

RESOLUTION NO. 2021- 93

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 89-84 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON APRIL 25, 1989, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$45,000,000 AGGREGATE PRINCIPAL AMOUNT OF TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2021, FOR THE PRINCIPAL PURPOSES OF REFUNDING A PORTION THE COUNTY'S OUTSTANDING WATER AND SEWER REVENUE AND REFUNDING BONDS, SERIES 2013A AND A PORTION OF THE COUNTY'S OUTSTANDING WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2014, IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2021 BONDS; AUTHORIZING THE AWARDED OF SAID SERIES 2021 BONDS PURSUANT TO A PUBLIC BID; DELEGATING CERTAIN AUTHORITY TO THE COUNTY ADMINISTRATOR FOR THE AWARD OF THE SERIES 2021 BONDS AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID SERIES 2021 BONDS; AUTHORIZING THE PUBLICATION OF AN OFFICIAL NOTICE OF SALE FOR THE SERIES 2021 BONDS OR A SUMMARY THEREOF; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2021 BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR THE SERIES 2021 BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REGISTRAR AND PAYING AGENT AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; ESTABLISHING A BOOK-ENTRY SYSTEM OF REGISTRATION FOR THE SERIES 2021 BONDS; APPOINTING AN ESCROW AGENT AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; DELEGATING CERTAIN AUTHORITY TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE SERIES 2021 BONDS; AND PROVIDING AN EFFECTIVE DATE.

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:**

**Section 1. Definitions.** When used in this Resolution, the terms defined in the Bond Resolution (as hereinafter defined) shall have the respective meanings assigned thereto by the Bond Resolution and the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 125, Part I, Florida Statutes, as amended, St. Johns County Ordinance No 86-89, as amended, and other applicable provisions of law.

**"Official Notice of Sale"** shall mean the Official Notice of sale to be used in connection with the offering and sale of the Series 2021 Bonds pursuant to a public bid, substantially in the form attached hereto as Exhibit A.

**"Outstanding Subordinated Indebtedness"** shall mean (1) the Issuer's outstanding loan under that certain Clean Water State Revolving Fund Loan Agreement (WW550100) dated May 17, 2011, as amended, between the Issuer and the Florida Water Pollution Control Financing Corporation and approved and accepted by the State of Florida Department of Environmental Protection ("DEP"), (2) the Issuer's outstanding loan under that certain Drinking Water State Revolving Fund Construction Loan Agreement (DW550110) dated October 23, 2013, between the Issuer and DEP, (3) the Issuer's outstanding loan under that certain Clean Water State Revolving Fund Construction Loan Agreement (WW550120) dated January 25, 2018, between the Issuer and DEP, (4) the Issuer's outstanding loan under that certain Drinking Water State Revolving Fund Construction Loan Agreement (DW550140) dated November 21, 2019, between the Issuer and DEP, and (5) the Issuer's outstanding loan under that certain Drinking Water State Revolving Fund Construction Loan Agreement (DW550130) dated February 17, 2020, between the Issuer and DEP,

**"Parity Obligations"** shall mean the Outstanding Series 1991A Bonds, the Unrefunded Series 2013A Bonds, the Series 2013B Bonds, the Unrefunded Series 2014 Bonds and the Series 2016 Bonds.

**"Preliminary Official Statement"** shall mean the preliminary official statement relating to the Series 2021 Bonds, substantially in the form attached hereto as Exhibit B.

**"Refunded Bonds"** shall mean, collectively, that portion of the Series 2013A Bonds and that portion of the Series 2014 Bonds, if any, that are determined to be refunded in connection with the issuance of the Series 2021 Bonds pursuant to the provisions of Section 7(B) hereof.

**"Registrar and Paying Agent"** shall mean the Person designated as such pursuant to Section 13 hereof and its successors and assigns.

**"Registrar and Paying Agent Agreement"** shall mean the Registrar and Paying Agent Agreement between the Issuer and the Registrar and Paying Agent, substantially in the form attached hereto as Exhibit D.

