$3.47	\$5.52	\$7.57	\$9.62	\$11.67	\$13.72	\$15.77	\$23.97
9	City of Clearwater	20.28	28.68	37.08	45.48	53.88	62.28	70.68	104.28
10	Collier County - Pressurized and Distributed	14.06	24.56	35.06	45.56	56.06	66.56	77.06	119.06
11	Lee County Utilities	0.00	3.75	7.50	11.25	15.00	18.75	22.50	37.50
12	Manatee County	0.00	5.85	11.70	17.55	23.40	29.25	35.10	58.50
13	City of New Port Richey	17.56	17.56	17.56	17.56	17.56	17.56	17.56	17.56
14	City of North Port	0.00	4.50	9.00	13.50	18.00	22.50	27.00	45.00
15	Pasco County	12.66	12.66	15.20	23.35	34.20	45.05	55.90	99.30
16	Pinellas County	25.00	25.00	25.00	25.00	33.92	45.07	56.22	100.82
17	Polk County	4.20	15.25	26.30	37.35	48.40	73.50	98.60	255.40
18	Sarasota County	5.66	8.16	10.66	13.16	15.66	18.16	20.66	30.66
19	City of St. Petersburg (Metered Service)	42.24	42.24	42.24	42.24	42.24	42.24	42.24	58.50
20	City of Tampa	0.00	8.02	16.04	24.06	32.09	40.11	48.13	80.21
21	Other Florida Utilities' Average	\$11.16	\$15.52	\$20.07	\$25.05	\$30.93	\$38.06	\$45.19	\$79.29

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.
- [2] The rates for unmetered service have been grandfathered as to rate level by the Board of County Commissioners and therefore not subject to annual price index
- [3] Amounts shown derived from the Rate Resolution and have been implemented or approved by the Board. The approved rates as shown above are subject to change based on the actual Price Index used in the rate determination adjustment as contained in the Rate Resolution that will be calculated and known for each respective Fiscal Year.

Table 16
Hillsborough County, Florida
Water Resources Department

Comparison of Water and Wastewater Capacity (Impact) Fees - 5/8" Residential Division (1 ERC) [1]

Line No.	Description	Water Impact Fee	Wastewater Impact Fee	Combined Fee
Hillsborough County				
Northwest Service Area				
1	Effective 3/23/2026 [2]	\$2,037.50	\$3,268.75	\$5,306.25
2	Effective 3/23/2027 [2]	2,212.00	3,586.50	5,798.50
3	Effective 3/23/2028 [2]	2,212.00	3,904.25	6,116.25
4	Effective 3/23/2029 [2]	2,212.00	4,222.00	6,434.00
South/Central Service Area				
5	Effective 3/23/2026 [2]	\$3,449.00	\$4,884.75	\$8,333.75
6	Effective 3/23/2027 [2]	4,684.00	6,118.50	10,802.50
7	Effective 3/23/2028 [2]	4,684.00	7,352.25	12,036.25
8	Effective 3/23/2029 [2]	4,684.00	8,586.00	13,270.00
<u>Other Florida Utilities:</u>				
9	Charlotte County	\$2,870.00	\$5,040.00	\$7,910.00
10	City of Clearwater	660.00	978.00	1,638.00
11	Collier County	5,441.00	4,847.00	10,288.00
12	Lee County	3,050.00	3,325.00	6,375.00
13	Manatee County	1,738.00	3,175.00	4,913.00
14	City of North Port	2,610.00	4,045.00	6,655.00
15	Pasco County	1,719.00	3,250.00	4,969.00
16	Pinellas County	423.00	2,798.00	3,221.00
17	Polk County	3,038.00	6,169.00	9,207.00
18	Sarasota County	4,250.00	4,480.00	8,730.00
19	City of Tampa [3]	N/A	1,237.00	N/A
20	Other Florida Utilities' Average Cost	\$2,579.90	\$3,576.73	\$6,156.63

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect May 2026 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges imposed by each listed utility.
- [2] Resolution No. R25-111 adopted on December 17, 2025, implementing a phase-in of Water (Capacity) Impact Fees equally over two years in Fiscal Years 2026 and 2027 and a phase-in of Wastewater (Capacity) Fees equally over four years in Fiscal Years 2026 through 2029 consistent with the limitations of Chapter 163.31801.
- [3] The City of Tampa charges varying sewer impact fees to seven different geographic areas (districts). For purposes of this comparison and based on talks with City staff, the amount shown for the sewer impact fee reflects the Central Zone (District Code S27), which is anticipated to receive the majority of future growth within the City and generally is a lower sewer impact fee compared to the other districts within the City.

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APPENDIX D-1

COMPOSITE OF THE RESOLUTION

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APPENDIX D-1

COMPOSITE OF THE RESOLUTION

This is a composite of Resolution No. R03-112 adopted on June 4, 2003, as amended by Resolution No. R10-151 adopted on October 6, 2010. Resolution No. R16-065 adopted on June 2, 2016, and Resolution No. R26-088 adopted on September 2, 2026

RESOLUTION NO. R03-112

UTILITY REVENUE BOND RESOLUTION

HILLSBOROUGH COUNTY, FLORIDA

As Issuer

HILLSBOROUGH COUNTY, FLORIDA

BOND RESOLUTION

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(This table of contents is not part of the
Resolution and is only for convenience of reference.)

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RESOLUTION NO. R03-112

A RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. R01-068 ENTITLED: "A RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. R98-154; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$225,000,000 JUNIOR LIEN REFUNDING UTILITY REVENUE BONDS, SERIES 2001, OF HILLSBOROUGH COUNTY, FLORIDA, TO BE APPLIED TO REFUND OUTSTANDING UTILITY REVENUE BONDS OF THE COUNTY; PROVIDING FOR ISSUANCE OF ADDITIONAL PARITY BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF SOLELY FROM CERTAIN PLEDGED REVENUES; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE; REPEALING RESOLUTION NO. R85-0225, AS SUPPLEMENTED AND AMENDED, UPON THE EFFECTIVE DATE HEREOF; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Hillsborough County, Florida (the "Issuer") previously adopted Resolution No. R98-154 on August 5, 1998 (the "Original 1998 Resolution"); and

WHEREAS, the Issuer previously adopted Resolution No. R01-068 on April 4, 2001, amending and restating in its entirety the Original 1998 Resolution, and thereafter adopted Resolution No. R01-084 on April 18, 2001 which amended and supplemented the same (collectively, the "Original 2001 Resolution"); and

WHEREAS, pursuant to the Original 2001 Resolution, on May 17, 2001, the Issuer issued its \$186,105,000 in original aggregate principal amount of Hillsborough County, Florida Junior Lien Refunding Utility Revenue Bonds, Series 2001 (the "Series 2001 Bonds") to refund outstanding utility revenue bonds of the Issuer; and

WHEREAS, on February 4, 2002, the Issuer entered into a forward interest rate swaption agreement (the "Interest Rate Swap Agreement") relating to a future refunding of its \$176,700,000 in original aggregate principal amount of Hillsborough County, Florida Refunding Utility Revenue Bonds, Series 1993 (the "Series 1993 Bonds"); and

WHEREAS, the Original 2001 Resolution provides that the Issuer may modify and amend its terms and provisions upon satisfaction of the requirements of Section 14.01 thereof, and upon assignment or termination of all of the Issuer's rights, duties and obligations under the Interest Rate Swap Agreement; and

WHEREAS, the Issuer desires to compile, codify, amend and restate the Original 2001 Resolution in its entirety through the adoption of this Resolution;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF HILLSBOROUGH COUNTY, FLORIDA:

ARTICLE I AUTHORITY FOR THIS RESOLUTION

This Resolution is adopted pursuant to the Constitution of the State of Florida, the Hillsborough County Charter, Chapter 125, Florida Statutes, Chapter 159, Part I, Florida Statutes, and other applicable provisions of law (collectively, the "Act").

ARTICLE II DEFINITIONS

Section 2.01. Definitions. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Accreted Value" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond, compounded periodically, to the date of calculation, determined by reference to the accretion tables contained in such Capital Appreciation Bond or contained or referred to in the Subsequent Resolution providing for the issuance of such Capital Appreciation Bond, such interest to accrue at a rate not exceeding the legal rate as set forth in the Subsequent Resolution of the Issuer providing for the issuance of such Capital Appreciation Bond. The Accreted Value of such Capital Appreciation Bond as of any date not stated in such tables shall be calculated by adding to the Accreted Value for such Capital Appreciation Bond as of the last date stated in such tables immediately preceding the date of calculation, a portion of the difference between the Accreted Value as of such preceding date and the Accreted Value as of the date shown on the tables immediately succeeding the date of computation, calculated based on the assumption that Accreted Value accrues in equal daily amounts on the basis of a year of twelve 30-day months.

"Acquired Obligations" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of funds of the Issuer under the laws of the State of Florida:

- (1) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any Federal agency or corporation which has been or may hereafter be created pursuant to an act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the United States of America or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (1),

excluding Farm Credit Consolidated Systemwide Discount Notes, Federal Farm Credit Banks Systemwide Bonds and obligations of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives;

(2) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at the option of the obligor 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, (b) which are fully 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 (1) 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 specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (1) hereof which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (2) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (2), as appropriate; and

(3) stripped interest payments with respect to obligations issued by Resolution Funding Corporation.

"**Act**" has the meaning ascribed thereto in Article I hereof.

"**Additional Parity Bonds**" means additional bonds issued in compliance with the terms, conditions and limitations contained in Section 11.15 hereof which have a lien on the Pledged Revenues, equal to that of all Bonds and rank equally in all respects with all Bonds issued hereunder.

"**Ambac Assurance**" means Ambac Assurance Corporation, to the extent it is a municipal bond insurer of any Bonds Outstanding hereunder.

"**Amortization Installment**" means the funds required to be deposited in the Debt Service Account in a given Bond Year for the payment at maturity or sinking fund redemption of a portion of a series of Term Bonds, as established by Subsequent Resolution of the Governing Body of the Issuer at or before the delivery of that series of Term Bonds.

"**Authority**" means Tampa Bay Water, formerly known as West Coast Regional Water Supply Authority, an interlocal governmental agency created and existing pursuant to Sections 373.1962 and 163.01, Florida Statutes, and any successor thereto or assignee thereof or substitute therefor.

"**Authorized Depositary**" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a

depository, which is authorized under Florida law to be a depository of municipal funds and which has qualified with all applicable state and Federal requirements concerning the receipt of Issuer funds.

"BABs" means Bonds issued with respect to which Federal Direct Payments are payable.

"Bond Counsel" means counsel experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions.

"Bond Fund" means the Utilities Bond Fund created and established pursuant to Section 9.01 of this Resolution.

"Bond Holder" or "Holder of Bonds" or any similar term shall mean any person who shall be the registered owner of any outstanding Bond or Bonds.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then outstanding and (ii) the Accreted Value of all Capital Appreciation Bonds then outstanding.

"Bond Service Requirement" means, for a given Bond Year, the remainder after subtracting (i) any capitalized interest for that year that has been deposited into the Debt Service Account, and (ii) any interest that has been deposited into the Debt Service Account from earnings on the investment of funds in the Debt Service Account, the Construction Account (to the extent allocated to such use pursuant to the last paragraph of Section 9.02) and the Reserve Account, from the sum of:

(1) The amount required to pay the interest coming due on Bonds during that Bond Year, provided, however, in the case of BABs, interest shall be computed net of Federal Direct Payments scheduled to be received by the Issuer in such Fiscal Year where the Issuer has determined the precise amount of such Federal Direct Payments, deposited or otherwise set aside moneys in the Federal Direct Payments Subaccount of the Debt Service Account in an amount not less than the anticipated amount of such Federal Direct Payments, and dedicated such moneys for the purpose of paying interest on Bonds,

(2) The amount required to pay the principal of Bonds maturing in that Bond Year that are not included in the Amortization Installments of such Bonds,

(3) The Amortization Installments for all Series of Bonds for that Bond Year, and

(4) The premium, if any, payable on all Bonds required to be redeemed in that Bond Year in satisfaction of the Amortization Installment.

For purpose of determining the Bond Service Requirement, unless the interest rate is fixed for the duration of the applicable Bond Year, in which case the actual interest rate shall be used, the interest rate on variable rate Bonds which are not issued in connection with a Qualified Derivative

Agreement shall be calculated at an assumed rate equal to 110% of the higher of (i) the average interest rate over the preceding twelve (12) calendar months (or such shorter period as variable rate Bonds have been Outstanding) on all variable rate Bonds Outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less, or (ii) the average rate of interest over the preceding calendar month on all variable rate Bonds Outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less.

If a Series of Bonds is subject to purchase by the Issuer pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

The Bond Service Requirement on debt that constitutes Balloon Indebtedness, whether bearing interest at a fixed interest rate or Balloon Indebtedness that constitutes variable rate Bonds, shall be determined assuming it is amortized over 30 years (from the date of calculation) on an approximately level annual debt service basis. "Balloon Indebtedness" shall mean debt 25% or more of the original principal amount of a Series which matures during any one Bond Year.

If the Issuer has entered into a Qualified Derivative Agreement with respect to certain variable rate Bonds Outstanding hereunder or to be issued hereunder, the interest coming due on such variable rate Bonds for purposes of this definition shall be deemed to be based upon the synthetic fixed interest rate under the Qualified Derivative Agreement, without giving any regards to fees and expenses incurred in connection with the purchase of a liquidity facility.

"Bond Year" means the Fiscal Year; provided that when such term is used to describe the period during which Required Deposits are to be made to amortize principal and interest on the Bonds maturing or becoming subject to redemption, interest due and principal maturing or becoming subject to redemption as an Amortization Installment on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Bonds" means the initial Series of Bonds, herein authorized to be issued, together with any Additional Parity Bonds hereafter issued under the terms, conditions and limitations contained herein, to the extent that such Bonds remain Outstanding.

"Capital Appreciation Bonds" means Bonds that bear interest that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Accreted Value.

"Chairman" means the Chairman or Vice Chairman of the Governing Body.

"Chief Financial Officer" means, for the purposes of §218.403, Florida Statutes, or any similar statute, the Clerk, or any other officer of the Issuer subsequently designated pursuant to law.

"Clerk" means the Clerk of the Circuit Court and Ex-Officio Clerk to the Board of County Commissioners, and custodian and auditor of all funds of the Issuer, or any deputy Clerk.

"Completion Bonds" shall have the meaning ascribed thereto in Section 11.15(7) hereof.

"Construction Account" means the Construction Account created and established pursuant to Section 9.01 of this Resolution.

"Contracted Water Supply" means the supply of water to the Issuer's Water System pursuant to the Master Water Supply Contract between the Issuer and the Authority dated May 1, 1998, as amended, supplemented or restated from time to time, together with any other contracts or interlocal agreements of a similar nature between the Issuer and other entities that are obligated to supply, and the Issuer is obligated to pay for, water.

"Contracted Water Supply Impact Fees" means the pro rata share of the Water Impact Fees that are attributable to the Costs of Contracted Water Supply.

"Contracted Water Supply Impact Fee Account" means the account created and established pursuant to Section 9.01 of this Resolution.

"Contracted Water Supply Water Impact Fee Carryforward Amount" means, as calculated once per year as of September 30th, (a) the amount of the Debt Service Component which legally could have been paid with Water Impact Fees pursuant to resolution of the Issuer since October 1, 1986, less (b) the amount of the Debt Service Component which has actually been paid with Water Impact Fees since October 1, 1986.

"Contracted Water Supply Expansion Project Percentage" means the percentage determined by the fraction, the numerator of which is the total original principal amount of debt obligations serviced by the Debt Service Component of the Cost of Contracted Water Supply (including all debt obligations hereafter issued by the Authority to refund such obligations and all additional debt obligations issued by the Authority which are hereafter allocable to such Debt Service Component) that have been allocated to Contracted Water Supply Expansion Projects by certificate of the Qualified Independent Consultant, and the denominator of which is the original principal amount of all debt obligations serviced by the Debt Service Component of the Cost of Contracted Water Supply (including all debt obligations hereafter issued by the Authority to refund such obligations and all additional debt obligations issued by the Authority which are hereafter allocable to such Debt Service Component). The Contracted Water Supply Expansion Project Percentage shall be redetermined by the Qualified Independent Consultant, utilizing the fraction set forth above, at least annually.

"Contracted Water Supply Expansion Projects" means capital improvement projects or portions thereof for the oversizing, expanding or construction of new additions to the Authority's water collection, treatment and distribution system that are designed to expand its capacity and, to the extent they will provide capacity for future customers of the Issuer as of the date of issuance of the Bonds, similar projects or portions thereof, whether completed or under construction, which have been or are to be funded or financed, directly or indirectly, as from the proceeds of debt obligations serviced by the Debt Service Component of the Cost of Contracted Water Supply.

"Cost of Contracted Water Supply" means all costs (net of credits and refunds) which the Issuer is required to pay to the Authority or other entities for Contracted Water Supply, including but not limited to amounts which are attributable to indebtedness of the Authority or such other entities.

"Cost of Operation and Maintenance" of the System means the current expenses, paid or accrued, of operations, maintenance and repair of the Issuer's System, as calculated in accordance with generally accepted accounting principles for public utilities. The Cost of Operation and Maintenance shall include the Cost of Contracted Water Supply (except as provided in (vi) below), but shall not include (i) any reserve for renewals and replacements (except to the extent contemplated under the Federal Clean Water Act, 33 U.S.C.A. 1251 et seq., and the regulations promulgated thereunder, with respect to certain equipment replacement), extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of, interest, and premium, if any, on the Bonds and all other notes, bonds and similar obligations of the Issuer, (iii) any expense resulting from a recharacterization from capital expenditure to expense of moneys expended from the Construction Account for any Project or portion thereof which is abandoned pursuant to Section 9.02 hereof, (iv) any cost or expense funded or reimbursed from the Renewal and Replacement Account or funded or reimbursed from a grant from a governmental body other than the Issuer, (v) payments in lieu of taxes, (vi) contractual payments by the Issuer to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System (whether or not such assets are owned by the Issuer) that would otherwise be considered Cost of Contracted Water Supply, (vii) payments made by the Issuer under subscription-based information technology arrangements, or (viii) infrequent or non-annually recurring expenditures associated with cleanup or debris removal following major storm or other natural disaster events. The foregoing notwithstanding in calculating Net Revenues for purposes of Sections 11.02 and 11.15 hereof when calculating "Cost of Operation and Maintenance" described above, the Cost of Contracted Water Supply shall be reduced by the portion of the Debt Service Component paid by the Contracted Water Supply Impact Fees.

"Cost of Project" or "Cost of the Project" as the same relates to any capital Project of the System, shall mean (a) the cost of physical construction, (b) the costs of acquisition, (c) costs of land and interest therein and the costs incidental to such acquisition, (d) the cost of any indemnity and surety bonds and premiums for issuance during construction, (e) interest due to be paid on the related Bonds during the period of construction and, where so determined by the Issuer, for a reasonable period subsequent to the completion of construction, (f) engineering, legal and other consultant fees and expenses, (g) costs and expenses of the related Bonds, including audits, fees and expenses of any paying agent, registrar, trustee, credit bank, insurance company or depository, (h) payments, when due (whether at maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness incurred for any portion of such Project during the construction thereof, (i) cost of machinery, equipment, supplies and spare parts required for commencement of operation, (j) amounts required for reasonable debt service reserves, (k) any administrative expenses or costs related to any liquidity facility, credit facility or other forms of credit enhancement for Bonds, including interest on bank bonds, (l) the cost of paying or redeeming any obligation issued by the Issuer to pay the aforementioned costs, and (m) any other costs properly

attributable to such construction or acquisition, as determined by generally accepted accounting principles, applicable to such Project, and shall include reimbursement to the Issuer for any such Cost of Project paid by the Issuer prior to issuance the Bonds related to such Project.