**"Resolution"** and **"this Resolution"** shall mean this instrument, as the same may from time to time be amended, modified or supplemented.

**"Series 1991A Bonds"** shall mean the Issuer's Outstanding Water and Sewer Revenue Bonds, Series 1991A, issued pursuant to the Bond Resolution.

"**Series 2013A Bonds**" shall mean the Issuer's Outstanding Water and Sewer Revenue and Refunding Bonds, Series 2013A, issued pursuant to the Bond Resolution.

"**Series 2013B Bonds**" shall mean the Issuer's Outstanding Water and Sewer Revenue Refunding Bonds, Series 2013B, issued pursuant to the Bond Resolution.

"**Series 2014 Bonds**" shall mean the Issuer's Outstanding Water and Sewer Revenue Refunding Bonds, Series 2014, issued pursuant to the Bond Resolution.

"**Series 2016 Bonds**" shall mean the Issuer's Outstanding Water and Sewer Revenue and Refunding Bonds, Series 2016, issued pursuant to the Bond Resolution.

"**Series 2021 Bonds**" shall mean the Taxable Water and Sewer Revenue Refunding Bonds, Series 2021, authorized to be issued by the Issuer pursuant to Section 6 hereof.

"**Unrefunded Series 2013A Bonds**" shall mean that portion of the Series 2013A Bonds, if any, which are not refunded in connection with the issuance of the Series 2021 Bonds.

"**Unrefunded Series 2014 Bonds**" shall mean that portion of the Series 2014 Bonds, if any, which are not refunded in connection with the issuance of the Series 2021 Bonds.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the singular number include the plural number, and vice versa.

**Section 2. Authority for Resolution.** This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

**Section 3. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Series 2021 Bonds by those who shall hold the same from time to time, the provisions of the Bond Resolution and this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Series 2021 Bonds. The Series 2021 Bonds are being issued as Additional Bonds pursuant to the Bond Resolution. The pledge made in the Bond Resolution and the provisions, covenants and agreements set forth therein and herein to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Series 2021 Bonds. All of the Series 2021 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2021 Bonds over any other thereof except as expressly provided in or pursuant to the Bond Resolution or this Resolution.

**Section 4. Findings.** It is hereby ascertained, determined and declared as follows:

(A) Pursuant to the Bond Resolution, there has been issued and remain outstanding the Series 1991 Bonds, the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014 Bonds and the Series 2016 Bonds.

(B) In order to achieve debt service savings, it is in the best interests of the Issuer and the citizens and inhabitants of the Issuer to refund a portion of the outstanding Series 2013A Bonds and a portion of the Series 2014 Bonds in accordance with the provisions hereof, of the Bond Resolution and the Escrow Agreement; the specific maturities (or portions thereof) of such Series 2013A Bonds and Series 2014 Bonds to be refunded will be determined by the Chairman or the County Administrator upon the advice of the Financial Advisor, in accordance with the provisions hereof and shall be referred to herein as the "Refunded Bonds."

(C) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the issuance of the Series 2021 Bonds be authorized as provided herein for the purpose of refunding the Refunded Bonds and paying costs of issuance of the Series 2021 Bonds.

(D) The Issuer deems it necessary, desirable and in the best interest of the Issuer that the Pledged Funds be pledged to the payment of the principal of and interest on the Series 2021 Bonds. No part of the Pledged Funds shall be pledged or encumbered in any manner, except that the Pledged Funds have been pledged as security for the Parity Obligations and the Refunded Bonds, and except that a portion of the Pledged Funds have been pledged, on a subordinate basis, as security for the Outstanding Subordinated Indebtedness. No Assessments are pledged to the payment of the principal of and interest on the Series 2021 Bonds or the Parity Obligations.

(E) The Bond Resolution, in Section 5.02 thereof, provides for the issuance of Additional Bonds payable from the Pledged Funds on a parity with the Parity Obligations under the terms, limitations and conditions provided therein. The Issuer will issue the Series 2021 Bonds as Additional Bonds within the authorization contained in Section 5.02 of the Bond Resolution. Except as otherwise provided herein or in the Bond Resolution, the Series 2021 Bonds shall be payable on a parity and rank equally as to lien on, and source and security for payment from, the Pledged Funds and in all other respects, with the Parity Obligations. The Series 2021 Bonds shall be payable on a senior basis as to lien on, and source and security for payment from, the Pledged Funds and in all other respects, to the Outstanding Subordinated Indebtedness.

(F) No Bondholder shall ever be entitled to compel the payment of the principal of and interest on the Series 2021 Bonds or any other payments provided for in the Bond Resolution from any funds or revenues of the Issuer other than the sources provided in the Bond Resolution in accordance with the terms thereof and hereof, nor will any Bondholder

have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay the principal of or interest on the Series 2021 Bonds or to make any other payments provided for in the Bond Resolution, and the Series 2021 Bonds shall not constitute a lien upon the System or any other property of the Issuer or any other property situated within its territorial limits, except the Pledged Funds.

(G) A portion of the proceeds derived from the sale of the Series 2021 Bonds, together with other legally available moneys of the Issuer, shall be deposited into a special escrow deposit trust fund to purchase certain Federal Securities which shall be sufficient, together with the investment earnings therefrom and a cash deposit, if any, to pay the Refunded Bonds as the same become due and payable or are redeemed prior to maturity, all as provided herein and in the Escrow Deposit Agreement.

(H) In accordance with Section 218.385, Florida Statutes, and pursuant to this Resolution, the Series 2021 Bonds shall be advertised for competitive bids pursuant to the Official Notice of Sale.

(I) Pursuant to the Official Notice of Sale, any competitive bids received in accordance with the Official Notice of Sale on or prior to the time and date determined by the County Administrator upon the advice of the Financial Advisor, in accordance with the terms and provisions of the Official Notice of Sale, shall be publicly opened and announced.

(J) It is desirable for the Issuer to be able to advertise and award the Series 2021 Bonds at an economically advantageous time and date which shall be determined by the County Administrator upon the advice of the Financial Advisor; and, accordingly, the Issuer hereby determines to delegate the advertising and awarding of the Series 2021 Bonds to the County Administrator within the parameters described herein.

(K) It is necessary and appropriate that the Governing Body determine certain parameters for the terms and details of the Series 2021 Bonds and to delegate certain authority to the County Administrator for the award of the Series 2021 Bonds and the approval of the terms of the Series 2021 Bonds in accordance with the provisions hereof and of the Official Notice of Sale.

(L) In the event Bond Counsel to the Issuer shall determine that the Series 2021 Bonds have not been awarded competitively in accordance with the provisions of Section 281.385, Florida Statutes, the Governing Body may adopt such resolutions and make such findings as shall be necessary to authorize and ratify a negotiated sale of the Series 2021 Bonds in accordance with said Section 218.385, Florida Statutes.

(M) The Issuer is current in all deposits into the various funds and accounts established by the Bond Resolution and all payments theretofore required to have been deposited or made by the Issuer under the provisions of the Bond Resolution have been

deposited or made and the Issuer has complied with the covenants and agreements of the Bond Resolution.

**Section 5. Authorization of the Refunding of Refunded Bonds.** The refunding of the Refunded Bonds in the manner herein provided is hereby authorized.

**Section 6. Authorization of Series 2021 Bonds.** The Issuer hereby authorizes the issuance of a Series of Bonds of the Issuer to be designated as "St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021," in an aggregate principal amount not to exceed \$45,000,000 for the principal purposes of refunding the Refunded Bonds and paying the costs of issuing the Series 2021 Bonds.

**Section 7. Description of Series 2021 Bonds; Award of the Series 2021 Bonds.** (A) The Series 2021 Bonds shall be issued as fully registered Bonds, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R," shall be in denominations of \$5,000 and integral multiples of \$5,000, and shall bear interest at rates not exceeding the maximum rate permitted by law (calculated on the basis of a 360-day year of twelve 30-day months), payable on June 1 and December 1 in each year, commencing on June 1, 2021, or such other date(s) as the County Administrator may determine (each an "Interest Date"). The final maturity of the Series 2021 Bonds shall not be later than June 1, 2042. The Series 2021 Bonds shall bear interest at such rates and yields, shall mature on June 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the public bidding and sale of the Series 2021 Bonds in accordance with the provisions set forth herein and the provisions of the Official Notice of Sale.