"Current Interest Bonds" means Bonds that bear interest which is payable annually, semiannually or monthly, or such more frequent interval as the Issuer may determine.

"Debt Service Account" means the Debt Service Account established pursuant to Section 9.01 of this Resolution.

"Debt Service Component" means that portion of the Issuer's payment to the Authority which represents the net debt service payments (the amount of debt service payments funded from rates charged to the Issuer by the Authority) included as a component of the Cost of Contracted Water Supply which the Qualified Independent Consultant determines in writing to be allocable to the cost of providing water capacity available or to become available to serve the Issuer's customers.

"Department" means the Water Resources Department of the Issuer.

"Director of the Public Utilities Department" means the person from time to time serving as the Director of the Public Utilities Department of the Issuer, or such other office which may at any time hereafter perform the same function.

"Director of the Department" means the person from time to time serving as the Director of the Water Resources Department of the Issuer, or such other office which may at any time hereafter perform the same function.

"Federal Direct Payments" means the direct payments from the United States Treasury with respect to BABs, as well as any other grants, tax credits or other forms of subsidies received from the federal government or the State of Florida relative to debt service on any Series of Bonds.

"Federal Securities" means non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Fiscal Year" means the Issuer's fiscal year being the period commencing on October 1 of each year and ending on the succeeding September 30, or any other Fiscal Year as established by law or resolution.

"Fitch" means Fitch Ratings, 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, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"General Purpose Account" means the General Purpose Account established by Section 9.01 of this Resolution.

"General Revenue Account" means the General Revenue Account created and established pursuant to Section 9.01 of this Resolution.

"Governing Body" means the Board of County Commissioners of the Issuer.

"Gross Revenues" or "Revenues" means all fees, revenues, charges, income or earnings, including any income from the investment of funds unless otherwise provided herein, derived by the Issuer from the operation of the System, including, but not limited to, accrued guaranteed revenue fees and Installation Charges, non-ad valorem special assessments, to the extent legally available, of the System that do not secure other indebtedness, transfers from the Rate Stabilization Account to the General Revenue Account which occur within 120 days of the end of the subject Fiscal Year; and any operating grants received from the Issuer or other governmental agencies, provided, however, that Gross Revenues or Revenues shall not include: (1) proceeds from the sale of any Bonds, (2) proceeds from insurance or the disposition of property to the extent otherwise provided by this Resolution, (3) non-operating grants from the Issuer or other governmental agencies and interest earned on such grants, (4) any capacity or impact fees whether or not pledged hereunder, (5) unrealized losses or gains from investments, (6) any non-ad valorem special assessments of the System which are levied and imposed to provide installment financing of any Impact Fees, (7) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the Issuer in lieu of levying or imposing Impact Fees, (8) moneys deposited into the Rate Stabilization Account from the General Revenue Account in the Fiscal Year of such deposit into the Rate Stabilization Account or (9) Federal Direct Payments.

"Impact Fees" means, collectively, the Water Impact Fees and the Wastewater Impact Fees.

"Installation Charges" means the Issuer's charges for the connection of a user to the System; including, but not limited to, meter installation charges, sewer tap-in charges, and water service and sewer lateral installation fees, all as described in the Ordinance; provided, however, that *Installation Charges* does not include capacity or impact fees whether or not pledged hereunder.

"Investment Obligations" means any investment obligations permitted by law and the Issuer's written investment policy.

"Issuer" means Hillsborough County, Florida, a political subdivision of the State of Florida.

"Long Range Capital Improvements Plan" means a 5-year (or more) capital improvements plan governing the expansion, improvement, replacement and repair of the System to properly meet the needs of the Issuer and adequately serve the service area and customers of the System.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that (i) with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds to be redeemed from Amortization Installments to be made in prior Bond

Years and (ii) for purposes of this definition, the interest component of Bond Service Requirement shall be calculated without any netting of Federal District Payments.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and 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 Issuer.

"Net Revenues" of the System means the Revenues or Gross Revenues after deduction of the Cost of Operation and Maintenance.

"Operation and Maintenance Account" means the Operation and Maintenance Account created and established pursuant to Section 9.01 hereof.

"Ordinance" means Ordinance No. 85-28 as enacted by the Governing body of the Issuer on September 10, 1985, as from time to time amended, revised or restated.

"Other Indebtedness" means obligations of the Issuer, payable from Pledged Revenues which by their terms are junior and subordinate in all respects to the Bonds authorized hereunder and the Subordinate Bonds which may be issued from time to time, including, without limitation, obligations of the Issuer under Qualified Derivative Agreements which do not constitute Qualified Derivative Payments.

"Other Indebtedness Account" means the Other Indebtedness Account created and established pursuant to Section 9.01 hereof.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been issued pursuant to this Resolution, except:

(1) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(2) Bonds for the payment or redemption of which cash funds or Acquired Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Acquired Obligations, will be sufficient to pay the principal of and interest and redemption premiums, if any, on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all such Bonds at such redemption dates shall have been given to such escrow agent; and

(3) Bonds which are deemed paid pursuant to this Resolution or in lieu of which other Bonds have been issued under Sections 6.05, 6.06 and 6.08.

"Paying Agent" means the Clerk; provided, however, that the Issuer may designate any authorized depository or depositories hereafter designated by Subsequent Resolution to replace the Clerk as Paying Agent or to act in the capacity of Paying Agent with respect to a specific Series of Bonds. All Paying Agents appointed hereunder, if other than the Clerk, shall have a combined capital, surplus and undivided profits of at least \$50,000,000.

"Pledged Impact Fees" means, collectively, the Pledged Water Impact Fees and the Pledged Wastewater Impact Fees.

"Pledged Revenues" means, collectively, Net Revenues, Pledged Impact Fees, proceeds from the sale or condemnation of property of the System and proceeds from property and casualty insurance insuring the System's property, any Qualified Derivative Receipts, and Federal Direct Payments received by the Issuer.

"Pledged Wastewater Impact Fee Account" means the Pledged Wastewater Impact Fee Account created and established pursuant to Section 9.01 of this Resolution.

"Pledged Wastewater Impact Fees" means the Wastewater Impact Fees including any income from the investment of funds deposited into the Pledged Wastewater Impact Fee Account; provided, however, that that "Pledged Wastewater Impact Fees" in each year shall not exceed (a) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Wastewater Expansion Project Percentage, plus (b) the Wastewater Impact Fee Carryforward Amount.

"Pledged Water Impact Fee Account" means the Pledged Water Impact Fee Account created and established pursuant to Section 9.01 of this Resolution.

"Pledged Water Impact Fees" means the Water Impact Fees, less the Contracted Water Supply Impact Fees, including any income from the investment of funds deposited into the Pledged Water Impact Fee Account; provided, however, that that "Pledged Water Impact Fees" in each year shall not exceed (a) the Bond Service Requirement for all Bonds for such Bond Year multiplied by the Water Expansion Project Percentage, plus (b) the Water Impact Fee Carryforward Amount.

"Projects" means the construction or acquisition of additions, extensions and improvements to the System which are funded with proceeds from the sale of Additional Parity Bonds, to the extent authorized by Subsequent Resolution, of the Governing Body, all in accordance with plans and specifications as amended from time to time, filed with and approved by the Director of the Department.

"Qualified Derivative Agreement" means an agreement, such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Issuer and a counterparty whose long-term unsecured debt at the time of entering into such Agreement is rated at least "AA-" by S&P and "Aa3" by Moody's, which is entered into by the Issuer as a debt management tool with respect

to the Bonds or a portion thereof issued hereunder, provided that the payments to be made by the counterparty thereunder have been pledged to the payment of the Bonds.

"Qualified Derivative Payments" means the payment obligations of the Issuer arising under a Qualified Derivative Agreement, which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or a variable rate index or formula, provided that the payments by such counterparty under such Agreement are used in the calculation of the Bond Service Requirement. Qualified Derivative Payments include only regularly scheduled payments under a Qualified Derivative Agreement determined by reference to interest on a notional amount and shall not include any other payments under such Agreement (for example any termination fee, indemnification obligations or other fees payable to the counterparty).

"Qualified Derivative Receipts" means the payment obligations of the counterparty to the Issuer arising under a Qualified Derivative Agreement, which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Derivative Receipts include only regularly scheduled payments under a Qualified Derivative Agreement determined by reference to interest on a notional amount and shall not include any other payments under such Agreement (for example any termination fee, indemnification obligations or other fees payable by the counterparty).

"Qualified Independent Consultant" means any one or more qualified and recognized independent consultants, having favorable reputes, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or one or more sections hereof, as shall from time to time be retained by the Issuer for the purposes hereof.

"Real Estate Director" means the person from time to time serving as the Real Estate Director of the Issuer, or such other office which may at any time hereafter perform the same function.

"Rebate Account" means the Rebate Account established pursuant to Section 9.01 of this Resolution.

"Rebate Amount" means the excess of the future value, as of the computation date, of all receipts on all nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by the Income Tax Regulations under the Code implementing Section 148 thereof.

"Rebate Year" means, with respect to a particular Series of Bonds issued hereunder, a one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year selected by the Issuer as the last day of a Rebate Year. The final Rebate Year with respect to a particular Series of Bonds issued hereunder, however, shall end on the date of final maturity of that Series of Bonds.

"Registrar" means, as to any Series of Bonds, the Paying Agent for such Series of Bonds.

"Renewal and Replacement Account" means the Renewal and Replacement Account created and established pursuant to Section 9.01 of this Resolution.

"Renewal and Replacement Account Requirement" means, on the date of calculation, an amount of money equal to (1) five percent of the original cost of the assets and capitalized lease obligations and capacity entitlement programs of the System for the preceding Fiscal Year (as shown on the audited financial statements of the System), or (2) such greater or lesser amount as may be certified to the Issuer by the Qualified Independent Consultant as an amount appropriate for the purposes of this Resolution.

"Required Deposits" means all of the periodic deposits required to be made to the various accounts established pursuant to Section 9.01, but excluding deposits required to be made into the Subordinate Indebtedness Account, the Other Indebtedness Account or the Rate Stabilization Account.

"Reserve Account" means the Reserve Account created and established pursuant to Section 9.01 of this Resolution.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of the following: (i) the Maximum Bond Service Requirement; (ii) 125% of the average annual Bond Service Requirement; or (iii) 10% of the aggregate stated original principal amount of the Bonds (except that, in determining the aggregate stated original principal amount of any Series of Bonds for purposes of (iii), (a) the issue price of that Series of Bonds (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount if that Series of Bonds is sold at either a net original issue discount or premium exceeding two percent (2%) of its stated redemption price at maturity, and (b) to the extent that no Bonds of a particular Series are Outstanding any longer, the aggregated stated original principal amount for such Series shall be deemed to equal zero). If a Subsequent Resolution authorizing the issuance of a Series of Bonds provides for or permits the establishment of a separate Reserve Account subaccount to secure only such Series of Bonds (with such Series of Bonds having no claim on the other moneys, if any, deposited to the credit of the Reserve Account), the Reserve Requirement for such Series of Bonds shall be calculated as set forth in or pursuant to the related Subsequent Resolution, and (x) in such event that the Subsequent Resolution permits the establishment of a separate Reserve Account subaccount to secure only such Series of Bonds (with such Series of Bonds having no claim on the other moneys, if any, deposited to the credit of the Reserve Account), or (y) in the event that a Subsequent Resolution relating to a Series of Bonds, provides or permits that such Series of Bonds shall not be secured by the Reserve Account (or any subaccount therein) each such Series of Bonds shall not be deemed Outstanding for purposes of calculating the Reserve Requirement under this Resolution.

"Resolution" means this Amended and Restated Utility System Bond Resolution as adopted by the Issuer.

"Serial Bonds" means all Bonds of a Series other than Term Bonds.

"Series" means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the Subsequent Resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this Resolution.

"Series 2001 Bonds" shall have the meaning ascribed thereto in Section 6.01(B) of this Resolution, and in the whereas clauses above.

"Series 1993 Bonds" has the meaning ascribed thereto in the whereas clauses above.

"S&P" means Standard & Poor's Credit Market Services, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be 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 Issuer.

"Subordinate Indebtedness" means any bonds, notes or other evidences of indebtedness which are by their terms junior and subordinate in all respect to the Bonds authorized to be issued under this Resolution in accordance with Section 11.14 hereof.

"Subordinate Indebtedness Account" means the Subordinate Indebtedness Account created and established pursuant to Section 9.01 of this Resolution.

"Subsequent Resolution" means a resolution of the Issuer adopted subsequent to the date of this Resolution.

"Swap Obligations Account" means the Swap Obligations Account created and established pursuant to Section 9.01 of this Resolution.

"System" means the complete utility properties (including the Water System and the Wastewater System) supplying, distributing and treating water and wastewater services (including reclaimed water services) now or hereafter, operated and maintained by the Issuer, whether owned by or leased by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired and other related or similar services the Governing Body directs to be operated and maintained by the Department as part of the System.

"Taxable Bonds" shall mean Bonds, the interest on which is not excludable from gross income for purposes of federal income tax purposes, but shall not include BABs.

"Term Bonds" means Bonds of a Series all of which shall be stated to mature on the same date and for which Amortization Installments are established, and such other Bonds of a Series so designated by Subsequent Resolution of the Governing Body of the Issuer adopted on or before the date of delivery of such Bonds.

"Wastewater Impact Fee Carryforward Amount" means, as calculated once per year as of September 30th, (a) the amount of debt service on the Bonds or any indebtedness refinanced thereby which legally could have been paid with Wastewater Impact Fees pursuant to resolution of the Issuer since October 1, 1986, less (b) the amount of debt service on the Bonds or any indebtedness refinanced thereby which has actually been paid with Wastewater Impact Fees since October 1, 1986.

"Wastewater Impact Fees" means the wastewater capacity fees received during the Fiscal Year as described in the Ordinance and all other nonrefundable (except at the option of the Issuer) impact fees, capital expansion fees, system improvement fees or other similar fees and charges separately imposed by the Issuer against benefitted properties as a capacity, connection or impact fee or charge for the proportionate share of the capital cost associated with providing, expanding, oversizing or constructing new additions to the Wastewater System acquired to serve such properties, including without limitation any non-ad valorem special assessments which are levied and imposed to provide installment financing of any Wastewater Impact Fees to the extent not pledged to secure other special assessment obligations of the Issuer; provided, however, the term "Wastewater Impact Fees" does not include (i) accrued guaranteed revenue fees, (ii) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the Issuer in lieu of imposing Wastewater Impact Fees, or (iii) any non-ad valorem special assessments which are pledged to secure other special assessment obligations of the Issuer, and which were levied and imposed to provide installment financing of any Wastewater Impact Fees.

"Wastewater Expansion Project Percentage" means that number, expressed as a percentage, which represents that portion of the total cost of any Project or Projects financed or refinanced from the proceeds of the Bonds which is attributable to any improvements, extensions and additions to the Wastewater System, together with all lands or interest therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property real or personal, tangible or intangible, heretofore or hereafter constructed or acquired in order to meet the increased demand upon the Wastewater System, whether actual or anticipated, created by new users connecting to the Wastewater System, as shall be determined by the Qualified Independent Consultant and set forth in a certificate each time a Series of Bonds is issued hereunder.

"Wastewater System" means the complete utility properties supplying wastewater services now or hereafter operated and maintained by the Issuer, whether owned or leased by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired.

"Water Impact Fee Carryforward Amount" means, as calculated once per year as of September 30th, (a) the amount of debt service on the Bonds or any indebtedness refinanced thereby which legally could have been paid with Water Impact Fees pursuant to resolution of the Issuer since October 1, 1986, less (b) the amount of debt service on the Bonds or any indebtedness refinanced thereby which has actually been paid with Water Impact Fees since October 1, 1986.

"Water Impact Fees" means the water capacity fees received during the Fiscal Year as described in the Ordinance and all other nonrefundable (except at the option of the Issuer) impact fees, capital expansion fees, system improvement fees or other similar fees and charges separately imposed by the Issuer against benefited properties as a capacity, connection or impact fee or charge for the proportionate share of the capital cost associated with providing, expanding, oversizing or constructing new additions to the Water System (including for the purposes of this definition, those by the Authority, that are included as a cost component of the Impact Fee imposed by the Issuer) acquired to serve such properties, including without limitation any non-ad valorem special assessments which are levied and imposed to provide installment financing of any Water Impact Fees to the extent not pledged to secure other special assessment obligations of the Issuer; provided, however, the term "Water Impact Fees" does not include (i) accrued guaranteed revenue fees, (ii) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the Issuer in lieu of imposing Water Impact Fees, or (iii) any non-ad valorem special assessments which are pledged to secure other special assessment obligations of the Issuer, and which were levied and imposed to provide installment financing of any Water Impact Fees.

"Water Expansion Project Percentage" means that number, expressed as a percentage, which represents that portion of the total cost of any Project or Projects financed or refinanced from the proceeds of the Bonds which is attributable to any improvements, extensions and additions to the Water System, together with all lands or interest therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property real or personal, tangible or intangible, heretofore or hereafter constructed or acquired in order to meet the increased demand upon the Water System, whether actual or anticipated, created by new users connecting to the Water System, as shall be determined by the Qualified Independent Consultant and set forth in a certificate each time a Series of Bonds is issued hereunder.

"Water System" means the complete utility properties supplying water services (including reclaimed water services) now or hereafter operated and maintained by the Issuer, whether owned or leased by the Issuer, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired.

Section 2.02. Singular/Plural. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE III FINDINGS

It is hereby ascertained, determined and declared that:

(1) The Issuer now owns, operates and maintains the System and derives Revenues and Pledged Impact Fees relating thereto.

(2) From time to time, the Issuer deems it necessary, beneficial and in its best interest to refund certain utility revenue bonds of the Issuer and to fund the cost of acquisition,

construction and equipping of future additions, extensions and improvements to the System from time to time and to issue Bonds for such purposes.

(3) It is necessary and desirable, to acquire and construct Projects from time to time in order to preserve and protect the public health, safety and welfare of the inhabitants of the Issuer.

(4) As of the effective date of this Resolution, except for the Series 2001 Bonds, the Pledged Revenues are not pledged or encumbered in any manner.

(5) The estimated Pledged Revenues will be sufficient to pay all of the principal of and interest and redemption premium, if any, on the Bonds to be issued hereunder, as the same become due, and to make all other Required Deposits.

(6) The principal of, and interest and redemption premium, if any, on the Bonds and all other Required Deposits shall be payable solely from the Pledged Revenues, but only to the extent available as herein described. The Issuer shall never be required to levy ad valorem taxes on any property therein to make Required Deposits and the Bonds shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof.

(7) The costs associated with the issuance of each Series of the Bonds shall be deemed to include all legal expenses, financial advisory expenses, underwriting expenses, engineering and consulting expenses, fiscal expenses, expenses for estimates of costs and of revenues, accounting expenses, accrued interest, provisions for reserves, if any, and such other expenses, in each case, as may be necessary or incidental for the financings herein authorized.

ARTICLE IV COST OF PROJECTS

Section 4.01. Cost of Projects. The cost of the Projects, in addition to the items set forth in the plans and specifications for the Projects, may include, but need not be limited to, the repayment of any advances made by the Issuer for the purposes of the Projects, the acquisition of any lands or interest therein or any other properties deemed necessary or convenient therefor; engineering expenses, legal and financing expenses, including fees and expenses relating to the issuance of the Bonds and the issuance of any municipal bond insurance, liquidity provisions or other forms of credit enhancement; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys; fees of fiscal agents, financial advisors, engineers or consultants; administrative expenses relating solely to the construction and acquisition of the Projects; the capitalization of interest for a reasonable period after the issuance of the Bonds; the creation and establishment of reasonable reserves for debt service; the discount on the sale of the Bonds, if applicable; and such other costs and expenses as may be necessary or incidental to the financing herein authorized and the construction, acquisition and engineering of the Projects and the placing of the same in operation.