The principal of the Series 2021 Bonds or Redemption Price, if applicable, on the Series 2021 Bonds is payable only upon presentation and surrender of the Series 2021 Bonds at the designated office of the Paying Agent, except as otherwise provided pursuant to the Book-Entry System. Interest payable on any Series 2021 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, at the request of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2021 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2021 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal of and Redemption Price, if applicable, and interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The County Administrator, on behalf of the Issuer and only in accordance with the terms hereof and of the Official Notice of Sale, shall award the Series 2021 Bonds to the underwriter or underwriters (the "Underwriters") that submit a bid proposal which complies in all respects with the Bond Resolution, this Resolution and the Official Notice of Sale and offers to purchase the Series 2021 Bonds at the lowest true interest cost to the Issuer, as calculated by the Financial Advisor in accordance with the terms and provisions of the Official Notice of Sale. The County Administrator shall not award the Series 2021 Bonds unless the aggregate net present value debt service savings with respect to the refunding of the Refunded Bonds is no less than 5.00% of the aggregate par amount of the Refunded Bonds, as determined by the Financial Advisor. In accordance with the provisions of the Official Notice of Sale, the County Administrator may, in his sole discretion, reject any and all bids.

Prior to the award of the Series 2021 Bonds, the County Administrator shall determine, upon the advice of the Financial Advisor, which specific maturities of the Series 2013A Bonds (or portions thereof), if any, and which specific maturities of the Series 2014 Bonds (or portions thereof) shall be refunded in connection with the issuance of the Series 2021 Bonds and only those maturities (and portions, if any), if any, shall constitute the Refunded Bonds hereunder.

All of the terms of the Series 2021 Bonds will be included in a certificate to be executed by the County Administrator following the award of the Series 2021 Bonds (the "Award Certificate") and shall be set forth in the final Official Statement, as described herein.

**Section 8. Application of Series 2021 Bond Proceeds.** The proceeds derived from the sale of the Series 2021 Bonds shall be applied by the Issuer as follows:

(A) A sufficient amount of the proceeds of the Series 2021 Bonds shall be deposited in the escrow deposit trust fund established under the Escrow Agreement in order to refund the Refunded Bonds, all in accordance with the provisions of, and in the manner provided in, the Escrow Agreement.

(B) The balance of the Series 2021 Bonds proceeds shall be applied to pay cost and expenses incurred with respect to the issuance of the Series 2021 Bonds. Any proceeds remaining after the payment of all such costs and expenses shall be applied to the payment of scheduled interest on the Series 2021 Bonds.

**Section 9. Book-Entry Only.** A Depository may act as securities depository for the Series 2021 Bonds. The ownership of one fully-registered, certificated Series 2021 Bond for each maturity of the Series 2021 Bonds, each in the aggregate initial principal amount of such maturity, may be registered in the name of a Depository or its nominee. The Series 2021 Bonds shall initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company.

The Series 2021 Bonds in a Book-Entry System registered in the name of a Depository or its nominee shall be payable in lawful money of the United States of America in immediately available funds (a) in the case of principal of such Series 2021 Bonds, delivered or transmitted to the Depository or its authorized representative when due, and (b) in the case of interest on the Series 2021 Bonds, delivered or transmitted on any date interest is due to the Depository or nominee that was the Holder of that Series 2021 Bond (or one or more predecessor Series 2021 Bonds) at the close of business on the record date applicable to that interest payment date.

The Issuer will recognize the Depository or its nominee as the Holder for all purposes, including notices. Conveyance of notices and other communications by the Depository to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

In the event that (a) the Depository determines to discontinue providing its service with respect to the Series 2021 Bonds by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law, and the Issuer fails to appoint a successor Depository for the Series 2021 Bonds, or (b) the Issuer determines to discontinue the Book-Entry System through a Depository, then bond certificates are required to be delivered as described in the Series 2021 Bonds. The purchasers of beneficial ownership interests in the Series 2021 Bonds (the "Beneficial Owners"), upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Series 2021 Bonds.