ARTICLE V
RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds all of which shall, notwithstanding the use of the words "Junior Lien" in the name of the Series 2001 Bonds, be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE VI
AUTHORIZATION, DESCRIPTION, FORM AND TERMS OF BONDS

Section 6.01. Authorization of Bonds.

(A) Subject and pursuant to the provisions hereof, each Series of Bonds shall be issued pursuant to Subsequent Resolution of the Governing Body of the Issuer prior to or at the time of sale of such Series of Bonds. Additional Parity Bonds meeting the requirements of Section 11.15 hereof may be issued from time to time pursuant to the terms hereof following the issuance of the initial Series of Bonds hereunder.

(B) Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Hillsborough County, Florida Junior Lien Refunding Utility Revenue Bonds, Series 2001" (the "Series 2001 Bonds") will be the initial Series of Bonds issued hereunder and are hereby authorized to be issued in an amount not to exceed \$225,000,000 for the purpose of currently refunding all outstanding Hillsborough County, Florida Refunding Utility Revenue Bonds, Series 1991A, those Hillsborough County, Florida Refunding Utility Revenue Bonds, Series 1991B which mature on August 1, 2016 and certain of the Hillsborough County, Florida Refunding Utility Revenue Bonds, Series 1993, as more particularly described in a Subsequent Resolution to be adopted at or prior to the sale of the Series 2001 Bonds.

Section 6.02. Description of Bonds. The Bonds, including the Series 2001 Bonds but excluding Taxable Bonds, shall be issued in fully registered form; shall be dated; shall be numbered consecutively from one upward; shall be in the denomination of \$5,000 each or integral multiples thereof in the case of Current Interest Bonds and shall be in the denomination of \$5,000 maturity value or any integral multiple thereof in the case of Capital Appreciation Bonds; shall be Current Interest Bonds and/or Capital Appreciation Bonds and Term Bonds and/or Serial Bonds of one or more Series; shall bear interest at such rate or rates, not exceeding the maximum rate allowed by Florida law, each to be determined by Subsequent Resolution of the Governing Body of the Issuer prior to or upon the sale of the Bonds, such interest rates to be payable at such times as are fixed by such Resolution; may include variable, adjustable, convertible or other rates, original issue discounts or premiums and zero interest rate bonds; and shall mature on such date or dates in such years and

amounts as shall be fixed by Subsequent Resolution of the Governing Body of the Issuer prior to or upon the sale of the Bonds.

The principal of and the interest and redemption premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The interest on the Bonds (computed on a basis of a 360-day year consisting of twelve 30-day months) shall be payable by the Paying Agent on each interest payment date to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Holder thereof as of the relevant record date set forth in the Bond forms, by check mailed to such registered Holder at his address as it appears on such registration books. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

Notwithstanding any other provisions of this section, the Issuer may, at its option, prior to the date of issuance of any Series of Bonds, elect to use an immobilization system or book-entry system with respect to issuance of such Series of Bonds, provided adequate records will be kept with respect to the ownership of such Series of Bonds issued in book-entry form or the beneficial ownership of Bonds issued in the name of a nominee. As long as any Bonds are outstanding in book-entry form, the provisions of this Resolution inconsistent with such system of book-entry registration shall not be applicable to such Bonds. The details of any alternative system of issuance, as described in this paragraph, shall be set forth in a Subsequent Resolution of the Issuer duly adopted at or prior to the sale of such Series of Bonds.

Section 6.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman and countersigned and attested by the Clerk and the Issuer's official seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of the Chairman and/or the Clerk may be imprinted or reproduced on the Bonds. In case any officer whose signature shall appear on any of the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bonds shall hold the proper office with the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 6.04. Authentication of Bonds. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Registrar, as authenticating agent, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the manual signature of an authorized officer of the Registrar, and such certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

Section 6.05. Exchange of Bonds. Any Bonds, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the principal amount of the Bond or Bonds so surrendered.

The Registrar shall make provision for the exchange of Bonds at the principal office of the Registrar.

Section 6.06. Negotiability, Registration and Transfer of Bonds. The Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration or transfer, the Issuer shall execute and an authorized officer of the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered.

In all cases in which Bonds shall be exchanged, the Issuer shall execute and an authorized officer of the Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Registrar. The Issuer or the Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the Issuer nor the Registrar shall be required to make any such exchange or registration of transfer of Bonds during the fifteen (15) days immediately preceding any interest payment date.

Section 6.07. Ownership of Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bonds, and the interest on any such Bonds shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

Section 6.08. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion cause to be executed, and an authorized officer of the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such

other reasonable regulations and conditions as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be cancelled by the Issuer. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 6.08 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

Section 6.09. Provisions for Redemption. Each Series of Bonds may be subject to redemption prior to maturity at such times and in such manner as shall be established by Subsequent Resolution of the Issuer adopted with respect to any Series of Bonds on or before the time of delivery of those Bonds. Unless otherwise provided by Subsequent Resolution with respect to a Series of Bonds, notice of redemption shall be given by the deposit in the U. S. mails of a copy of said redemption notice, postage prepaid, at least thirty days before the redemption date to all registered owners of the Bonds or portions of Bonds to be redeemed at their addresses as they appear fifteen days prior to the date such notice is mailed on the registration books to be maintained in accordance with provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred.

Each notice shall set forth the date fixed for redemption of the Bond being redeemed, the redemption price to be paid, the original issue date of such Bonds, the maturity date and rate of interest borne by each Bond being redeemed, the name, address and telephone number of the person designated by the Registrar to be responsible for such redemption and, if less than all of the redeemable Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP Numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

The Issuer may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three business days prior to the date of redemption.

Section 6.10. Form of Bonds. The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or the issuance by any Subsequent Resolution adopted prior to the issuance thereof:

[Form of Current Interest Bond and
Capital Appreciation Bond Intentionally Omitted]

ARTICLE VII APPLICATION OF BOND PROCEEDS

Section 7.01. Disposition of Proceeds. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Bonds shall be applied by the Issuer as set forth in this Resolution and a Subsequent Resolution adopted by the Issuer prior to or simultaneously with the delivery of such Bonds.

ARTICLE VIII SOURCE OF PAYMENT OF BONDS; SPECIAL OBLIGATIONS OF THE ISSUER

Section 8.01. Bonds Not to be Indebtedness of the Issuer. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues and the funds and the earnings thereon pledged to the payment of the Bonds, in the manner and to the extent herein provided. No Bondholder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Revenues and the funds and the earnings thereon pledged to payment of the Bonds, all in the manner and to the extent herein provided.

Section 8.02. Pledge of Revenues. The payment of the principal of, interest, and premium, if any, on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues and moneys deposited into the funds and accounts created by this Resolution, and all earnings thereon, all in the manner and to the extent provided herein, prior and superior to all other liens or encumbrances on the Pledged Revenues (except as provided in the next sentence) and, as provided herein, the Issuer does hereby irrevocably pledge the Pledged Revenues without any further physical delivery therefore any further act, the moneys deposited into the funds and accounts created by this Resolution, and all earnings thereon, all to the payment of Required Deposits and to the optional purchase or redemption of Bonds as provided herein.

Under Section 679.1091(4)(n), Florida Statutes, transfers by a government or a governmental unit are exempt from the perfection and priority requirements of Chapter 679, Florida Statutes (Uniform Commercial Code - Secured Transactions - Article 9), and therefore, the filing of financing statements is not necessary in order to perfect the security interest of the Bondholders.

ARTICLE IX
CREATION AND USE OF BOND FUND AND ACCOUNTS;
DISPOSITION OF PLEDGED REVENUES

Section 9.01. Creation of Bond Fund and Accounts. There is hereby created and established the "Utilities Bond Fund" and the following accounts therein to be known as: the "Construction Account," the "General Revenue Account," the "Operation and Maintenance Account," the "Debt Service Account" (including, a "Federal Direct Payments Subaccount" therein), the "Reserve Account," the "Renewal and Replacement Account," the "Swap Obligations Account," the "Subordinate Indebtedness Account," the "Other Indebtedness Account," the "Rebate Account," the "Rate Stabilization Account," the "General Purpose Account," the "Pledged Water Impact Fee Account," the "Pledged Wastewater Impact Fee Account," and "Contracted Water Supply Impact Fee Account." The Bond Fund and all accounts therein (except the Rebate Account) shall constitute trust funds for legal purposes for the purposes herein provided, shall be delivered to and held by the Chief Financial Officer (or an Authorized Depository designated by the Chief Financial Officer), in each case who shall act as trustee for legal purposes of such funds for the purposes hereof, shall be subject to a lien and charge in favor of the Bondholders, and shall at all times be kept separate and distinct from all other funds of the Issuer (except to the extent that pooled investments are specifically authorized in Section 10.01 hereof) and used only as provided in this Resolution.

Section 9.02. Disposition of Funds in the Construction Account. Proceeds from the sale of Bonds deposited into the Construction Account shall be withdrawn, used and applied by the Issuer for the payment of Cost of the Project. All of such funds shall be and constitute trust funds for legal purposes for such purposes, and shall be delivered to and held by the Chief Financial Officer (or its designated Authorized Depository) who shall act as trustee for legal purposes of such funds for the purposes of this Resolution. There is hereby created a lien upon such funds in favor of the Bondholders until applied as herein provided. Any funds on deposit in the Construction Account that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, shall be held and may be invested, in the manner provided by law, in Investment Obligations. Earnings on such Investment Obligations shall be deposited in the Construction Account unless the Director of the Department certifies that such earnings are not required to complete the Projects, in which event they shall be applied in the manner described in the last paragraph of this Section 9.02. Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for the Projects, of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of the Projects during construction shall be deposited into the Construction Account to insure completion of the Projects or shall otherwise be used as described in Section 11.08 below.

If applicable, the Issuer covenants to commence the acquisition, construction and equipping of the Projects promptly upon the delivery of the Bonds and to thereafter work with due diligence to complete the Projects. The Issuer may, however, abandon any portion of the Projects if it first obtains the written opinion of the Qualified Independent Consultant that such abandonment (and the use of the remaining proceeds set aside for the acquisition, construction, and equipping of such

portion of the Projects to redeem Bonds according to the following paragraph) will have a more favorable effect on the Issuer's ability to meet its rate covenant set forth in Section 11.02 hereof and other obligations hereunder than if such portion were completed. To the extent the cost of the Projects is to be paid in part from grants or other restricted sources, the Issuer shall take all legally available actions to ensure the proper use and receipt of such funds and shall cause such funds to be set aside in a separate fund or account and applied for the purposes herein provided along with other moneys in the Construction Account, subject to such legal restrictions as may apply.

Upon completion of the Projects, or upon abandonment of a portion thereof pursuant to the foregoing, any amounts allocated to such portion then remaining in the Construction Account and not reserved by the Issuer for the payment of any remaining part of the cost of construction, acquisition, and equipping of the Projects, shall be, in the Issuer's discretion, either (i) transferred to the Debt Service Account and used to pay the principal and/or interest of the related Bonds or to purchase or redeem related Bonds, or (ii) transferred to the General Purpose Account and be utilized for any lawful purpose of the System, subject to the receipt of an opinion of Bond Counsel that such transfer and use will not, in and of itself, adversely affect the tax status of the Bonds. The Qualified Independent Consultant shall adjust the Water and Wastewater Expansion Project Percentages to take into consideration proceeds expected to be utilized for Project purposes which in fact were not utilized for Project purposes.

Section 9.03. Deposit of Gross Revenues and Federal Direct Payments and Disposition Thereof. Commencing on the day following the delivery of the first Bonds issued hereunder, except as otherwise provided herein, all Gross Revenues, shall be deposited by the Issuer into the General Revenue Account immediately upon receipt. All Federal Direct Payments received in connection with BABs shall be deposited by the Issuer into the Federal Direct Payments Subaccount of the Debt Service Account. Funds in the General Revenue Account shall be disposed of on or before the 15th day of each month, commencing with the month immediately following the delivery of the first Bonds issued hereunder, only in the following order and priority:

(1) Operation and Maintenance Account Deposits. First, by deposit into the Operation and Maintenance Account an amount which, together with amounts deposited therein from the Contracted Water Supply Impact Fee Account pursuant to Section 9.04(2) below (to pay the Debt Service Component of the Cost of Contracted Water Supply) and all other funds then on deposit in the Operation and Maintenance Account, will equal the amount required to pay the Cost of Operation and Maintenance for the month following the date of such deposit. All monthly deposits into the Operation and Maintenance Account from the Contracted Water Supply Impact Fee Account shall be made before the amount of the required monthly deposit into the Operation and Maintenance Account from the General Revenue Account is calculated.

(2) Debt Service Account and Swap Obligations Account Deposits. Then, by deposit on a parity basis, into the Debt Service Account and the Swap Obligations Account,

(A) Into the Debt Service Account, an amount which, together with amounts deposited therein from the Pledged Water Impact Fee Account and the Pledged

Wastewater Impact Fee Account pursuant to Sections 9.04(1) and 9.05(1) below, Qualified Derivative Receipts, if any, and other deposits made into the Debt Service Account pursuant to the provisions of this Resolution, will equal one sixth (1/6th) of the interest payable on the Bonds on the next interest payment date, one twelfth (1/12th) of all principal maturing during the current Bond Year on the various series of Serial Bonds that mature annually, one sixth (1/6th) of all principal maturing on the next maturity date in such Bond Year on the various series of Serial Bonds that mature semiannually, one twelfth (1/12th) of the Amortization Installments of Term Bonds coming due during the current Bond Year with respect to the Bonds, and one sixth (1/6th) of the Amortization Installments of Term Bonds which come due semi-annually and which come due on the next redemption date in such Bond Year, until there are sufficient funds then on deposit equal to the sum of the interest, principal and Amortization Installments due on the Bonds on the next interest, principal and redemption dates in such Bond Year. All monthly deposits into the Debt Service Account from the Pledged Water Impact Fee Account or Pledged Wastewater Impact Fee Account shall be made before the amount of the required monthly deposit into the Debt Service Account from the General Revenue Account is calculated; and

(B) Into the Swap Obligations Account, a pro rata estimated amount necessary to build up over time the amount of any Qualified Derivative Payment which will next be due and payable or reasonably expected to be due and payable under any Qualified Derivative Agreement on the next payment date thereunder; provided, however, that the monthly amount to be so deposited may be adjusted, as appropriate, to reflect the frequency of payment dates thereunder (e.g., if Qualified Derivative Payments are required to be made semi-annually, the Issuer shall be required to monthly deposit an amount which is estimated to equal one-sixth (1/6th) of the next Qualified Derivative Payment).

(C) Deposits shall be increased or decreased to the extent required to pay principal, interest and Qualified Derivative Payments coming due, after making allowance for any accrued and capitalized interest and Federal Direct Payments allocated to the payment of interest on Bonds, which have been received and deposited in the Federal Direct Payments Subaccount or for which moneys have been set aside in the Federal Direct Payments Subaccount in an amount not less than the anticipated amount of such Federal Direct Payments and deposited in the Federal Direct Payments Subaccount. Additionally, if variable rate Bonds are outstanding on the 15th day of such month, the Issuer shall deposit into the Debt Service Account in lieu of the one-sixth (1/6th) interest deposit described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the 15th day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month.

(D) Monthly deposits into the Debt Service Account shall be increased as necessary to pay fees and costs billed by the Registrar and the Paying Agent, if any.

(E) Federal Direct Payments, if any, shall be deposited into the Federal Direct Payments Subaccount of the Debt Service Account.

(3) Reserve Account Deposits. Then, by deposit into the Reserve Account an amount which, together with funds concurrently deposited therein from the Pledged Water Impact Fee Account and the Pledged Wastewater Impact Fee Account pursuant to Sections 9.04(3) and 9.05(2) below and other funds then on deposit therein, will be sufficient to make the amounts on deposit therein equal to the Reserve Requirement. No further deposits shall be required to be made into the Reserve Account when there is on deposit therein a sum equal to the Reserve Requirement as determined by valuation of the deposited Investment Obligations at market value as required by Section 10.02 hereof.

To the extent required in connection with any Series of Bonds, the Issuer shall fully fund the Reserve Account (including any subaccounts therein) with Bond proceeds or other legally available moneys at the time of issuance of such Series of Bonds hereunder, or unless it provides on the date of issuance of such Bonds, in lieu of such funds, or following the issuance of such Bonds, it substitutes in lieu of such funds, (x) bond insurance or a surety bond or bonds issued by a reputable and recognized municipal bond insurer, or (y) an irrevocable letter of credit issued by a qualified national bank, in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Account plus the amounts, if any, to be deposited therein pursuant to the preceding paragraph, which shall be payable on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose, and which shall name the Chief Financial Officer in his capacity as the trustee for legal purposes of the Reserve Account as the beneficiary thereof. The municipal bond insurer described in clause (x) above, shall be one whose municipal bond insurance policies insuring 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 highest rating categories by Standard & Poor's Corporation or Moody's Investors Service, Inc. or their successors. The qualified national bank described in clause (y) above, shall be one having a capital and surplus or net capital of not less than \$100,000,000. The determination as to compliance with the requirements of the foregoing two (2) sentences shall be made at the time the Issuer deposits such bond insurance or a surety bond or bonds or irrevocable letter of credit in the Reserve Account (or any subaccount therein). The Issuer's repayment of any draws under any surety bond on deposit in the Reserve Account and related reasonable expenses incurred by the provider of such surety bond (together with interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law) shall enjoy the same priority as the obligation to maintain and refill the Reserve Account. Repayment of draws, expenses and accrued interest (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. If and to the extent that cash has also been deposited in the Reserve Account, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing under the surety bond, and repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. If, in addition to the surety bond, any other reserve fund substitute instrument ("Additional Reserve Policy") is provided,

drawings under the surety bond and any such Additional Reserve Policy, and repayment of Policy Costs and reimbursement of amounts due under the Additional Reserve Policy, shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in the Reserve Account and prior to replenishment of any such cash draws, respectively.

If the Issuer shall fail to repay any Policy Costs as described above, the provider(s) of the surety bond or Additional Reserve Policy shall be entitled to exercise any and all remedies available at law or under this Resolution other than remedies which would adversely affect Bondholders.

This Resolution shall not be discharged until all Policy Costs owing to the provider(s) of the surety bond or bonds shall have been paid in full.

As security for the Issuer's repayment obligations with respect to the surety bond or bonds, the provider(s) thereof are hereby granted a lien on and source and security for payment from Pledged Revenues which is junior and subordinate in all respects and to that of the Bondholders.

The Paying Agent is required to ascertain the necessity for a claim upon any surety bond and to provide notice to the provider(s) thereof in accordance with its terms at least two business days prior to each interest payment date.

Moneys shall be deposited to the Reserve Account and any subaccounts therein on a pro rata basis.

(4) Renewal and Replacement Account Deposits. Then, by deposit into the Renewal and Replacement Account an amount equal to one twelfth (1/12th) of five percent (5%) of the Gross Revenues for the preceding Fiscal Year, or such greater or lesser amount as determined by the Qualified Independent Consultant, plus an amount equal to any unrestored withdrawal made to cure deficiencies in the Debt Service Account under Section 9.09 below, until the amounts on deposit therein are equal to the Renewal and Replacement Account Requirement; provided, however, that (a) such Renewal and Replacement Account Requirement may be increased or decreased as the Qualified Independent Consultant shall certify to the Issuer is necessary for the purposes of the Renewal and Replacement Account, and (b) in the event that the Qualified Independent Consultant shall certify that the Renewal and Replacement Account Requirement is excessive for the purposes of the Renewal and Replacement Account such excess amount as may be on deposit therein may be used by the Issuer for any lawful purpose relating to the System.

In determining the amounts on deposit or required to be deposited into the Renewal and Replacement Account, including the determination of satisfaction of the Renewal and Replacement Account Requirement, the Qualified Independent Consultant shall take into account: (i) moneys in the General Purpose Account and Construction Account and (ii) available proceeds from Subordinate Indebtedness and non-operating grants that, in each case, have been

appropriated by the Issuer to be applied toward the purposes that are comparable to the use of funds on deposit in the Renewal and Replacement Account.