Neither the Issuer, the Registrar nor the Paying Agent will have any responsibility or obligation to any Beneficial Owner or any other person with respect to (a) the accuracy of any records maintained by the Depository or any persons participating by or through the Depository; (b) the payment by the Depository or any persons participating by or through the Depository of any amount with respect to the principal or interest on the Series 2021 Bonds; (c) any notice which is permitted or required to be given to Holders pursuant to the Bond Resolution or this Resolution; or (d) any consent given or other action taken by the Depository as Holder.

**Section 10. Series 2021 Subaccount of the Reserve Account.** Pursuant to the provisions of Section 4.06(A)(2)(d) of the Bond Resolution, upon the issuance of the Series 2021 Bonds there shall be established a separate subaccount in the Reserve Account for the Series 2021 Bonds which shall be designated as the "Series 2021 Subaccount" of the Reserve Account. The Reserve Account Requirement with respect to the Series 2021 Subaccount and the Series 2021 Bonds shall be zero dollars and zero cents (\$0.00) or such other amount as the County Administrator may determine prior to the sale of the Series 2021 Bonds, upon the advice of the Financial Advisor. The Series 2021 Subaccount shall solely secure the Series 2021 Bonds and the Series 2021 Bonds shall not be secured by any other portion of the Reserve Account or any other subaccount therein.

**Section 11. Application of Bond Resolution.** The Series 2021 Bonds shall for all purposes be considered to be Additional Bonds issued under the authority of Section 5.02 of the Bond Resolution and shall be entitled to all the protection and security provided in and by the Bond Resolution for Bonds issued thereunder, and the Series 2021 Bonds shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations, except as otherwise provided herein or in the Bond Resolution.

**Section 12. Approval of Preliminary Official Statement and Final Official Statement.** (A) The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit B in connection with the offering of the Series 2021 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the County Administrator is hereby authorized to approve such insertions, changes and modifications. The County Administrator is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 in the form as mailed. Execution of a certificate by the County Administrator deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

(B) Subject in all respects to the successful award of the Series 2021 Bonds as provided herein, the Chairman is hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the sale of the Series 2021 Bonds, which shall be in substantially the form of the Preliminary Official Statement relating to the Series 2021 Bonds, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2021 Bonds to the public. Execution by the Chairman of the Official Statement shall be deemed to be conclusive evidence of approval of any such changes, amendments, modifications, omissions or additions.

**Section 13. Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agent Agreement.** UMB Bank, N.A. is hereby appointed Registrar and Paying Agent for the Series 2021 Bonds. The Registrar and Paying Agent Agreement substantially in the form attached hereto as Exhibit D, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute the Registrar and Paying Agent Agreement and to deliver the same to the Registrar and Paying Agent for the Series 2021 Bonds. All of the provisions of the

Registrar and Paying Agent Agreement, when executed, dated and delivered by or on behalf of the Issuer as authorized herein and by or on behalf of the Registrar and Paying Agent for the Series 2021 Bonds, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

**Section 14. Escrow Agent; Authorization of Execution and Delivery of Escrow Agreement.** UMB Bank, N.A. is hereby appointed Escrow Agent with respect to the refunding of the Refunded Bonds. The Escrow Agreement substantially in the form attached hereto as Exhibit E, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute the Escrow Agreement and to deliver the same to the Escrow Agent. All of the provisions of the Escrow Agreement, when executed, dated and delivered by or on behalf of the Issuer as authorized herein and by or on behalf of the Escrow Agent, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein. The Chairman shall determine, upon the advice of the Financial Advisor, whether to purchase United States Treasury obligations - State and Local Government Series ("SLGs") or open market United States Treasury obligations ("Open Market Securities") for deposit to the escrow fund created under the Escrow Agreement. In connection therewith, the Financial Advisor, and any affiliate thereof, are each authorized to take all action as is necessary to subscribe for SLGs or to bid out the provision of Open Market Securities and the Issuer shall pay all associated fees and costs.

**Section 15. Authorization of Execution and Delivery of Continuing Disclosure Certificate.** The Continuing Disclosure Certificate substantially in the form attached hereto as Exhibit C, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute and deliver the Continuing Disclosure Certificate. All of the provisions of the Continuing Disclosure Certificate, when executed, dated and delivered by or on behalf of the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

The Issuer agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance of the Series 2021 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under Section 6.01 of the Bond Resolution; however, any Bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court

order, to cause the Issuer to comply with its obligations under this Section 15. For purposes of this Section 15, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding Series 2021 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2021 Bonds for federal income tax purposes.

**Section 16. General Authority.** The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by the Bond Resolution or this Resolution or desirable or consistent with the requirements thereof and hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2021 Bonds, the Bond Resolution and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be reasonably required to effectuate the sale and delivery of the Series 2021 Bonds.

**Section 17. Authorization of Execution of Certificates and Other Instruments.** The Chairman, the County Administrator and the Clerk are each hereby authorized and directed, under the official seal of the Issuer, to execute and deliver certificates of the Issuer certifying such facts as the Issuer's attorney or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2021 Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under the Bond Resolution or this Resolution and to consummate the transactions contemplated hereby and thereby. Without limiting the generality of the foregoing, the Chairman, the County Administrator and the Clerk are each authorized to execute such other agreements as may be required by the Moody's Investors Service, Standard & Poor's Corporation or Fitch Ratings which are necessary to obtain the ratings for the Series 2021 Bonds.

**Section 18. No Personal Liability.** No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2021 Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2021 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Series 2021 Bonds, or any certificate or other instrument to be executed in connection with the issuance of the Series 2021 Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 19. No Third Party Beneficiaries.** Except such other Persons as may be expressly described herein or in the Series 2021 Bonds, nothing in the Bond Resolution, this Resolution or the Series 2021 Bonds, expressed or implied, is intended or shall be

construed to confer upon any Person other than the Issuer and the Holders any right, remedy or claim, legal or equitable, under and by reason of the Bond Resolution, this Resolution or any provision thereof or hereof, or of the Series 2021 Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders of the Series 2021 Bonds.

**Section 20. Severability of Invalid Provisions.** If any one or more of the covenants, agreements or provisions of this Resolution 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 and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2021 Bonds.

**Section 21. Repeal of Inconsistent Resolutions.** All other resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

**Section 22. Bond Resolution in Full Force and Effect.** Except as hereby supplemented, the Bond Resolution shall remain in full force and effect.

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Section 23. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 2nd day of March 2021.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: *[Signature]*  
Chairman, Board of County Commissioners

ATTESTED:

RENDITION DATE 3/2/21

By: *[Signature]*  
*Deputy* Clerk of the Board of County  
Commissioners



**EXHIBIT A**  
**FORM OF OFFICIAL NOTICE OF SALE**

**OFFICIAL NOTICE OF SALE**

\$ \_\_\_\_\_\*  
**St. Johns County, Florida**  
**Taxable Water and Sewer Revenue Refunding Bonds,**  
**Series 2021**

Electronic Bids, as Described Herein, Will Be Accepted Until  
11:00 a.m. Eastern Daylight Savings Time, March \_\_, 2021\*

\*Preliminary, subject to change.

## OFFICIAL NOTICE OF SALE

\$ \_\_\_\_\_ \*  
**St. Johns County, Florida**  
**Taxable Water and Sewer Revenue Refunding Bonds,**  
**Series 2021**

NOTICE IS HEREBY GIVEN that electronic bids will be received in the manner, on the date and up to the time specified below:

DATE: March \_\_, 2021\*

TIME: 11:00 a.m. Eastern Daylight Savings Time\*

ELECTRONIC BIDS: May be submitted only through IHS Markit's Parity/BIDCOMP Competitive Bidding System (the "Parity System") as described below. No other form of bid or provider of electronic bidding services will be accepted.