(5) Subordinate Indebtedness Account Deposits. Then, by deposit into the Subordinate Indebtedness Account, an amount sufficient to pay debt service, reserve, rebate, credit enhancement and other required payments and deposits with respect to any Subordinate Indebtedness then outstanding, including any payment obligations under a Qualified Derivative Agreement to the extent such costs do not constitute Qualified Derivative Payments.

(6) Other Indebtedness Account Deposits. Then, by deposit into the Other Indebtedness Account, an amount sufficient to pay debt service, reserve, rebate, credit enhancement and other required payments and deposits with respect to any Other Indebtedness then outstanding.

(7) Rate Stabilization Account. Then by deposit into the Rate Stabilization Account, in such amounts as shall be determined from time to time by the Issuer

(8) Payments in Lieu of Taxes. Then, after the above required payments have been made, the Issuer may make a transfer to its General Fund as payments in lieu of taxes, provided, however, such transfers in any Fiscal Year shall not exceed ten percent (10%) of Gross Revenues of the System received by the Issuer in such Fiscal Year.

(9) Balance Deposited to General Purpose Account. The balance of any moneys remaining in the General Revenue Account after the above required payments have been made may be deposited by the Issuer in the General Purpose Account and paid to the Issuer for the open market purchase and/or redemption of the Bonds or may be used for any lawful purpose relating to the System; provided, however, that none of said money shall be used for any purposes other than those specified in subsections (1) through (4) above, unless all current payments, including any deficiencies for prior payments, have been made in full and unless the Issuer shall have complied fully with all the covenants and provisions of this Resolution.

(10) When Payments May Cease. The Issuer shall not be required to make any further Required Deposits when the aggregate amount of funds in the Debt Service Account and the Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this Resolution and then outstanding, plus the amount of interest then due or thereafter to become due on said Bonds then outstanding and all Qualified Derivative Payments have been paid in full, or if all Bonds then outstanding have otherwise been defeased pursuant to Article XII below.

Section 9.04. Deposit of Pledged Water Impact Fees in the Pledged Water Impact Fee Account and Deposit of Contracted Water Supply Impact Fees in the Contracted Water Supply Impact Fee Account and Disposition Thereof.

(1) All Pledged Water Impact Fees shall be deposited into the Pledged Water Impact Fee Account. All moneys remaining on deposit in such Account shall be utilized on a monthly basis in accordance with Section 9.03 in the following priority:

(a) Deposit into the Debt Service Account and/or the Swap Obligations Account (if applicable) on a pro rata basis, but in no event shall such deposit exceed in any Bond Year the lesser of (i) the amount of Water Impact Fees for such Bond Year allocable to the Water System or (ii) the Bond Service Requirement allocable to the Water System for such Bond Year.

(b) Such moneys shall, in the case of a deficiency in the Reserve Account, next be applied and allocated to the Reserve Account to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein to the extent such moneys are lawfully available for such purpose.

(c) Such moneys, after meeting the above-referenced applications, shall be maintained in the Pledged Water Impact Fee Account for use in accordance with the foregoing priority in subsequent Fiscal Years.

(2) All Contracted Water Supply Impact Fees shall be deposited into the Contracted Water Supply Impact Fee Account. All moneys on deposit in such account shall be utilized on a monthly basis in accordance with Section 9.03 in the following priority:

(a) Deposit into the Operation and Maintenance Account, in an amount equal to all payments due in such Bond Year representing the Debt Service Component, provided that such payments shall not exceed in any Bond Year the lesser of (a) the Debt Service Component, or (b) the Contracted Water Supply Expansion Project Percentage of the Debt Service Component, plus the Contracted Water Supply Impact Fee Carryforward Amount.

(b) At least once per year, all remaining moneys in the Pledged Water Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the Issuer for any use allowed by law relating to the provision of water capacity or expansion.

Section 9.05. Deposit of Pledged Wastewater Impact Fees in the Pledged Wastewater Impact Fee Account and Disposition Thereof. All Pledged Wastewater Impact Fees shall be deposited into the Pledged Wastewater Impact Fee Account. All moneys remaining on deposit in such Account shall be utilized as follows:

(1) Such moneys shall, in the case of a deficiency in the Debt Service Account and/or the Swap Obligations Account, first be applied and allocated to the respective Accounts, pro rata if applicable, to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein.

(2) Such moneys shall, in the case of a deficiency in the Reserve Account, second be applied and allocated to the Reserve Account to supplement other Pledged Revenues to be deposited therein or in substitution of other Pledged Revenues to be deposited therein.

(3) At least once per year, all remaining moneys in the Pledged Wastewater Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the Issuer for any use allowed by law relating to the provision of wastewater capacity or expansion.

Section 9.06. Disposition of Funds in Operation and Maintenance Account. Funds on deposit in the Operation and Maintenance Account shall be used to pay the Cost of Operation and Maintenance.

Section 9.07. Disposition of Funds in the Debt Service Account.

(1) Funds on deposit in the Debt Service Account shall be used solely for the payment at maturity or redemption of principal or Amortization Installments of, interest on and any redemption premiums required with respect to the Bonds and to pay the fees and costs of the Paying Agent and the Registrar, if any.

(2) At the maturity date of each Bond and at the due date of each Amortization Installment and installment of interest on each Bond, the Issuer shall transfer from the Debt Service Account to the Paying Agent for such Bonds sufficient moneys to pay all principal of or Amortization Installments, premium, if any, and interest then due and payable with respect to such Bonds. Interest accruing with respect to any fully registered Bond shall be paid by check or draft of the Paying Agent to the registered owner thereof.

(3) Funds deposited in the Debt Service Account for the redemption of Bonds and the payment of Amortization Installments shall be maintained in a special redemption sub account and applied with reasonable diligence to the retirement of Bonds issued under the provisions of this Resolution and then outstanding in the following order:

(a) The Issuer shall first endeavor to purchase outstanding Term Bonds of each Series redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are outstanding, or if no such Term Bonds are outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest, but no such purchase shall be made by the Issuer within a period of thirty days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of this Resolution;

(b) Then, to the extent moneys remain on deposit in the Debt Service Account that are held for the redemption of Bonds, the Issuer shall call for redemption on each interest payment date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(c) Then, to the extent moneys remain on deposit in the Debt Service Account that were deposited therein pursuant to this Resolution for the purpose of redeeming Bonds, the Issuer shall call any Bonds then subject to redemption, in such order and by such selection method as the Issuer, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

(4) Moneys in the Federal Direct Payments Subaccount of the Debt Service Fund shall be applied at least once annually to pay interest on the Series of Bonds for which such Federal Direct Payments were received

If Term Bonds are purchased or redeemed pursuant to this section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for Bonds in such Series in such Bond Year or Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records. Such election shall be included in the annual audit report of the Issuer referred to in Section 11.06 below.

Section 9.08. Application of Funds in the Reserve Account. Funds on deposit in the Reserve Account may be used only for the purpose of curing deficiencies in the Debt Service Account and the Swap Obligations Account and for no other purpose. If funds on deposit in the Reserve Account exceed, in the aggregate, the Reserve Requirement for the Bonds, that portion of such excess funds which were originally transferred into the Reserve Account from the Pledged Water Impact Fee Account or the Pledged Wastewater Impact Fee Account shall be returned to the Pledged Water Impact Fee Account and the Pledged Wastewater Impact Fee Account, respectively, and the balance shall be paid into the General Purpose Account. Any proceeds received from bond insurance (other than bond insurance contemplated in Section 9.03(3) hereof and on deposit in the Reserve Account) shall be applied immediately to cure deficiencies in the Debt Service Account and the Swap Obligations Account and for no other purpose.

To the extent that the Issuer creates a separate subaccount within the Reserve Account with respect to a Series of Bonds, such Series of Bonds shall be secured solely by such subaccount and shall have no claim on the other moneys deposited to the credit of the Reserve Account. Moneys in such separate subaccount of the Reserve Account shall be maintained at the Reserve Requirement applicable to such Series of Bonds and shall be applied as provided above in this Section 9.8 but solely with respect to the Series of Bonds secured by such subaccount.

Any provisions of Sections 9.8 or 9.3 notwithstanding, the Issuer may, in or pursuant to a Subsequent Resolution relating to a Series of Bonds, provide that such Series of Bonds shall not be secured by the Reserve Account (including any subaccounts therein), in which case such Series of Bonds shall not be secured by the Reserve Account (including any subaccounts therein) and moneys, if any, held for the credit of the Reserve Account (including any subaccounts therein) shall not be applied as provided above in this Section 9.8 with respect to such Series of Bonds.

Section 9.09. Disposition of Funds in the Renewal and Replacement Account. Funds on deposit in the Renewal and Replacement Account shall be used only (i) at any time for the purpose of curing deficiencies in the Debt Service Account or the Swap Obligations Account (after the application of funds from the Reserve Account) or for curing deficiencies in the Reserve Account, or both or (ii) when no such deficiencies exist, as needed for the purpose of paying the cost of the replacement of capital assets of the System, including land, or any unusual, unanticipated or extraordinary maintenance or repairs which the Director of the Department of the Issuer shall certify are necessary for the System and are consistent with the Qualified Independent Consultant's annual recommendations for renewals and replacements or (iii) to redeem Bonds in the manner described below. If the funds on deposit in the Renewal and Replacement Account exceed the Renewal and Replacement Account Requirement and the Issuer obtains a certificate from the Qualified Independent Consultant that funds or a portion thereof in excess of that amount are not needed for the purposes described in clause (ii) above, and so long as no deficiencies described in clause (i) above exist, such excess funds may be used for any lawful purpose relating to the System.

Section 9.10. Disposition of Funds in the Subordinate Indebtedness Account. Funds on deposit in the Subordinate Indebtedness Account may be used for the payment of principal of, interest on and any redemption premiums with respect to Subordinated Indebtedness, and all reserve, rebate, credit enhancement and other required payments, deposits, with respect to such Subordinated Indebtedness.

Section 9.11. Disposition of Funds in the Other Indebtedness Account. Funds on deposit in the Other Indebtedness Account may be used for the payment of principal of, interest on and any redemption premiums with respect to Other Indebtedness, and all reserve, rebate, credit enhancement and other required payments with respect to such Other Indebtedness.

Section 9.12. Transfer of Funds to Paying Agents. The Issuer shall transfer immediately available funds, from the various funds and accounts established in this Article IX, to one or more Paying Agent or Paying Agents, on the date of each interest, principal or Amortization Installment and redemption date, an amount sufficient to pay when due the principal of or Amortization Installment, interest on and redemption premium, if any, with respect to the Bonds.

Section 9.13. General Purpose Account. The General Purpose Account shall constitute a trust fund for legal purposes for the purposes herein provided, shall be delivered to and held by the Chief Financial Officer (or an Authorized Depositary designated by the Chief Financial Officer), in each case who shall act as trustee for legal purposes of such funds for the purposes hereof, and shall at all times be kept separate and apart from all other funds of the Issuer (except to the extent that pooled investments are specifically authorized in Section 10.01 hereof) and used only as provided in this Resolution.

Funds on deposit in the General Purpose Account shall be used from time to time by the Issuer in its discretion for any lawful System purpose.

Moneys held for the credit of the General Purpose Account shall be invested and reinvested by the Issuer in Investment Obligations.

Section 9.14. Disposition of funds in the Rate Stabilization Account. Each month the Issuer shall transfer from the Rate Stabilization Account to the General Revenue Account the amount budgeted for transfer into the General Revenue Account for the then current month as set forth in the then current annual budget for the System or the amount otherwise determined by the Issuer to be deposited into such Account for the month.

The Issuer may, from time to time, withdraw amounts on deposit in the Rate Stabilization Account and (i) transfer such amounts to any other Fund or Account established under this Resolution, (ii) use such amounts to purchase or redeem Bonds and/or Subordinated Indebtedness and/or indebtedness of the Issuer incurred in connection with the System, or (iii) use such amounts for any other lawful purpose in connection with the System.

ARTICLE X DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 10.01. Deposits Constitute Trustee Funds for Legal Purposes. All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer in the Bond Fund under the provisions of this Resolution shall be held as trustee for legal purposes by the Chief Financial Officer and applied only in accordance with the provisions of this Resolution, and shall not be subject to lien or attachment by any creditor of the Issuer.

All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer pursuant to this Resolution shall be continuously secured, for the benefit of the Issuer and the Bondholders, either (a) by lodging with an Authorized Depository, as trustee, with collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as permitted hereunder and as may then be required or permitted by applicable state or Federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of funds, including, without limitation, the provisions of Chapter 280, Florida Statutes, as from time to time amended.

Notwithstanding anything in this Resolution to the contrary, the cash required to be accounted for in each of the funds and accounts described in this Resolution may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain

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

Section 10.02. Investment of Moneys. Moneys held for the credit of all funds and accounts created hereby shall be invested and reinvested by the Issuer in Investment Obligations. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of this Resolution, be valued annually October 1 of each year at market value, or as otherwise provided by law. If, because of a decline in the market value of any such investments, a deficiency exists in any funds or account, the next monthly deposit shall be increased to cure such deficiency over a twelve month period of time assuming approximately level monthly payments over such period of time.

Except as otherwise provided herein, all income and profits derived from the investment of moneys in the (i) Construction Account, shall be retained in such account and used for the purposes of such account until the Director of the Department certifies that the Projects have been completed or that the funds on deposit in the Construction Account are sufficient to fully pay the cost thereof; thereafter, such income and profits shall be applied in the manner set forth in the last paragraph of Section 9.02, (ii) the Pledged Water Impact Fee Account, the Pledged Wastewater Impact Fee Account, and Contracted Water Supply Impact Fee Account shall be retained in such accounts and used for the purposes specified for such accounts, (iii) Debt Service Account, shall be retained in such account and credited toward the making of Required Deposits in such Account, and (iv) Reserve Account, shall be used first to cure deficiencies in the Reserve Account and then deposited into the Debt Service Account as a credit to the Required Deposits to be made into such Account.

All income and profits derived from the investment of moneys in all other accounts created hereby shall be deposited upon receipt in the General Revenue Account.

ARTICLE XI GENERAL COVENANTS OF THE ISSUER

Section 11.01. Operation and Maintenance. The Issuer will maintain the System and all parts thereof in good condition, according to prudent public utility practices, and will operate the same in an efficient and economical manner, making such expenditures on such equipment, maintenance and repairs for renewals and replacements thereof as may be proper for its economical operation and maintenance.

Beginning in the first Fiscal Year following the effective date of this Resolution, at least once every two years, the Director of the Department shall propose a Long Range Capital Improvements Plan and submit it together with a report on the current condition of the System to a Qualified Independent Consultant who shall review it and report thereon with such comments and

recommendations as it considers appropriate to the Director of the Department and the Governing Body. The Director of the Department shall submit the above described report to the Qualified Independent Consultant, and the Qualified Independent Consultant shall respond, prior to presentation of such reports to the Governing Body. The Governing Body shall adopt the Long Range Capital Improvements Plan with such changes therein as it considers necessary and appropriate and shall provide in such budget for the implementation of the Long Range Capital Improvements Plan as so adopted. A copy of the Long Range Capital Improvements Plan shall be available for inspection at the offices of the Issuer.

If the Qualified Independent Consultant determines that the System is not in good condition, the Issuer shall immediately make or cause to be made such repairs as shall be necessary to place them in good condition. If the Qualified Independent Consultant determines that the operations are not in conformity with the provisions hereof, the Issuer shall immediately take such reasonable steps as are necessary to comply with such provision.

Section 11.02. Rate Covenant. Commencing on the date of delivery of the Bonds, the Issuer will adopt (unless the existing rate resolution is sufficient for the purposes hereof) and cause to be in effect a rate resolution, and the Issuer covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals and other charges for the use of the System that will always provide (i) Gross Revenues which, together with Pledged Impact Fees and Qualified Derivative Receipts available to pay debt service on the Bonds, shall be at least equal to one hundred percent (100%) of the Required Deposits under Section 9.03(1) through (4) of this Resolution, including the payment of Policy Costs then due and owing, (ii) Net Revenues which, together with Pledged Impact Fees available to pay debt service on the Bonds, shall be at least equal to one hundred twenty percent (120%) of the Bond Service Requirement for such Fiscal Year, and (iii) Net Revenues which shall be at least equal to one hundred percent (100%) of the Bond Service Requirement for such Fiscal Year. For purposes of calculating Gross Revenues in (i) above, not more than 10% of such Gross Revenues shall be derived from transfers from the Rate Stabilization Account in any Fiscal Year; provided, however, in calculating the amount of Gross Revenues in (i) above the Issuer shall not take into account any transfers from the Rate Stabilization Account while the Series 2001 Bonds are outstanding.

In determining compliance by the Issuer with the rate covenant set forth in this Section 11.02, the Issuer shall reduce the Bond Service Requirement by an amount equal to the amount of Pledged Revenues transferred from the General Purpose Account and deposited into the Bond Fund to pay any portion of the Bond Service Requirement in such Bond Year.

Section 11.03. Annual Rate Review. At least annually the Issuer will retain a Qualified Independent Consultant to review and make written recommendations to the Director of the Department with respect to changes in the System's rate structure which such consultant deems necessary or appropriate to ensure continuing compliance with the rate covenant set forth in Section 11.02 of this Resolution.

Section 11.04. [Reserved].

Section 11.05. Operating and Capital Budgets; Books and Records. Prior to the end of every other Fiscal Year, the Governing Body shall in the normal budget process for the System prepare, approve, and adopt by resolution, a detailed budget of the Gross Revenues, Costs of Operation and Maintenance, Net Revenues, Pledged Water Impact Fees and Pledged Wastewater Impact Fees, Bond Service Requirement and other Required Deposits for the next succeeding two Fiscal Years, and a capital budget consistent with the then current Long Range Plan and the rate covenant set forth in Section 11.02 above. Copies of all budgets, plans and amendments, thereto shall be available for inspection at the offices of the Issuer and shall be mailed to any Bondholder requesting the same. The Issuer shall also keep books and records of the Gross and Net Revenues of the System and Pledged Water Impact Fees and Pledged Wastewater Impact Fees, which books and records shall be kept separate and apart from all other books, records and accounts of the Issuer and the Holders of not less than ten per centum (10%) of the Bond Obligation shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating thereto.

Section 11.06. Annual Audit.

(1) The Issuer shall, immediately within 270 days after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenses and changes in net assets, and any other statements as required by law or accounting convention, a report by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein which is disclosed by the audit of the financial statements, and an opinion on the financial statements of the System. The annual financial statements shall be prepared in conformity with generally accepted accounting principles.

(2) As soon as practicable after the end of each quarter, the Director of the Department shall certify to the Governing Body that the System is in compliance with the then applicable covenants of this Resolution (other than the rate covenant) during the quarter just ended.

(3) A copy of each audit and report shall be available for inspection at the offices of the Issuer and shall be promptly mailed to any Bondholder requesting the same.

Section 11.07. No Mortgage or Sale of the System.

(1) The Issuer will not mortgage, pledge or otherwise encumber the System. The Issuer will not sell, lease, donate, transfer or otherwise dispose of any property of the System if the fair market value of the property in question as determined by the Real Estate Director:

(a) does not exceed \$500,000, unless the Director of the Public Utilities Department first finds in writing that such property is no longer necessary, useful or profitable in the operations of the System; or

(b) exceeds \$500,000, unless (i) the Director of the Public Utilities Department first finds in writing that such property is no longer necessary, useful or profitable in the operations of the System, (ii) next the Director of the Public Utilities Department finds in writing that it is in the best interest of the Issuer that such property be sold or disposed of, and (iii) then the Governing Body, by resolution, concurs in the findings of the Director of the Public Utilities Department, and authorizes the sale or other disposition of such property.