### GENERAL

Bids will be received at the office of the County Administrator of St. Johns County, Florida, St. Johns County Government Complex, 500 San Sebastian View, St. Augustine, Florida 32084, for the purchase of all, but not less than all, of the \$ \_\_\_\_\_ \* St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds") to be issued by St. Johns County, Florida (the "County") pursuant to the terms and conditions of Resolution No. 89-84, duly adopted by the Board of County Commissioners of St. Johns County, Florida on April 25, 1989, as amended and supplemented, particularly as supplemented by Resolution No. 2021-\_\_ duly adopted by the Board on March 2, 2021 (collectively, the "Bond Resolution"). Such bids will be opened in public in accordance with applicable legal requirements.

The Series 2021 Bond proceeds will be used for the refunding of a portion of the County's outstanding Water and Sewer Revenue and Refunding Bonds, Series 2013A and a portion of the County's outstanding Water and Sewer Revenue Refunding Bonds, Series 2014 (collectively, the "Refunded Bonds") and to pay costs of issuing the Series 2021 Bonds.

The Series 2021 Bonds are more particularly described in the Preliminary Official Statement dated March \_\_, 2021 (the "Preliminary Official Statement") relating to the Series 2021 Bonds, available from the County's financial advisor, PFM Financial Advisors LLC, at (407) 406-5760 or gloverj@pfm.com. This Official Notice of Sale contains certain information for quick reference only. It is not, and is not intended to be, a summary of the

\* Preliminary, subject to change.

Series 2021 Bonds. Each bidder is required to read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision.

Prior to accepting bids, the County reserves the right to change the principal amount of the Series 2021 Bonds being offered and the terms of the Series 2021 Bonds, to postpone the sale to a later date or time, or cancel the sale. Notice of a change or cancellation will be announced via *The Bond Buyer* news service at the internet website address [www.tm3.com](http://www.tm3.com), not later than 12:00 p.m., Eastern Daylight Savings Time, on the day preceding the bid opening or as soon as practicable. Such notice will specify the revised principal amount or terms, if any, and any later date or time selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour, in the manner, and on such date as communicated upon at least twenty-four (24) hours' notice via *The Bond Buyer* news service at the internet website address [www.tm3.com](http://www.tm3.com). The County reserves the right, after the bids are opened, to adjust the principal amount of the Series 2021 Bonds, as further described herein. See "ADJUSTMENT OF AMOUNTS AND MATURITIES."

To the extent any instructions or directions set forth in the Parity System conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the Parity System and to subscribe in advance of the bid, potential bidders may contact the Parity System at (212) 849-5021.

Each prospective electronic bidder must be a subscriber to the Parity System. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on the Parity System and to access the Parity System for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the County nor the Parity System shall have any duty or obligation to provide or assure access to the Parity System to any prospective bidder, and neither the County nor the Parity System shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, the Parity System. The County is using the Parity System as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Series 2021 Bonds. The County is not bound by any advice and determination of the Parity System to the effect that any particular bid complies with the terms of this Official Notice of Sale and, in particular, the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via the Parity System are the sole responsibility of such bidders and the County shall not be responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2021 Bonds, the prospective bidder should immediately telephone the Parity System at (212) 849-5021, and notify the County's Financial Advisor, PFM Financial Advisors LLC, at (407) 406-5760 or [gloverj@pfm.com](mailto:gloverj@pfm.com). The County shall have no responsibility for technological or transmission errors that any bidder may experience in transmitting a bid. The use of the

Parity System shall be at the bidder's risk and expense, and the County shall have no liability with respect thereto.

## **THE SERIES 2021 BONDS**

The Series 2021 Bonds will be issued in fully registered, book-entry only form, without coupons, will be dated as of their date of delivery (currently anticipated to be March \_\_, 2021), will be issued in denominations of \$5,000 or integral multiples thereof, will bear interest from their dated date until paid at the annual rate or rates specified by the successful bidder, subject to the limitations specified herein, payable as shown on the Summary Table set forth herein. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2021 Bonds must meet the minimum and maximum coupon and reoffering price criteria shown in the Summary Table on a maturity and aggregate basis.