The present value or price of such disposition shall not be less than the lesser of (i) the fair market value of such property as determined by the Real Estate Director, or (ii) the net book value of such property. The proceeds of such disposition shall be deposited into the General Purpose Account.

(2) Notwithstanding anything in this Section 11.07 to the contrary, the Issuer shall have and hereby expressly reserves the right to sell, lease, donate, or otherwise dispose of any of the property comprising a part of the System which shall have become unserviceable, inadequate, obsolete, worn out, or unfit to be used in the operation of the System or is no longer necessary, useful or profitable in such operation (i) if such finding is made in writing by the Director of the Public Utilities Department, and such property (excluding real property) has a net book value of less than \$100,000 or real property totaling 15,000 square feet or less, or (ii) if the property is real property totaling more than 15,000 square feet, the Director of the Public Utilities Department makes the foregoing finding in writing with respect to such real property and the fair market value of the real property as determined by the Real Estate Director, is not more than \$100,000.

(3) If the Issuer internally transfers any property of the System outside of the water and sewer enterprise fund pursuant to the provisions of this Section 11.07, and such property or a portion of such property is subsequently sold or leased externally, the allocable gain as between such values, if any, shall only be used for a lawful System purpose. Notwithstanding anything herein to the contrary, in any particular circumstance, the Governing Board of the County can change the use of such allocable gain to any lawful purpose by either motion or adoption of a separate resolution, without having to obtain Bondholder consent.

Section 11.08. Insurance and Condemnation Awards. The Issuer will carry adequate fire, windstorm and explosion insurance on the components of the System that are subject to loss through fire, windstorm or explosion; adequate public liability insurance; other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Florida; and in time of war, such insurance as may be available at reasonable cost against loss or damage by the risks and hazards of war in an amount or amounts equal to the fair market value of the System as determined by the Qualified Independent Consultant. The Issuer may, upon appropriate authorization by its Governing Body and consultation with a Qualified Independent Consultant, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the Issuer and, to the extent herein provided, the Bondholders. All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the System or any part thereof are hereby pledged by the Issuer as security for the Bonds, and if available for such purpose shall be deposited at the option of the Issuer but subject to the limitations hereinafter described either

(i) into the Renewal and Replacement Account, in which case such proceeds shall be held in the Renewal and Replacement Account and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the redemption sub-account of the Debt Service Account for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Section 9.07(3) above, or (iii) into the Construction Account to be used as described in Section 9.02 above.

The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the Renewal and Replacement Account pursuant to clause (i) above (and such proceeds and awards shall be deposited directly into the Debt Service Account pursuant to clause (ii) above) unless there shall have been filed with the Governing Body of the Issuer within a reasonable time (i) a certificate from the Qualified Independent Consultant that the proceeds of insurance or condemnation awards deposited into the Renewal and Replacement Account, together with other funds in the Renewal and Replacement Account available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to condemnation or destruction (taking into consideration any changes, alterations and modifications that the Issuer may desire), (ii) an opinion from the Qualified Independent Consultant that the System can be repaired, rebuilt, replaced or restored within two (2) years following the destruction or condemnation thereof and (iii) an opinion of the Qualified Independent Consultant that, in each of the three (3) Bond Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will reasonably expected to be in compliance with its obligations hereunder, including, without limitation, its obligations under Section 11.02 of this Resolution. If the certificate described in clause (i) above is not rendered because such proceeds or awards, together with funds on deposit in the Renewal and Replacement Account are insufficient for such purposes, the Issuer may offset such deficiency with the deposit of other available funds in the Renewal and Replacement Account, or may alternatively deposit proceeds of Additional Parity Bonds or Completion Bonds in the Construction Account, in an amount required to enable the Qualified Independent Consultant to render its certificate. Proceeds received from such insurance proceeds and condemnation awards shall not be deemed Gross Revenues for purposes of the rate covenant of the Issuer.

Section 11.09. No Free Service. So long as any Bonds are outstanding, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class without reasonable justification, except with respect to rates in connection with non-potable water produced by sources other than the wastewater treatment plans owned by the Issuer. Utility services rendered to the Issuer shall be billed and paid by the Issuer from its general funds into the General Revenue Account.

Section 11.10. Mandatory Cut Off. The Issuer may disconnect any user whose account is delinquent and shall expeditiously disconnect any user whose account is more than sixty days delinquent and shall not reconnect any user until the account is paid in full, including any charges for disconnection and reconnection to the System, unless the Governing Body (1) finds that absent the service the health of the user would be threatened; (2) finds there is clear and present showing

of the financial inability of the user to pay the delinquency; and (3) authorizes payment to the General Revenue Account from the Issuer's general funds.

Section 11.11. Enforcement of Collections. The Issuer will diligently enforce and collect the Gross Revenues; will take all steps, actions and proceedings for the enforcement and collection of such Gross Revenues that shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such Gross Revenues shall, as collected, be held by the Chief Financial Officer as trustee for legal purposes to be applied as herein provided and not otherwise.

Section 11.12. No Competing System. To the full extent permitted by law and as practicable, the Issuer will take all lawful steps to prevent any person or entity other than the Issuer from furnishing water or wastewater services to customers located within the boundaries of the unincorporated area of the Issuer; provided, however, the Issuer shall never be precluded from contracting with the Authority for Contracted Water Supply or from granting franchises to provide water or wastewater services where deemed necessary or appropriate in the public interest.

Section 11.13. Qualified Independent Consultants. The Issuer will retain a Qualified Independent Consultant having a favorable reputation for skill and experience for the design, construction and operation of facilities of comparable size and character as the System, for the purpose of complying with the requirements of this Resolution, providing the Issuer competent engineering and rate feasibility services affecting the economical and efficient operation of the System and in connection with the making of capital improvements and renewals and replacements of the System. The Issuer may, however, employ additional engineers and consultants at any time with respect to specific engineering and operation problems relating to the System. The Qualified Independent Consultant shall annually recommend the amount of the Renewal and Replacement Account Requirement.

Section 11.14. Issuance of Other Obligations. The Issuer will not issue any bonds or other obligations, except under the conditions and in the manner provided herein, payable from or enjoying a lien on the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds and the interest thereon, upon said Pledged Revenues. Any other obligations issued by the Issuer in addition to the Bonds herein authorized or Additional Parity Bonds provided for in Section 11.15 below, payable from such Pledged Revenues, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds herein authorized, as to lien on and source and security for payment from such Pledged Revenues.

Section 11.15. Issuance of Additional Parity Bonds. No Additional Parity Bonds may be issued under this Resolution unless the Issuer shall have first complied with the requirements of this Section.

(1) **Certificate of Clerk.** There shall have been obtained and filed with the Governing Body a certificate of the Clerk, stating the following:

(a) That he has audited the books and records of the Issuer relating to the collection and receipt of Gross Revenues and Pledged Impact Fees available to make Required Deposits for the last Fiscal Year which has been audited and which precedes the date of sale of the proposed Additional Parity Bonds with respect to which such certificate is made;

(b) Setting forth the amount of such Gross Revenues and Pledged Impact Fees available to make Required Deposits; and

(c) Stating that the rate covenant set forth in Section 11.02 of this Resolution was met for the Fiscal Year audited.

(2) Certificate of Qualified Independent Consultant. There shall have been obtained and filed with the Governing Body a certificate of a Qualified Independent Consultant which shall state and certify that the requirements of both (i) and (ii) below have been met:

(i) the sum of Adjusted Gross Revenues, Adjusted Pledged Impact Fees and Qualified Derivative Receipts for the Computation Period as hereinafter defined, will be at least equal to one hundred percent (100%) of the Required Deposits under Section 9.03 (1) through (6) of this Resolution, including the repayment of Policy Costs then due and owing; and

(ii) the sum of Adjusted Net Revenues, Adjusted Pledged Impact Fees and Qualified Derivative Receipts for the Computation Period, will be at least equal to one hundred twenty percent (120%) of the Maximum Bond Service Requirement for all Bonds then Outstanding under this Resolution and the Additional Parity Bonds proposed to be issued hereunder.

For purposes of this Section 11.15(2) the terms "Adjusted Gross Revenues," "Adjusted Net Revenues," and "Adjusted Pledged Impact Fees" shall mean the Gross Revenues, Net Revenues or the Pledged Water Impact Fees and Pledged Wastewater Impact Fees ("Pledged Impact Fees"), as the case may be, as shown in the most recent annual audit or as certified by the Clerk, giving effect to the following adjustments, (provided each such adjustment shall be certified by a Qualified Independent Consultant or the Clerk in a certificate or report which shall set forth the assumptions upon which it is based and shall state that such assumptions, in the opinion of the Qualified Independent Consultant or the Clerk, as the case may be, form a reasonable basis for the conclusions expressed therein):

(a) If the Issuer, prior to the issuance of the proposed Additional Parity Bonds, shall have adopted or put into effect an increase in the rates, fees, rentals or other charges for the services of the System, then Gross Revenues, Net Revenues and the Pledged Impact Fees may be adjusted to include the additional Gross Revenues, Net Revenues and Pledged Impact Fees which would have been received during the Computation Period if such increased rates, fees, rentals or other charges had been in effect during all of such period.

(b) If the number of connections as of the first day of the month preceding the month in which the proposed Additional Parity Bonds are to be issued exceeds the average

number of such connections during the most recent full Fiscal Year, then the Gross Revenues, Net Revenues, and Pledged Impact Fees may be adjusted to include the Gross Revenues, Net Revenues and Pledged Impact Fees which would have been received during the Computation Period if those additional connections had also been connected to the System during all of such period.

(c) If the Issuer shall acquire by the issuance of the Additional Parity Bonds any privately or publicly owned existing water system, wastewater system or water and wastewater system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Parity Bonds, then the Gross Revenues and the Net Revenues during the Computation Period may be increased by adding to the Gross Revenues or Net Revenues as applicable during the Computation Period the additional Gross Revenues or Net Revenues (to the extent such amounts were not reflected in such respective revenues) which, on the basis of operating data pertaining to the acquired system during the Computation Period, would have been derived from such existing water system, wastewater system, or other utility system as if such existing water system, wastewater system or other utility system had been operated by the Issuer as a part of the System during the Computation Period.

(d) If the Issuer shall have entered into a contract, which contract shall be for a duration of not less than the final maturity of the proposed Additional Parity Bonds, with any public body whereby the Issuer shall have agreed to furnish services for the collection, treatment or disposal of sewage or agreed to furnish services in connection with any water system or other utility system, then the Gross Revenues or Net Revenues as applicable during the Computation Period may be increased (to the extent such amounts were not reflected in such Gross Revenues or Net Revenues) by the minimum amount which such public body shall guarantee, under a legally enforceable agreement with the Issuer, to pay in any Fiscal Year for the furnishing of such services by the Issuer, which would also consider the estimated additional Cost of Operation and Maintenance attributable in such Fiscal Year to provide such services.

(e) The Gross Revenues or Net Revenues as applicable may be increased (to the extent the following amounts are not otherwise reflected in such Gross Revenues or Net Revenues) by seventy-five percent (75%) of the amount of additional Gross Revenues or Net Revenues as applicable and Pledged Impact Fees which would have been received during the Computation Period from any existing occupied structures which are to be connected to the System within the following eighteen (18) months of the issuance of the Additional Parity Bonds.

(f) The applicable Gross Revenues or Net Revenues may reflect any adjustments necessary for any period during the Computation Period in the opinion of a Qualified Independent Consultant or the Clerk to reflect government ownership of the System or any facilities constituting a part thereof.

For purposes of this Section 11.15(2) "Computation Period" means either (i) any twelve (12) consecutive of the eighteen (18) complete calendar months or (ii) the most recent complete Fiscal Year, in either case, immediately preceding the date of issuance of Additional Parity Bonds.

The certificate of the Qualified Independent Consultant shall additionally certify to the following:

(a) With respect to any proposed Project, the cost of which is to be paid in whole or in part from the proceeds of such Additional Parity Bonds, the date on which construction of such Project is expected to commence, the anticipated construction and disbursement schedule with respect thereto and the date on which such Project is expected to be placed in service;

(b) The anticipated cost of such proposed Project, itemizing separately the expected financing costs of such Additional Parity Bonds issued to pay the cost thereof, the Required Deposits, if any, into the Reserve Account and any capitalized interest to be funded from the proceeds of the Additional Parity Bonds;

(3) No Default. The Chief Financial Officer of the Issuer shall certify that the Issuer is not in default in the performance of any of the covenants and obligations assumed by it hereunder, and that all Required Deposits herein required to have been made into the funds and accounts provided herein shall have been made in full to the extent required.

(4) Due Authorization. The County Attorney or an Assistant County Attorney of the Issuer shall submit an opinion to the Governing Body of the Issuer to the effect that the issuance of such Additional Parity Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Parity Bonds have been fulfilled.

(5) Existing Covenants Applicable. Each resolution, ordinance or enabling instrument authorizing the issuance of such Additional Parity Bonds will recite that all of the covenants herein contained will be fully applicable to such Additional Parity Bonds as if originally issued hereunder.

(6) Refunding Bonds. The Issuer need not comply with the provisions of paragraphs (1) and (2) of this Section 11.15 if and to the extent the Additional Parity Bonds to be issued are for purposes of refunding the Series 1993 Bonds or Bonds previously issued, if the Issuer shall cause to be delivered a certificate of the Chief Financial Officer of the Issuer setting forth the total Bond Service Requirement (i) for the Series 1993 Bonds, if "Outstanding" under the resolution which authorized the issuance thereof, plus the Bonds then Outstanding and (ii) for all Series of Bonds to be immediately Outstanding thereafter and stating that the total Bond Service Requirement pursuant to (ii) above is not greater than that set forth pursuant to (i) above.

(7) Completion Bonds. The Issuer need not comply with the provisions of paragraphs (1) and (2) of this Section 11.15 if and to the extent the Additional Parity Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System ("Completion Bonds") if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the Issuer need not comply with the provision of such paragraphs (1) and (2) of this Section 11.15 may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the initial Series of Bonds to finance such improvements.

(8) Opinion of Bond Counsel. An opinion of Bond Counsel shall be delivered to the Governing Body of the Issuer to the effect that the issuance of such Additional Parity Bonds will not impair the exemption from federal income tax of interest paid on any Bonds issued hereunder and then outstanding.

(9) Payment Dates. All Additional Parity Bonds shall bear interest payable on the date or dates and shall mature on the date or dates as may be provided by Subsequent Resolution.

(10) Reserve Account. Any Additional Parity Bonds may be secured on parity and equal status with all other Bonds issued hereunder by the Reserve Account. Any deposits necessitated by the issuance of Additional Parity Bonds shall either be fully funded from the proceeds of such obligations or funded in any manner authorized in Section 9.03(3) of this Resolution. No Additional Parity Bonds may be issued without the prior written consent of the provider(s) of a surety bond or bonds on deposit in the Reserve Account if any Policy Costs are past due and owing to such provider(s).

(11) Parity. Additional Parity Bonds issued pursuant to the terms and conditions of this Article shall be deemed on a parity with all Bonds then outstanding, and all of the covenants and other provisions of this Resolution shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to this Resolution and the holders of any Additional Parity Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with this Article.

Section 11.16. Commencement and Completion of Projects. The Issuer will commence and complete the Projects in an economical and efficient manner and with all practicable dispatch. The date of completion of the Projects shall be determined by the Qualified Independent Consultant, who will certify such facts in writing to the Director of the Department and the Governing Body of the Issuer.

Section 11.17. Tax Covenants. It is the intention of the Issuer and all parties under its control that the interest on the Bonds issued hereunder that are not Taxable Bonds be and remain excluded from gross income for federal income tax purposes and to this end the Issuer hereby represents to and covenants with each of the holders of the Bonds issued hereunder that are not Taxable Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder that are not Taxable Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any the generality of the foregoing, the Issuer covenants and agrees:

(1) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(2) to set aside sufficient moneys in the Rebate Account or elsewhere, from the Pledged Revenue or other legally available funds of the Issuer, to timely pay the Rebate Amount to the United States of America;

(3) to pay the Rebate Amount to the United States of America from the Pledged Funds or from any other legally available funds, at the times and to the extent required pursuant to Section 148(f) of the Code;

(4) to maintain and retain all records pertaining to the Rebate Amount with respect to the Bonds issued hereunder that are not Taxable Bonds and required payments of the Rebate Amount with respect to the Bonds that are not Taxable Bonds for at least six years after the final maturity of the Bonds that are not Taxable Bonds or such other period as shall be necessary to comply with the Code;

(5) to refrain from taking any action that would cause any Bonds issued hereunder that are not Taxable Bonds and are not issued with the intent that such Bonds shall be private activity bonds (within the meaning of Section 141(a) of the Code), to be classified as private activity bonds under Section 141(a) of the Code; and

(6) to refrain from taking any action that would cause the Bonds issued hereunder that are not Taxable Bonds to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Resolution, including, in particular Section 12.01 hereof, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 11.17 and the following Section 11.18 shall survive the defeasance or payment in full of the Bonds that are not Taxable Bonds.

Section 11.18. Rebate Account. The Issuer shall deposit into the Rebate Account, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Account only for the payment of the Rebate Amount to the United States as required by this Section 11.18. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Account after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful System purpose.

The Rebate Account shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

Section 11.19. Qualified Derivative Agreements. The Issuer may enter into one or more Qualified Derivative Agreements with respect to one or more Series of Bonds (or portions thereof); provided, however, that if such Qualified Derivative Agreement is not entered into at the time of initial issuance of the Series of Bonds to which it relates, the requirements of Section 11.15 above must be met, applying the same as if \$1.00 in principal amount of Additional Bonds is being issued as of the effective date of such Qualified Derivative Agreement. Qualified Derivative Payments payable by the Issuer under any such agreement shall be payable from the Swap Obligations Account on a parity with principal, interest and Amortization Installment payments with respect to Bonds issued and Outstanding hereunder.

Prior to entering into any Qualified Derivative Agreement with respect to any Bonds issued and Outstanding hereunder, the Issuer shall notify Fitch, Moody's and S&P, to the extent they shall maintain a rating on Outstanding Bonds, of the Issuer's intent to enter into such Agreement.

Section 11.20. No Further Issuance of Senior Lien Bonds. So long as any Bonds authorized hereunder are Outstanding, the Issuer shall not issue bonds or other obligations which have a lien on Pledged Revenues which is senior to that of the holders of the Bonds.

ARTICLE XII DEFEASANCE; NOTICE OF DEFEASANCE

Section 12.01. Defeasance. If (a) the Issuer shall pay or cause to be paid to the Holders of the Bonds then outstanding the principal of, and the interest to become due thereon and redemption premiums, if any, at the times and in the manner stipulated therein and herein, and (b) the Issuer shall keep, perform and observe all of its agreements with respect to the Bonds herein expressed which are to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, terminate and be void.

Any Bond for the payment or redemption of which sufficient moneys or Acquired Obligations shall have been deposited with a trust company or bank with trust powers, as escrow agent (whether upon or prior to the stated maturity or the redemption date of such Bonds), shall be deemed to be paid within the meaning hereof and shall no longer be Outstanding hereunder; provided, however, that if such Bonds are to be redeemed prior to their stated maturities, notice of such redemption shall have been duly given as provided in Section 6.09 hereof or irrevocable arrangements satisfactory to the Paying Agent shall have been made for the giving thereof. The aforesaid Acquired Obligations will be considered sufficient if said obligations, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash moneys to pay currently maturing principal of, premiums, if any, and interest on the Bonds then due. Such Acquired Obligations may not contain provisions making them subject to redemption prior to their stated maturities other than at the option of the holder thereof.

If the Issuer shall determine that it is desirable to terminate the rights and liens hereunder of the Holders of any Bonds (pursuant to a refunding or otherwise) and shall deposit irrevocably in trust sums which when invested in Acquired Obligations will be sufficient: (a) to pay the principal of, and the interest on said Bonds as the same mature or until called for redemption; and (b) to pay the principal of and interest due on all Bonds called on said call date together with any redemption premium due thereon, and shall make adequate provision for the publication at the proper time of any required notice of redemption, such Bonds shall thereafter have no right or lien under this Resolution other than the right to receive payment from said special fund and the same shall not be considered to be Outstanding hereunder for any purpose.

For purposes of determining whether variable rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Acquired Obligations and moneys, if any, in accordance with the requirements of this Section, the interest to come due on such variable rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such variable rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Acquired Obligations on deposit with the escrow agent for the payment of interest on such variable rate Bonds is in excess of the total amount which would have been required to be deposited with the escrow agent on such date in respect of such variable rate Bonds in order to satisfy the requirements of this Section, the escrow agent shall, if requested by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

Section 12.02. Publication of Notice of Defeasance. Within thirty (30) days after the defeasance of the Bonds or any Series thereof, the Issuer shall cause to be published one time in a newspaper published and of general circulation in Hillsborough County, Florida, or a financial journal published in the City and State of New York, a notice of the advance refunding of such Bonds. The provisions of this section shall have no application to any Bonds issued after the Issuer's Refunding Utility Revenue Bonds, Series 2003.

ARTICLE XIII

EVENTS OF DEFAULT; REMEDIES

Section 13.01. Events of Default. Each of the following events is hereby declared an "event of default," that is to say if:

(1) Payment of principal of any Bond shall not be made when the same shall become due and payable either at maturity or on required payment dates by proceedings for redemption or otherwise;

(2) Payment of any installment of interest shall not be made when the same shall become due and payable;

(3) The Issuer shall for any reason be rendered incapable of fulfilling its obligations under this Resolution to the extent that the payment of or security for the Bonds would be materially adversely affected, and such conditions shall continue unremedied for a period of 30 days after the Issuer becomes aware of such conditions;

(4) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, the Pledged Revenues, or any part thereof or the filing of a petition by the Issuer, for the relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within 30 days after the filing thereof;

(5) Any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues;

(6) The entry of a final judgment or judgments for the payment of money against the Issuer, as a result of the ownership, operation or control of the System which subjects any of the funds pledged under this Resolution to a lien for the payment thereof in contravention of the provisions of this Resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within 90 days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(7) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, in this Resolution, on the part of the Issuer, to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the registered owners of not less than 10% of the Bond Obligation.

Notwithstanding the foregoing, the occurrence of any default under a Qualified Derivative Agreement, including without limitation failure on the part of the Issuer to make Qualified Derivative Payments or to pay a termination fee thereunder, shall not be construed as or deemed to constitute an "event of default" hereunder; rather, such occurrence shall be remedied pursuant to such Qualified Derivative Agreement and applicable legal and equitable principles taking into account the parity status as to lien on Pledged Revenues which the counterparty to such Qualified Derivative Agreement enjoys as to Qualified Derivative Payments only, relative to that of the Bondholders and their rights to payments hereunder.

Notwithstanding the foregoing, with respect to the events described in clauses (3) and (7) above, the Issuer shall not be deemed in default hereunder if such default can be cured within a

reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

In determining whether an Event of Default has occurred under 13.01(1) or (2) above or whether a payment on the Bonds has been made under this Resolution, no effect shall be given to payments made pursuant to a municipal bond insurance policy.

Section 13.02. Enforcement of Remedies. Upon the happening and continuance of any event of default specified in Section 13.01 of this Article, then and in every such case the owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the holders of all Bonds then outstanding (the "Default Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Default Trustee shall have agreed to serve shall be filed with the Issuer and the Default Trustee and notice of such appointment shall be published in THE BOND BUYER or a financial journal of general circulation in the City of New York, New York and mailed to the registered holders of the Bonds. After the appointment of the first Default Trustee hereunder, no further Default Trustees may be appointed; however, the holders of a majority of the Bond Obligation may remove the Default Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Default Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Default Trustee shall terminate with respect to such default.

After a Default Trustee has been appointed pursuant to the foregoing, the Default Trustee may proceed, and upon the written request of owners of twenty-five percent (25%) of the Bond Obligation shall proceed, subject to the provisions of Section 13.03 of this Resolution, to protect and enforce the rights of the Bondholders under the laws of the State of Florida, including the Act, and under this Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted to for the enforcement of any proper legal or equitable remedy, all as the Default Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this Resolution, the Default Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Default Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from

moneys in the Debt Service Account, the Reserve Account and any funds or accounts pledged hereunder) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 13.03. Effect of Discontinuing Proceedings. In case any proceeding taken by the Default Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Default Trustee, such Bondholder, then and in every such case the Issuer, the Default Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Default Trustee shall continue as though no such proceeding had been taken.

Section 13.04. Directions to Default Trustee as to Remedial Proceedings. Anything in this Resolution to the contrary notwithstanding, the holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Default Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Default Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Default Trustee shall have the right to decline to follow any such direction which in the opinion of the Default Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 13.05. Restrictions on Actions by Individual Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Default Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Default Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Default Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Default Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Default Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Default Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein or therein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this Resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and

after the maturity thereof, at the time, place, from the source and in the manner provided in this Resolution.

Section 13.06. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, in the case of an Event of Default under Section 13.01(1) or (2) hereof, to the extent there are no other available Pledged Revenues or funds and accounts held under this Resolution, the Default Trustee shall use the remaining funds in the Construction Account to pay principal of and interest of the Bonds, and if at any time the Pledged Revenues and the moneys in the funds and accounts provided for herein shall not be sufficient to pay the principal of or the interest on the Bonds, as the case may be, as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such funds shall be applied (1) first, to the payment of all installments of interest then due, in the order of the maturity of the installments of such interest, to the persons entitled thereto, ratably, without any discrimination or preference, and (2) then, to the deposit of all installments of principal required to be made, in the order of the requirement for the deposit of such installments, or ratably if in the same order of payment, without discrimination or preference.

(b) If the principal of all the Bonds shall have become due and payable, all such funds shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of one such category over another, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest (including Accreted Value), to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever funds are to be applied pursuant to the provisions of this Section 13.06, such funds shall be applied at such times, and from time to time, as the Issuer or the Default Trustee, as the case may be, in its sole discretion shall determine, having due regard to the amount of such funds available for application and the likelihood of additional funds becoming available for such application in the future; the setting aside of such funds, in trust for the proper purpose, shall constitute proper application of such funds. Whenever such discretion in applying such funds shall be exercised, the date (which shall be an interest payment date unless another date more suitable shall be fixed) upon which such application is to be made shall be fixed by the Issuer or the Default Trustee and upon such date interest on the amounts or principal to be paid on such date shall cease to accrue. Such notice as shall be deemed to be appropriate of the fixing of any such date shall be given. No payment to the owner of any Bond shall be required unless such Bond shall be presented to the Default Trustee or to the Issuer, as the case may be, for appropriate endorsement or for cancellation if fully paid.

Section 13.07. Rights of Municipal Bond Insurers. Notwithstanding any other provision hereof, if a municipal bond insurer of a particular Series of Bonds is not then in default in the

performance of its obligations under the related municipal bond insurance policy: (i) except the giving of notice of an Event of Default to Bondholders, such municipal bond insurer shall be considered the Holder of all Bonds of such Series and shall be entitled to direct and control the enforcement of all rights and remedies with respect to such Series of Bonds, (ii) such municipal bond insurer shall receive immediate notice of any Event of Default pursuant to Section 13.01(1) or (2) hereof and notice of any other Event of Default known to the Paying Agent or the Issuer within 30 days of the Paying Agent's or the Issuer's knowledge thereof; and (iii) such municipal bond insurer shall be included as a party in interest and as a party entitled to (a) notify the Issuer or any applicable receiver of the occurrence of an Event of Default and (b) request the receiver to intervene in judicial proceedings that affect the Bonds or the security therefor (the receiver shall be required to accept notice of default from such municipal bond insurer).

ARTICLE XIV MISCELLANEOUS

Section 14.01. Modification or Amendment. Prior to the issuance of the initial series of Bonds hereunder, this Resolution may be amended from time to time at the Issuer's sole discretion. Thereafter, the Issuer, from time to time and at any time and without the consent or concurrence of any Holder of any Bonds, may adopt a Subsequent Resolution amendatory hereof or supplemental hereto, if the provisions of such Subsequent Resolution shall not materially adversely affect the rights of the Holders of the Bonds then Outstanding, for any one or more of the following purposes:

(A) To make any changes or corrections in this Resolution as to which the Issuer shall have been advised by counsel that are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable.

(B) To add additional covenants and agreements of the Issuer for the purpose of further securing the payments of the Bonds;

(C) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Resolution;

(D) To confirm as further assurance any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;

(E) To grant to or confer upon the Holders any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(F) To assure compliance with federal "arbitrage" provisions in effect from time to time;

(G) To issue Additional Parity Bonds pursuant to Section 11.15 hereof or to provide such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of variable rate bonds or to enter into a Qualified Derivative Agreement; and

(H) To modify any of the provisions of this Resolution in any other aspects provided that such modifications shall not be effective until after the Bonds Outstanding at the time such Subsequent Resolution is adopted shall cease to be Outstanding, or until the Holders thereof consent thereto as required in the next paragraph hereof, and any Bonds issued subsequent to any such modification shall contain a specific reference to the modifications contained in such Subsequent Resolution.

Unless expressly permitted by the preceding paragraph, no material modification or amendment of this Resolution or of any Subsequent Resolution amendatory hereof may be made without the consent in writing of the Holders of not less than a majority of the Bond Obligation 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 in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on the Bonds as the same shall become due from the Pledged Revenues or reduce the percentage of the Holders of the Bonds required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all such Bonds.

Notwithstanding any provision herein to the contrary, if a municipal bond insurer of a particular Series of Bonds is not then in default in the performance of any of its obligations under the related municipal insurance policy, such municipal bond insurer shall be considered the Holder of all Bonds of such Series and shall be entitled to give its written consent to amendments in lieu of the Bondholder consent requirement above relating to such Series of Bonds.

Section 14.02. Members of the County Not Liable. No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the County in his individual capacity, and neither the members of the County nor any official executing the Bonds shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the County or such members thereof.

Section 14.03. No Third-Party Beneficiaries. Except as otherwise expressly provided in this Resolution, nothing herein expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the Owners and Holders of the Bonds issued under and secured by this Resolution and the municipal bond insurers of such Bonds, any right, remedy or claim, legal or the sole and exclusive benefit of the parties thereto and the Owners and Holders from time to time of the Bonds issued hereunder and the municipal bond insurers of such Bonds.

Section 14.04. Severability and Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or

contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 14.05. Sale of Bonds. The Bonds may be issued and sold by negotiated sale in such manner and at such price or prices consistent with the Act, all at one time or in installments from time to time, as shall be hereafter determined by Subsequent Resolution of the Governing Body of the Issuer.

Section 14.06. Repealing Clause. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. Resolution No. R85-0225 adopted by the Issuer on November 26, 1985, as supplemented and amended, is hereby repealed at such time as this Resolution becomes effective pursuant to Section 14.07 hereof.

Section 14.07. Effective Date. This Resolution shall take effect immediately upon the occurrence of the happening of all of the following events, which events may not necessarily occur simultaneously: (a) its adoption by the Issuer; (b) at such time as the Series 1993 Bonds are no longer "Outstanding" under Resolution No. R85-0225 adopted by the Issuer on November 26, 1985, as supplemented and amended; (c) the Issuer having obtained the written consent of Ambac Assurance Corporation, as the municipal bond insurer of the Series 2001 Bonds, to the amendments being made to the Original 2001 Resolution; and (d) at such time as all of the Issuer's rights, duties and obligations under the Interest Rate Swap Agreement have been assigned or terminated. Prior to such time, the Original 2001 Resolution remains in full force and effect.

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APPENDIX D-2

2026 RESOLUTION

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APPENDIX D-2

2026 RESOLUTION

RESOLUTION NO. R26-088

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HILLSBOROUGH COUNTY, FLORIDA, AMENDING AND SUPPLEMENTING RESOLUTION NO. R03-112 HERETOFORE ADOPTED ON JUNE 4, 2003, AS AMENDED; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$700,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF (I) UTILITY REVENUE BONDS, SERIES 2026A, FOR THE PURPOSES OF FINANCING AND REIMBURSING THE COSTS OF ALL OR A PORTION OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EXPANSION, REPLACEMENT AND/OR EQUIPPING OF VARIOUS CAPITAL IMPROVEMENT PROJECTS IN THE ISSUER'S UTILITY SYSTEM, REFINANCING ALL OR A PORTION OF CERTAIN INTERIM INDEBTEDNESS USED TO FINANCE CAPITAL IMPROVEMENTS TO SUCH SYSTEM, AND PAYING THE COSTS OF ISSUANCE OF SUCH SERIES, AND (II) UTILITY REFUNDING REVENUE BONDS, SERIES 2026B FOR THE PURPOSES OF REFUNDING ALL OR A PORTION OF THE COUNTY'S OUTSTANDING UTILITY REVENUE BONDS, SERIES 2016 AND PAYING THE COSTS OF ISSUANCE OF SUCH SERIES; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING CERTAIN OFFICIALS TO DEEM FINAL THE PRELIMINARY OFFICIAL STATEMENT FOR PURPOSES OF U.S. SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; DELEGATING THE AWARD AND SALE OF SAID BONDS ON A NEGOTIATED BASIS TO THE UNDERWRITERS NAMED HEREIN AND FIXING SUCH OTHER DETAILS PURSUANT TO THE BOND PURCHASE AGREEMENT, SUBJECT TO THE SATISFACTION OF CERTAIN PARAMETERS DESCRIBED HEREIN; APPROVING THE FORMS OF THE BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; DESIGNATING THE REGISTRAR AND PAYING AGENT FOR SAID BONDS; APPROVING THE FORM

OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE ESCROW DEPOSIT AGREEMENT AND APPOINTING AN ESCROW HOLDER; APPOINTING A VERIFICATION AGENT; SPECIFYING THE DATE AND INTEREST PAYMENT DATES OF SUCH BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

Upon motion by Commissioner _____ seconded by Commissioner _____, the following resolution was adopted by a vote of ____ to _____, with Commissioner(s) _____, _____ voting No; Commissioner(s) _____ being absent.

WHEREAS, Hillsborough County, Florida (the "Issuer") previously adopted Resolution No. R03-112 on June 4, 2003 (as amended and supplemented from time to time, the "Master Resolution"); and

WHEREAS, all capitalized undefined terms herein shall have the meanings ascribed thereto in the Master Resolution; and

WHEREAS, the Issuer has now determined to amend and supplement the Master Resolution hereby; and

WHEREAS, the Issuer has determined that it will be economically beneficial and in the best interests of the Issuer and the citizens thereof to issue not to exceed \$700,000,000 in aggregate principal amount of (i) its Hillsborough County, Florida Utility Revenue Bonds, Series 2026A (the "2026A Bonds") for the purposes of financing and reimbursing the costs of all or a portion of the acquisition, construction, reconstruction, expansion, replacement and/or equipping of various capital improvement projects in the Issuer's utility system collectively, the 2026 Project"), refinancing all or a portion of certain interim indebtedness used to finance capital improvements to such system (the "Refunded Short-Term Indebtedness"), which includes but is not limited to Outstanding Subordinate Indebtedness (as such term is defined herein) and paying the costs of issuance of such series, and (ii) its Utility Refunding Revenue Bonds, Series 2026B (the "2026B Bonds" and together with the 2026A Bonds, the "2026 Bonds") for the purpose of refunding all or a portion of the Issuer's Outstanding Utility Revenue Bonds, Series 2016 (the "Refunded Bonds"), and paying the costs of issuance of such series; and

WHEREAS, based on advice of the Issuer's municipal advisor (the "Municipal Advisor"), the Issuer has now determined that it is in the best interests thereof to issue the 2026 Bonds with fixed interest rates for the purposes described herein; and

WHEREAS, upon the issuance of the 2026 Bonds, upon satisfaction of certain requirements set forth in the Master Resolution, this Resolution, the Revolving Credit Agreement (as such term is hereinafter defined), and the Non-Revolving Credit Agreement (as such term is hereinafter defined), the 2026 Bonds will be payable on parity from the Pledged Revenues with each other, and the Issuer's Outstanding Utility Revenue Bonds, Series 2016, to the extent not

refunded by the 2026 Bonds, the Issuer's Outstanding Utility Refunding Revenue Bonds, Series 2019, the Issuer's Outstanding Utility Revenue Bonds, Series 2021A, and the Issuer's Outstanding Utility System Refunding Revenue Bonds, Series 2021B (collectively, the "Parity Bonds"), and any Additional Parity Bonds hereafter issued in the manner and to the extent provided in the Master Resolution, and all of the covenants and other provisions of the Master Resolution, to the extent provided thereby, shall be fully applicable to, and for the equal benefit, protection and security of the holders of the 2026 Bonds, the holders of the Parity Bonds, and any holders of any Additional Parity Bonds hereafter issued within the limitations of and in compliance with Section 11.15 of the Master Resolution; and

WHEREAS, the Issuer previously issued its outstanding Subordinate Utility Revenue Note, Series 2025 Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 19, 2025, between the Issuer and Bank of America, N.A. (the "Bank"), and outstanding Subordinate Utility Revenue Note, Series 2026 pursuant to the Non-Revolving Credit Agreement (the "Non-Revolving Credit Agreement") dated as of July 20, 2026, between the Issuer and the Bank (collectively, the "Outstanding Subordinate Indebtedness"), which constitute "Subordinate Indebtedness" under the Master Resolution and are granted a lien on and source and security for payment from Pledged Revenues on a junior and subordinate lien basis in all respects to the Parity Bonds and any Additional Parity Bonds hereafter issued under the Master Resolution; and

WHEREAS, the Issuer desires not to secure the 2026 Bonds by the Reserve Account or any subaccount or subaccounts created therein; and

WHEREAS, because of the characteristics of the Series 2026 Bonds, prevailing and anticipated market conditions and savings to be realized from an expeditious sale of the Series 2026 Bonds, the current refunding of the Refunded Bonds and the refinancing of the Refunded Short-Term Indebtedness, it is hereby determined that it is in the best interest of the public and the Issuer to sell the 2026 Bonds at a negotiated sale; and

WHEREAS, subject to the terms and conditions set forth herein and set forth in the Bond Purchase Agreement, BofA Securities, Inc. (the "Representative"), on behalf of itself, J.P. Morgan Securities LLC, Raymond James & Associates, Inc., RBC Capital Markets, LLC, and Wells Fargo Bank, National Association (collectively, the "Underwriters") is expected to submit an offer to the Issuer to purchase the 2026 Bonds by negotiated sale pursuant to the terms of a Bond Purchase Agreement between the Issuer and the Underwriters, a form of which is attached hereto as Exhibit A (the "Bond Purchase Agreement"); and

WHEREAS, upon satisfaction of conditions set forth herein, the Issuer desires to sell the 2026 Bonds pursuant to the Bond Purchase Agreement; and

WHEREAS, prior to the award and sale of the 2026 Bonds, the Issuer will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, and an affidavit in compliance with the requirements of Section 787.06(14), Florida Statutes, copies of which will be attached to or otherwise included as part of the Bond Purchase Agreement; and

WHEREAS, the Issuer desires to approve the form of and authorize the distribution of a Preliminary Official Statement, a proposed form of which is attached hereto as Exhibit B (the "Preliminary Official Statement ") in connection with the marketing and sale of the 2026 Bonds, to authorize the execution and delivery of a final Official Statement incorporating the final details of the 2026 Bonds, and to authorize the County Administrator to execute a certificate deeming the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule") and to authorize the execution and distribution of a final Official Statement substantially in the form of the Preliminary Official Statement with such further changes as herein authorized; and

WHEREAS, the Issuer desires to approve the form of and authorize the execution of a Continuing Disclosure Certificate, a proposed form of which is attached hereto as Exhibit C (the "Continuing Disclosure Certificate "); and

WHEREAS, the Issuer desires to approve the form of and authorize the execution of an Escrow Deposit Agreement, a proposed form of which is attached hereto as Exhibit D (the "Escrow Deposit Agreement"); and

WHEREAS, the Issuer desires to appoint Hancock Whitney Bank, as escrow holder (the "Escrow Holder") pursuant to the Escrow Deposit Agreement; and

WHEREAS, the Issuer desires to appoint Robert Thomas CPA, LLC, as verification agent (the "Verification Agent"); and

WHEREAS, subject to the execution and delivery of the 2026 Bonds for the purpose of currently refunding the Refunded Bonds, the Issuer desires to call all the Refunded Bonds for early redemption on January 12, 2027, or such other date as determined pursuant to the terms hereof, and to direct the Clerk or any Deputy Clerk of the Circuit Court and Ex-Officio Clerk of the Board (the "Clerk"), as Paying Agent and Registrar for the Refunded Bonds (the "2016 Paying Agent") under the Master Resolution, to timely provide notice of redemption in the manner described herein; and

WHEREAS, subject to the execution and delivery of the 2026 Bonds, the Issuer desires to prepay some or all of the Refunded Short-Term Indebtedness on the date of issuance of the Series 2026 Bonds, in the manner described herein; and

WHEREAS, with respect to the 2026 Bonds, the Issuer desires to use the book-entry system of registration with The Depository Trust Company ("DTC"); and

WHEREAS, this Resolution shall constitute a Subsequent Resolution for purposes of the Master Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF HILLSBOROUGH COUNTY, FLORIDA, that:

Section 1. Authority. This Resolution is adopted pursuant to the Master Resolution, the Constitution of the State of Florida, the Hillsborough County Charter, Chapter 125, Florida Statutes, Chapter 159, Part I, Florida Statutes, and other applicable provisions of law (collectively the "Act").

Section 2. Definitions. All terms used herein in capitalized form that are defined in the Master Resolution shall have the same meaning as are ascribed to those terms therein, unless a different or additional meaning is given to those terms herein. All terms defined in the preamble to this Resolution shall have the meanings ascribed thereto in said preamble.

Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Findings and Determinations. It is hereby ascertained, determined, and declared that:

A. It serves a public purpose and is necessary and in the best interests of the Issuer and its customers to undertake the 2026 Project for the continued efficient operation of the System, to refund the Refunded Bonds in order to obtain present value net debt service savings and to refinance the Refunded Short-Term Indebtedness on a long-term basis, if the parameters herein can be met. The refunding of the Refunded Bonds is advantageous because it will reduce overall debt service payments owed by the Issuer. The prepayment of the Refunded Short-Term Indebtedness is advantageous because it will amortize the debt more commensurate with the projects being refinanced.

B. The Issuer has all powers of local self-government under the Act to perform county functions and to render services in a manner not inconsistent with general or special law and such power may be exercised by the enactment of ordinances or the adoption of resolutions.

C. The Issuer is authorized under the Act to issue the 2026 Bonds for the purposes provided herein and the proposed uses are a valid county purpose and a public purpose.

D. For the benefit of its inhabitants, the Issuer finds, determines, and declares that it is necessary for the continued preservation of the health, welfare, convenience, and safety of the Issuer and its inhabitants to undertake and to issue the 2026 Bonds for the purposes described herein.

E. The 2026 Bonds will be Additional Parity Bonds under the Master Resolution, secured and payable from the Pledged Revenues on parity with the Parity Bonds, and any Additional Parity Bonds hereafter issued in the manner and to the extent provided in the Master Resolution. The estimated Pledged Revenues will be at least sufficient to pay the principal of and interest on the 2026 Bonds as the same become due, and all other amounts required to be paid or deposited under the Master Resolution.

F. Following the issuance of the 2026 Bonds, the Pledged Revenues will not be pledged or encumbered in any manner except to pay the principal of and interest and premium on the Parity Bonds, the 2026 Bonds, and the Outstanding Subordinate Indebtedness in the manner and to the extent described herein.

G. The Issuer is not in default in performing any of the covenants and obligations assumed by it under the Master Resolution and all payments required thereunder to have been made into the accounts and funds established therein have been made to the full extent required.

H. The portion of the net proceeds of the 2026B Bonds, together with other legally available funds of the Issuer, to be deposited with the Escrow Holder to be held under the Escrow Deposit Agreement will cause the rights granted by the Master Resolution, to thereupon cease, determine and become void, and the Refunded Bonds shall be deemed to be paid within the meaning of the Master Resolution and shall no longer be Outstanding under the Master Resolution and such Refunded Bondholders shall no longer have any right or lien under the Master Resolution other than payments to be received pursuant to the Escrow Deposit Agreement. Such sum so deposited will be sufficient, taking into account investment earnings, to make timely payments of all Outstanding principal, redemption premium, and interest in respect to the Refunded Bonds, as the same become due and/or redeemable.

I. The costs, if any, associated with the issuance of the 2026 Bonds shall be deemed to include legal fees and expenses, municipal advisory fees and expenses, underwriting fees and expenses, rating agency fees, expenses for estimates of costs and of revenues, accounting expenses, costs of printing, fees and expenses for the Escrow Holder, with respect to the 2026B Bonds, fees and expenses for verification, fees and expenses for accrued and capitalized interest, if applicable, provisions for reserves, and such other fees and expenses as may be necessary or incidental for the financing, refinancing and redemption herein authorized.

J. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the 2026 Bonds herein authorized or to make any other payments provided for in the Master Resolution. The 2026 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.

K. It is hereby ascertained, determined, and declared that it is in the best interest of the Issuer to award the sale of the 2026 Bonds in the original aggregate principal amount of not to exceed \$700,000,000 at a negotiated sale upon the terms, conditions and limitations set forth herein and in the Bond Purchase Agreement.

L. Prior to the sale of the 2026 Bonds, the Representative will provide the Issuer with a disclosure statement containing the information required by Section 218.38(1)(b)2., Florida Statutes, Truth-in-Bonding Statement pursuant to Section 218.385, Florida Statutes, and an affidavit in compliance with the requirements of Section 787.06(14), Florida Statutes.

Section 4. Authorization of 2026 Project and Refunding. The financing and reimbursing of the costs of all or a portion of the 2026 Project, the refunding of the Refunded Bonds, and refinancing of the Short-Term Indebtedness with proceeds of the 2026 Bonds and other legally available moneys of the Issuer, if any, are hereby authorized and approved.

Section 5. Authorization of 2026 Bonds. Pursuant to and subject to the provisions of the Master Resolution, for the purpose of financing and reimbursing of the costs of all or a portion of the 2026 Project, refunding the Refunded Bonds, refinancing the Refunded Short-Term Indebtedness and paying the costs of issuance of the 2026 Bonds, the 2026 Bonds are hereby authorized to be issued in one or more series in an original aggregate principal amount of not to exceed \$700,000,000. The Issuer may change the title of the 2026 Bonds in the event that the 2026 Bonds are not issued in calendar year 2026. Notwithstanding anything herein to the contrary, however, the 2026 Bonds shall not be issued and delivered until the conditions specified in Section 9 of this Resolution have been met.

Section 6. This Instrument to Constitute Contract. Upon and in consideration of the acceptance of the 2026 Bonds by the registered owners thereof, this Resolution and the Master Resolution shall be deemed to be and shall constitute a contract between the Issuer and the 2026 Bondholders. The covenants and agreements set forth in the Master Resolution to be performed by the Issuer shall be for the equal and proportionate benefit, protection and security of the holders of the Bonds issued pursuant to the Master Resolution, the terms thereof shall be of equal rank, without preference, priority or distinction over any other thereof, except as expressly provided in the Master Resolution, and all of the covenants and other provisions of the Master Resolution, to the extent provided thereby, shall be fully applicable to, and for the equal benefit, protection and security of the holders of the 2026 Bonds, the holders of the Parity Bonds, and any holders of any Additional Parity Bonds hereafter issued within the limitations of and in compliance with Section 11.15 of the Master Resolution.

Section 7. Terms and Form of 2026 Bonds

A. The 2026 Bonds shall be numbered from one upward preceded by the letter "R," prefixed to the number.

B. Principal of and premium, if any, on the 2026 Bonds shall be payable upon presentation and surrender at the principal office of the Registrar. Interest on the 2026 Bonds will be paid by check or draft mailed to the registered owners thereof as their addresses may appear on the registration books of the Issuer at the close of business on the fifteenth day, whether or not a Business Day (defined as a day other than (i) a Saturday, Sunday, legal holiday, or day on which banking institutions in the city in which the Paying Agent has its principal office are authorized by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed), of the month next preceding the interest payment date (the "Record Date") irrespective of any transfer or exchange of a 2026 Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the

persons in whose names the 2026 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice mailed to the registered owners of the 2026 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the 2026 Bonds are registered at the close of business on the fifth day, whether or not a Business Day, preceding the date of mailing. Notwithstanding the foregoing, a registered owner of \$1,000,000 or more in principal amount of 2026 Bonds may provide for payment by wire transfer in immediately available funds on the applicable principal or interest payment date by written request submitted (i) in the case of principal or premium, to the Paying Agent together with the presentation or surrender of 2026 Bonds to be paid, and (ii) in the case of interest, to the Paying Agent at least fifteen (15) calendar days before the applicable Record Date, specifying the account number, address, and other relevant information. The registration of any 2026 Bond may be transferred upon the registration books upon delivery thereof to the principal office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Bondholder or his attorney in fact or legal representative, containing written instructions as to the details of the transfer of ownership in the registration books for the 2026 Bonds and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered 2026 Bond or 2026 Bonds of the same maturity and rate of interest and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds.

C. The 2026 Bonds shall be dated such date as provided in the Official Statement related to the 2026 Bonds. The 2026 Bonds may be issued as Serial Bonds and/or Term Bonds and have Amortization Installment amounts as set forth in the Bond Purchase Agreement, and approved therein by the County Administrator. The 2026 Bonds shall bear interest from their date payable semi-annually on the first day of February and the first day of August of each year commencing on February 1, 2027, or such other date as set forth in the Bond Purchase Agreement, and approved by the County Administrator, at the interest rates and prices and/or yields shown on, and shall mature in accordance with, the annual maturity and/or mandatory redemption schedule as set forth in the Bond Purchase Agreement, and approved therein by the County Administrator; *provided, however*, notwithstanding anything herein to the contrary, interest rates on the 2026 Bonds shall not exceed the maximum interest rates permitted by applicable law. The 2026 Bonds may be subject to such optional and/or mandatory redemption provisions as set forth in the Bond Purchase Agreement, and approved therein by the County Administrator. The approval by the County Administrator shall be conclusively evidenced by the execution of the Bond Purchase Agreement. The 2026 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof.

D. A blanket letter of representations dated August 6, 2026 was entered into by the Issuer with respect to DTC (the "Representation Letter"). It is intended that the 2026 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Representation Letter. The terms and conditions of such Representation Letter shall govern the registration of the 2026 Bonds. The 2026 Bonds shall be initially issued in the form of a single

fully registered 2026 Bond for each maturity. Upon initial issuance, the ownership of such 2026 Bonds shall be registered by the Registrar in the name of Cede & Co., as nominee for DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Issuer, the Paying Agent and DTC evidenced by the Representation Letter shall be terminated for any reason, or (c) the Issuer determines that it is in the best interests of the Issuer or the beneficial owners of the 2026 Bonds that they be able to obtain certificated 2026 Bonds, the Issuer shall notify DTC of the availability through DTC of 2026 Bond certificates and the 2026 Bonds shall no longer be restricted to being registered in the bond register in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the 2026 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the 2026 Bonds may be registered in whatever name or names registered owners of 2026 Bonds transferring or changing 2026 Bonds designate, in accordance with the provisions of the Master Resolution. Notwithstanding any other provision of the Master Resolution to the contrary, so long as any 2026 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, redemption premium, if any, and interest on such 2026 Bond and all notices with respect to such 2026 Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

E. The Clerk is hereby appointed Paying Agent and Registrar with respect to the 2026 Bonds.

F. The text of the 2026 Bonds and the form of assignment for such 2026 Bonds and Certificate of Authentication shall be substantially in the forms set forth in the Master Resolution, with appropriate modifications to reflect the series, parity status and other details of the 2026 Bonds, and with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by the Master Resolution, this Resolution or by any Subsequent Resolution adopted prior to the issuance thereof, or as may be approved and made by the offices of the Issuer executing the same, such execution to be conclusive evidence of such approval.

Section 8. Application of 2026 Bond Proceeds. (1) The proceeds, including accrued interest, if any, and premium, if any, received from the sale of the 2026A Bonds shall be applied by the Issuer simultaneously with the delivery of the 2026A Bonds to the Underwriters, as follows:

- (i) The accrued interest, if any, and any capitalized interest, if any, shall be deposited in the Debt Service Account in the Bond Fund and shall be used only for the purpose of paying interest becoming due on the 2026A Bonds.
- (ii) A sufficient amount of the 2026A Bond proceeds shall be applied to the payment of costs and expenses, including legal, accounting, engineering, consulting, rating agency fees, underwriting and municipal advisory fees and expenses, and other fees and expenses

relating to the issuance of the 2026A Bonds which must be paid upon delivery of the 2026A Bonds.

(iv) A sum, together with other legally available funds of the Issuer, which will be sufficient to pay or prepay, as the case may be, the principal of, interest on, premium, if any, and other costs and obligations incurred with respect to the Refunded Short-Term Indebtedness as is due.

(v) Any remaining moneys from the 2026A Bonds shall be deposited in the Construction Account to be applied towards the cost of the 2026 Project.

(2) The proceeds, including accrued interest, if any, and premium, if any, received from the sale of the 2026B Bonds shall be applied by the Issuer simultaneously with the delivery of the 2026B Bonds to the Underwriters, as follows:

(i) The accrued interest, if any, shall be deposited in the Debt Service Account in the Bond Fund and shall be used only for the purpose of paying interest becoming due on the 2026B Bonds.

(ii) A sufficient amount of the 2026B Bond proceeds shall be applied to the payment of costs and expenses, including legal, accounting, engineering, consulting, verification, escrow, underwriting and municipal advisory fees and expenses, and other fees and expenses relating to the issuance of the 2026B Bonds which must be paid upon delivery of the 2026B Bonds.

(iii) A sum, together with other legally available funds of the Issuer, which will be sufficient, when taking into account investment earnings thereon, to pay, as of any date of calculation, the principal of, interest on, premium, if any, and other costs and obligations incurred with respect to the Refunded Bonds as the same shall become due or are redeemed and to pay the expenses specified in the Escrow Deposit Agreement, shall be deposited into an escrow account created under the Escrow Deposit Agreement (the "Escrow Account"). Such funds shall be kept separate and apart from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the purposes set forth herein and in the Escrow Deposit Agreement.

Section 9. Approval of Bond Purchase Agreement; Approval of Preliminary Official Statement; Authorization of Final Official Statement; Approval of Continuing Disclosure Certificate; Approval of Escrow Deposit Agreement.

A. The Issuer hereby approves the form of the Bond Purchase Agreement attached hereto as Exhibit A, made a part hereof subject to such modifications, amendments, changes and filling of blanks therein as shall be approved by the County Administrator, in a manner consistent with the provisions of this Resolution, execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement and affidavit in compliance with the requirements of Section 787.06(14), Florida Statutes from the Representative, the County Administrator is hereby

authorized to accept the offer of the Underwriters and execute and deliver the Bond Purchase Agreement on behalf of the Issuer, so long as such offer to purchase the 2026 Bonds complies with the delegation parameters set forth in Section 9.B. below.

B. The County Administrator is hereby authorized to accept the offer of the Underwriters to purchase the 2026 Bonds (i) in an aggregate principal amount of the 2026 Bonds not exceeding \$700,000,000, (ii) with a true interest cost rate of not more than 6.00%, (iii) with a final maturity of the 2026 Bonds not being later than August 1, 2056, and (iv) with net present value debt service savings equal to at least 3.00% of the principal amount of the Refunded Bonds being refunded through the issuance of the 2026B Bond proceeds.

C. The Issuer hereby approves the form of and authorizes the distribution of the Preliminary Official Statement in connection with the marketing and sale of the 2026 Bonds, hereby authorizes the execution and delivery of a final Official Statement by the Chair and the County Administrator incorporating the final details of the 2026 Bonds, and hereby delegates to the County Administrator the authority to execute a certificate deeming the Preliminary Official Statement "final" within the meaning of the Rule.

D. The Issuer hereby covenants and agrees that, in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule with respect to the 2026 Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the 2026 Bonds to the Underwriters, as it or they may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Certificate attached hereto as Exhibit C is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Continuing Disclosure Certificate by the County Administrator, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. The County Administrator is hereby authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the Issuer. Notwithstanding any other provision of the Master Resolution or this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Master Resolution. However, the Continuing Disclosure Certificate shall be enforceable by the applicable 2026 Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a 2026 Bondholder to the Issuer that a breach exists. Any rights of the applicable 2026 Bondholders to enforce the provisions of the applicable covenant shall be on behalf of all 2026 Bondholders and shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder

E. The form of the Escrow Deposit Agreement attached hereto as Exhibit D is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Escrow Deposit Agreement by the Chairman, in a manner consistent with the provisions of this Resolution, execution to be conclusive evidence of such approval. The Chairman is hereby authorized to execute and deliver the Escrow Deposit Agreement on behalf of the Issuer.

Section 10. Redemption and Escrow of Refunded Bonds; Prepayment of Certain Refunded Short-Term Indebtedness; Providing Notices; Appointing an Escrow Holder and Verification Agent.

Simultaneously with the delivery of the 2026B Bonds to the Underwriters thereof, the Issuer shall enter into the Escrow Deposit Agreement with Hancock Whitney Bank, hereby appointed Escrow Holder thereunder. Such Escrow Deposit Agreement shall provide for the deposit of sums into the Escrow Account in an amount sufficient, when taking into account investment earnings thereon, to make all of the payments described in the first paragraph of Section 8(2)(iii).

Subject to the execution and delivery of the 2026B Bonds for the purpose of current refunding the Refunded Bonds, the Issuer hereby irrevocably calls the Refunded Bonds for early redemption on January 12, 2027, or such other date as determined by the Chairman and set forth in the Escrow Deposit Agreement. Not less than thirty (30) days prior to such redemption date, the Issuer hereby directs the Escrow Holder on behalf of the Paying Agent for the Refunded Bonds, to mail a notice of the redemption of the Refunded Bonds to each holder thereof in accordance with the requirements of the Master Resolution in the form to be prepared by Bond Counsel, and to post such notice on the Electronic Municipal Market Access website at the same time.

Robert Thomas CPA, LLC, is hereby appointed as the Verification Agent to provide a verification report with respect to the Refunded Bonds.

The Issuer shall provide such notices as are required for the prepayment of any Refunded Short-Term Indebtedness.

Section 11. No Reserve Funding. The 2026 Bonds shall not be secured by the Reserve Account or any subaccount or subaccounts created therein and the Reserve Account Requirement applicable to the 2026 Bonds shall equal \$0.

Section 12. Authorizations.

A. The Chair and the Clerk of the Issuer are hereby authorized and directed on behalf of the Issuer to execute the 2026 Bonds (including any temporary bond or bonds) as provided in the Master Resolution and/or this Resolution and any of such officers are hereby authorized and directed upon the execution of the 2026 Bonds in the form and manner set forth in the Master Resolution and/or this Resolution to deliver the 2026 Bonds in the amounts authorized to be issued hereunder, to the Registrar for authentication and delivery to or upon the order of the Underwriters upon payment of said purchase price or prices and upon compliance by the Underwriters with the terms of the Bond Purchase Agreement and satisfaction of conditions precedent in Section 9.B. hereof.

B. The Chair, the County Administrator, the Clerk, and such other officers and employees of the Issuer as may be designated by the County Administrator, are each designated as agents of the Issuer in connection with the issuance and delivery of the 2026 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the 2026 Bonds, and which are specifically authorized by or are not inconsistent with, the terms and provisions of the Master Resolution, this Resolution or any action relating to the 2026 Bonds heretofore taken by the Issuer. Such officers and those so designated are hereby charged with responsibility for the issuance of the 2026 Bonds.

Section 13. Tax Covenants.

A. The Issuer covenants with the holders of the 2026 Bonds that it shall not use the proceeds of such 2026 Bonds in any manner which would cause the interest on such 2026 Bonds to be or become includable in the gross income of the holder thereof for federal income tax purposes.

B. The Issuer covenants with the holders of the 2026 Bonds that neither the Issuer nor any person under its control or direction will make any use of the proceeds of such 2026 Bonds (or amounts deemed to be proceeds under the Internal Revenue Code of 1986, as amended (the "Code")) in any manner which would cause such 2026 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other such person shall do any act or fail to do any act which would cause the interest on such 2026 Bonds to become includable in the gross income of the holder thereof for federal income tax purposes.

C. The Issuer hereby covenants with the holders of the 2026 Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion on such 2026 Bonds from the gross income of the holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

Section 14. Amendments to Master Resolution with Consent of Majority of Bondholders. By purchase of the 2026 Bonds, the Series 2026 Bondholders shall be deemed to have consented to the

following amendments, which shall become effective upon consent of a majority of holders of Bonds then Outstanding, which is expected to occur upon the issuance of the 2026 Bonds:

- (a) The definition of "BABs" in Section 2.01 is hereby amended and restated as follows, with deletions shown in bold strikethrough:

"BABs" means Bonds issued ~~as Build America Bonds, Recovery Zone Economic Development Bonds or such other bonds or indebtedness~~ with respect to which Federal Direct Payments are payable.

- (b) The following paragraphs in the definition of "Bond Service Requirement" in Section 2.01 is hereby amended and restated as follows, with deletions shown in bold strikethrough and additions in bold underline:

If a Series of ~~variable-rate~~ Bonds is subject to purchase by the Issuer pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

The Bond Service Requirement on debt that constitutes Balloon Indebtedness, whether bearing interest at a fixed interest rate or Balloon Indebtedness that constitutes variable rate Bonds, shall be determined assuming it is amortized over 30 years (from the date of calculation) on an approximately level annual debt service basis. "Balloon Indebtedness" shall mean debt 25% or more of the original principal amount of a Series which matures during any one Bond Year.

- (c) The definition of "Build America Bonds" in Section 2.01 is hereby deleted.
- (d) All references to "Capacity Fees" or "Capacity Fee" are hereby amended to "Impact Fees" or "Impact Fee".
- (e) The definition of "Cost of Operation and Maintenance" in Section 2.01 is hereby amended and restated as follows, with deletions shown in bold strikethrough and additions in bold underline:

"Cost of Operation and Maintenance" of the System means the current expenses, paid or accrued, of operations, maintenance and repair of the Issuer's System, as calculated in accordance with generally accepted accounting principles for public utilities. The Cost of Operation and Maintenance shall include the Cost of Contracted Water Supply **(except as provided in (vi) below)**, but shall not include (i) any reserve for renewals and replacements (except to the extent contemplated under the Federal Clean Water Act, 33 U.S.C.A. 1251 et seq., and the regulations promulgated thereunder, with respect to certain equipment replacement), extraordinary repairs or any allowance for depreciation or amortization, (ii) the

payment of any principal of, interest, and premium, if any, on the Bonds and all other notes, bonds and similar obligations of the Issuer, (iii) any expense resulting from a recharacterization from capital expenditure to expense of moneys expended from the Construction Account for any Project or portion thereof which is abandoned pursuant to Section 9.02 hereof, (iv) any cost or expense funded or reimbursed from the Renewal and Replacement Account or funded or reimbursed from a grant from a governmental body other than the Issuer, ~~or~~ (v) payments in lieu of taxes, **(vi) contractual payments by the Issuer to another governmental entity to fund the construction of assets that provide water or treated wastewater to the System (whether or not such assets are owned by the Issuer) that would otherwise be considered Cost of Contracted Water Supply, (vii) payments made by the Issuer under subscription-based information technology arrangements, or (viii) infrequent or non-annually recurring expenditures associated with cleanup or debris removal following major storm or other natural disaster events.** The foregoing notwithstanding in calculating Net Revenues for purposes of Sections 11.02 and 11.15 hereof when calculating "Cost of Operation and Maintenance" described above, the Cost of Contracted Water Supply shall be reduced by the portion of the Debt Service Component paid by the Contracted Water Supply **Capacity Impact** Fees.

- (f) The definition of "Department" in Section 2.01 is hereby amended and restated as follows, with additions in bold underline:

"Department" means the Water **Resources** Department of the Issuer.

- (g) All references to "Director of the Water Department" are hereby amended to "Director of the Department".
- (h) The definition of "Gross Revenues" or "Revenues" in Section 2.01 is hereby amended and restated as follows, with additions in bold underline:

"Gross Revenues" or "Revenues" means all fees, revenues, charges, income or earnings, including any income from the investment of funds unless otherwise provided herein, derived by the Issuer from the operation of the System, including, but not limited to, accrued guaranteed revenue fees and Installation Charges, non-ad valorem special assessments, to the extent legally available, of the System that do not secure other indebtedness, transfers from the Rate Stabilization Account to the General Revenue Account **which occur within 120 days of the end of the subject Fiscal Year;** and any operating grants received from the Issuer or other governmental agencies, provided, however, that Gross Revenues or Revenues shall not include: (1) proceeds from the sale of any Bonds, (2) proceeds from insurance or the disposition of property to the extent otherwise provided by this Resolution, (3) non-operating grants from the Issuer or other governmental agencies and interest earned on such grants, (4) any capacity or impact fees whether or not pledged hereunder, (5)

unrealized losses or gains from investments, (6) any non-ad valorem special assessments of the System which are levied and imposed to provide installment financing of any ~~Capacity Impact~~ Fees, (7) the proceeds of bonds or other indebtedness which is secured by non-ad valorem special assessments levied or imposed by the Issuer in lieu of levying or imposing ~~Capacity Impact~~ Fees, (8) moneys deposited into the Rate Stabilization Account from the General Revenue Account in the Fiscal Year of such deposit into the Rate Stabilization Account or (9) Federal Direct Payments.

- (i) The definition of "Investment Obligations" in Section 2.01 is hereby amended and restated in its entirety as follows:

"Investment Obligations" means any investment obligations permitted by law and the Issuer's written investment policy.

- (j) The definition of "Recovery Zone" in Section 2.01 is hereby deleted.
- (k) The definition of "Recovery Zone Economic Development Bonds" in Section 2.01 is hereby deleted.
- (l) Section 6.09 is hereby amended to delete everything after the fourth paragraph.
- (m) Section 9.04(2)(b) is hereby amended and restated in its entirety as follows:

(b) At least once per year, all remaining moneys in the Pledged Water Impact Fee Account shall be deposited into the General Purpose Account and may be applied by the Issuer for any use allowed by law relating to the provision of water capacity or expansion.

- (n) Section 11.06(1) is hereby amended and restated as follows, with deletions shown in bold strikethrough and additions in bold underline:

(1) The Issuer shall, immediately within ~~180~~ 270 days after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenses and changes in net assets, and any other statements as required by law or accounting convention, a report by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein which is disclosed by the audit of the financial statements, and an opinion on the financial statements of the System. The annual financial statements shall be prepared in conformity with generally accepted accounting principles.

- (o) The lead in to Section 11.15(1) is hereby amended as follows, with deletions shown in bold strikethrough and additions in bold underline (subparagraphs (a), (b) and (c) remain unchanged):

(1) Certificate of ~~Independent Certified Public Accountant~~ Clerk. There shall have been obtained and filed with the Governing Body a certificate of ~~an independent certified public accountant of suitable experience and responsibility~~ the Clerk, stating the following:

- (p) All references to "Independent Certified Public Accountant" in Section 11.15(2) are hereby amended to "Clerk".

Section 15. Transfer of Funds. On the date of issuance of the 2026B Bonds, the Issuer may transfer moneys on deposit under the Master Resolution held for the benefit of the Refunded Bondholders to the Escrow Holder to be held on behalf of the Issuer and to be used pursuant to the terms of the Escrow Deposit Agreement. On the date of issuance of the 2026A Bonds, the Issuer may transfer moneys set aside for the prepayment of the Refunded Short-Term Indebtedness to be used pursuant to the terms of this Resolution.

Section 16. No Personal Liability. Neither the members of the Board of County Commissioners of the Issuer, officials of the Issuer nor any person executing the 2026 Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 17. Repeal of Inconsistent Resolutions. All provisions of the Master Resolution remain in full force and effect. All other resolutions or parts of other resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 18. Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions of this Resolution or of the 2026 Bonds issued hereunder.

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Section 19. Effective Date. This Resolution shall be effective immediately upon its adoption.

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

I, Victor Crist, Clerk of the Circuit Court and Ex-Officio Clerk to the Board of County Commissioners, do hereby certify that the above and foregoing resolution is a true and correct copy of a resolution adopted by the Board of County Commissioners of Hillsborough County, Florida, in its public meeting of _____, 2026, as the same appears on record in Minute Book _____ of the Public Records of Hillsborough County, Florida.

WITNESS my hand and official seal this ____ day of _____, 2026.

VICTOR CRIST,
CLERK OF THE CIRCUIT COURT

By: _____
Deputy Clerk

Approved as to form
and legal sufficiency:

By: _____
Deputy County Attorney

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

[Date of Delivery]

Board of County Commissioners of
Hillsborough County, Florida
Tampa, Florida

Re: \$_____ Hillsborough County, Florida
 Utility Revenue Bonds, Series 2026A

 \$_____ Hillsborough County, Florida
 Utility Refunding Revenue Bonds, Series 2026B

Ladies and Gentlemen:

We have acted as Bond Counsel to Hillsborough County, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$_____ Hillsborough County, Florida Utility Revenue Bonds, Series 2026A ("2026A Bonds") and \$_____ Hillsborough County, Florida Utility Refunding Revenue Bonds, Series 2026B (the "2026B Bonds," and together with the 2026A Bonds, the "2026 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, the Hillsborough County Charter, Chapter 125, Florida Statutes, Chapter 159, Part I, Florida Statutes, and other applicable provisions of law, and Resolution No. R03-112 adopted by the Board of County Commissioners of the Issuer (the "Board") on June 4, 2003, as amended and supplemented, particularly as amended by Resolution No. R10-151 adopted by the Board on October 6, 2010 and Resolution No. R16-065 adopted by the Board on June 2, 2016, and particularly as amended and supplemented by Resolution No. R26-088 adopted by the Board on September 2, 2026 (collectively, the "Bond Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of the County Attorney, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution, the due execution and delivery of the 2026 Bonds and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the 2026 Bonds.

The 2026 Bonds are payable from the Pledged Revenues, on parity and equal status with the Issuer's Utility Revenue Bonds, Series 2016, which remain Outstanding upon the issuance of the 2026 Bonds, the Issuer's Outstanding Utility Refunding Revenue Bonds, Series 2019, the Issuer's Outstanding Utility Revenue Bonds, Series 2021A, and the Issuer's Outstanding Utility System Refunding Revenue Bonds, Series 2021B (collectively, the "Parity Bonds") heretofore issued under the Bond Resolution in the manner and to the extent provided in the Bond Resolution. Pursuant to the terms, conditions and limitations contained in the Bond Resolution, the Issuer has reserved the right to issue Additional Parity Bonds in the future which shall have a lien on the Pledged Revenues equal to that of the 2026 Bonds and the Parity Bonds.

The 2026 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the 2026 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.
2. The 2026 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Bond Resolution.
3. The Bond Resolution creates a valid lien upon the Pledged Revenues for the security of the 2026 Bonds on a parity with the Parity Bonds and any Additional Parity Bonds hereafter issued, all in the manner and to the extent provided in the Bond Resolution.
4. Interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied

subsequent to the issuance of the 2026 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2026 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2026 Bonds.

It is to be understood that the rights of the owners of the 2026 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the 2026 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the 2026 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the 2026 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the 2026 Bonds or regarding the perfection or priority of the lien, except as provided in paragraph 3. with respect to the parity status of the 2026 Bonds on the Pledged Revenues created by the Bond Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the 2026 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, 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.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Hillsborough County, Florida (the "Issuer") in connection with the issuance of Utility Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and Utility Refunding Revenue Bonds, Series 2026B (the "Series 2026B Bonds" and collectively with the Series 2026A Bonds, the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to the Amended and Restated Utility System Bond Resolution No. R03-112, adopted by the Board of County Commissioners of the County (the "Board") on June 4, 2003, as amended and supplemented from time to time, particularly as supplemented by Resolution No. R26-088 adopted on September 2, 2026 (collectively, "Resolution"). Capitalized terms used but not otherwise defined herein shall have the same meaning as when used in the Resolution unless the context would clearly indicate otherwise. The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Series 2026 Bondholders and to assist the Underwriter of the Series 2026 Bonds in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

SECTION 2. NATURE OF UNDERTAKING. The Issuer, in accordance with the Rule, hereby covenants to provide or cause to be provided to the Electronic Municipal Market Access system ("EMMA") and maintained by the Municipal Securities Rulemaking Board (the "MSRB") for purposes of the Rule and any other entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule:

(a) (i) annual financial information and operating data of the type described as "Annual Information" in Section 3(a) hereof for each Fiscal Year ending on or after September 30, 2026, not later than the following April 30, and (ii) audited financial statements of the Issuer for each such Fiscal Year, not later than the following April 30, if then available as described in the final paragraph of this Section 2 (or, if April 30 falls on a Saturday, Sunday or federal holiday, then the first business day thereafter); and

(b) in a timely manner not in excess of ten business days after the occurrence of any Specified Event described in Section 3(b) hereof (a "Specified Event"), notice of (i) any Specified Event described in Section 3(b) hereof, (ii) the Issuer's failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation

of its annual financial statements, any change in its Fiscal Year, and the termination of the Issuer's continuing disclosure obligations.

The Issuer expects that audited annual financial statements will be prepared and will be filed together with the Annual Information identified below. The accounting principles to be applied in the preparation of those financial statements will be generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board. In the event that the audited annual financial statements are not available by the date on which the Annual Information will be provided, the Issuer will provide unaudited financial statements by the date specified and audited financial statements when available.

SECTION 3. ANNUAL INFORMATION AND SPECIFIED EVENTS.

(a) "Annual Information" to be provided by the Issuer for the immediately completed Fiscal Year shall consist of information contained in the tables entitled:

- (1) "Current Monthly Water and Wastewater Rates for Service;"
- (2) "Current Monthly Rates for Reclaimed Water Service;"
- (3) "Water Impact Fees;"
- (4) "Wastewater Impact Fees;"
- (5) "Water System;"
- (6) "Historical Water Production - Northwest Service Area (Finished Water);"
- (7) "Historical Water Production - South-Central Service Area (Finished Water);"
- (8) "Wastewater System;"
- (9) "Historical Wastewater Treatment - Northwest Service Area (Finished Water);"
- (10) "Historical Wastewater Treatment - South-Central Service Area (Finished Water);"
- (11) "Reclaimed Water System;" and
- (12) "System Historical Operating Results and Estimated Bond Service Requirement Coverage (\$000)"

in the Official Statement prepared for the Series 2026 Bonds and presented in a manner consistent with the presentation in such Official Statement; provided, however, any of such information may be provided in the audited financial statements filed in accordance with this Disclosure Certificate.

(b) Specified Events shall include the occurrence of the following events, within the meaning of the Rule, with respect to the Series 2026 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, 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 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds;
- (7) modifications to rights of the holders of the Series 2026 Bonds, if material;
- (8) any Series 2026 Bond calls, if material, and tender offers;
- (9) defeasances in whole or in part of the Series 2026 Bonds;
- (10) release, substitution, or sale of property securing repayment of the Series 2026 Bonds, if material;
- (11) any changes in the ratings assigned to the Series 2026 Bonds;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

(14) appointment of a successor or additional trustee or the change of name of a trustee;

(15) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Series 2026 Bonds; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

The Issuer may, from time to time, in its sole discretion, choose to provide notice of the occurrence of certain other events if, in the judgment of the Issuer, such other events are material with respect to the Series 2026 Bonds, but the Issuer does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above. Any voluntary inclusion by the Issuer of supplemental information that is not required hereunder shall not expand the obligations of the Issuer hereunder and the Issuer shall have no obligation to update such supplemental information or include it in any subsequent report.

SECTION 4. SUBMISSION OF INFORMATION TO THE MSRB. The information required to be disclosed pursuant to Sections 2 and 3 of this Disclosure Certificate shall be submitted to EMMA and/or any successor repository required by federal or state law or regulation. Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format ("PDF") files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files are required to be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer, or any dissemination agent engaged

by the Issuer pursuant to Section 7 hereof, shall also provide to the MSRB information necessary to accurately identify:

- (A) the category of information being provided;
- (B) the period covered by the Issuer's Annual Comprehensive Financial Report and any additional financial information and operating data being provided;
- (C) the issues or specific securities to which such submission is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (D) the name of any Obligated Person other than the Issuer;
- (E) the name and date of the document being submitted; and
- (F) contact information for the submitter.

SECTION 5. REMEDIES; NO EVENT OF DEFAULT. The Issuer agrees that its undertaking pursuant to the Rule set forth above is intended to be for the benefit of the holders and beneficial owners of the Series 2026 Bonds and shall be enforceable by any such holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 2026 Bonds under the Resolution.

SECTION 6. SEPARATE BOND REPORT NOT REQUIRED; INCORPORATION BY REFERENCE. The requirements of this Disclosure Certificate do not necessitate the preparation of any separate annual report addressing only the Series 2026 Bonds. These requirements may be met by the filing of a combined bond report or the Issuer's Annual Comprehensive Financial Report; provided, such report includes all of the required information and is available by April 30. Additionally, the Issuer may incorporate any information provided in any prior filing with EMMA for purposes of the Rule or other information filed with the SEC or included in any final official statement of the Issuer; provided, such final official statement is filed with the MSRB.

SECTION 7. DISSEMINATION AGENTS. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

SECTION 8. TERMINATION. The Issuer's obligations under this Disclosure Certificate shall cease (a) upon the legal defeasance, prior redemption, payment in full of all of the Series 2026 Bonds, or (b) when the Issuer no longer remains an

Obligated Person with respect to the Series 2026 Bonds within the meaning of the Rule, or (c) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 9. AMENDMENTS. The Issuer reserves the right to amend the provisions of this Disclosure Certificate as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted by the Issuer. Any such amendment shall be made only in a manner consistent with the Rule and any amendments and interpretations thereof by the SEC. Additionally, compliance with any provision of this Disclosure Certificate may be waived. Any such amendment or waiver will not be effective unless this Disclosure Certificate (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Series 2026 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Issuer shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by the Issuer that the amendment or waiver would not materially impair the interests of holders or beneficial owners of the Series 2026 Bonds, or (b) the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the Series 2026 Bonds then outstanding. Annual Information containing any amended operating data or financial information shall explain, in narrative form, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided. Additionally, in the year in which any change in accounting principles is made, the Issuer shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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SECTION 10. OBLIGATED PERSONS. If any person other than the Issuer becomes an Obligated Person (as defined in the Rule) relating to the Series 2026 Bonds, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Dated: [CLOSING DATE], 2026

HILLSBOROUGH COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

ATTESTED AND COUNTERSIGNED:

By: _____
Deputy Clerk of the Clerk of the
Circuit Court and Ex-Officio Clerk
of the Board of County Commissioners
of Hillsborough County, Florida

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Hillsborough
County Florida



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