The Series 2021 Bonds will mature on the dates, in the years and principal amounts shown on the Summary Table as serial bonds, except as otherwise combined into term bonds or described under "STRUCTURE" below.

## **STRUCTURE**

[Any consecutive maturities of the Series 2021 Bonds after June 1, \_\_\_\_ and bearing interest at the same rate may be combined, at the option of the bidder, into term bonds with mandatory sinking fund installments equal to the amounts and years specified in the Official Notice of Sale combined to form a term bond.]

## **OPTIONAL REDEMPTION**

The Series 2021 Bonds maturing prior to or on June 1, 20\_\_ are not subject to redemption prior to maturity. The Series 2021 Bonds maturing after June 1, 20\_\_ may be redeemed prior to maturity at the option of the County as a whole or in part, from such maturity or maturities as the County shall designate and by lot within a maturity, on June 1, 20\_\_, or on any date thereafter, at a redemption price of 100% of the principal amount to be redeemed, together with accrued interest to the date set for redemption.

## **SECURITY**

The Series 2021 Bonds will be payable solely from and secured by a pledge of and prior lien upon the Pledged Funds (as defined in the Bond Resolution), which include the Net Revenues (as defined in the Bond Resolution) derived from the operation of the water and sewer system owned, operated and maintained by the County (the "System"), certain legally available connection charges and moneys on deposit in certain funds and accounts established under the Bond Resolution, all in the manner and to the extent provided in the Bond Resolution and described in the Preliminary Official Statement. The Series 2021 Bonds are being issued on a parity with the County's outstanding Water and Sewer Revenue

Bonds, Series 1991A, unrefunded Water and Sewer Revenue and Refunding Bonds, Series 2013A, Water and Sewer Revenue Refunding Bonds, Series 2013B, unrefunded Water and Sewer Revenue Refunding Bonds, Series 2014 and Water and Sewer Revenue and Refunding Bonds, Series 2016 and any Additional Bonds issued pursuant to the Bond Resolution.

See the Preliminary Official Statement for more information regarding the security for the Series 2021 Bonds.

[Remainder of page intentionally left blank]

## Summary Table

If numerical or date references contained in the body of this Official Notice of Sale conflict with this Summary Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Summary Table, including interpretation of such items and methodologies used to determine such items. Prospective purchasers of the bonds must read the entire Official Notice of Sale and the entire Preliminary Official Statement.

### Terms of the Bonds

Dated Date:	Date of Delivery
Anticipated Date of Delivery:	March __, 2021*
Interest Payment Dates:	June 1 and December 1, commencing June 1, 2021
Principal Payment Dates (June 1):	

Year*	Principal Amount*
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Interest Calculation:	360-day year of twelve 30-day months
Ratings:	Moody's: __ (____ outlook) S&P: __ (____ outlook)

### Bidding Parameters

Sale Date:	March __, 2021*
Bidding Method:	Parity System
All or none vs. Maturity-by-Maturity:	All-or-none
Bid Award Method:	Lowest true interest cost
Bid Award:	As soon as practicable on day of sale
Good Faith Deposit:	\$_____; See "GOOD FAITH DEPOSIT" herein
Coupon Multiples:	1/8 or 1/100 of 1%
Optional Redemption:	Yes, on or after June 1, ____, at par. See "OPTIONAL REDEMPTION" herein.
Term Bonds:	Yes, at bidder's option. See "STRUCTURE" herein.
Maximum Reoffering Price:	Maturity      Unlimited Aggregate     Unlimited

Minimum Reoffering Price:	Maturity      100%
	Aggregate     99%

### Adjustment Parameters

Principal Increases:	Maturity      Unlimited
	Aggregate     15.0%
Principal Reductions:	Maturity      Unlimited
	Aggregate     15.0%

\* Preliminary, subject to change.

\*\* May be combined into term bonds, see "STRUCTURE" herein.

## **ADJUSTMENT OF AMOUNTS AND MATURITIES**

The aggregate principal amount of each maturity of Series 2021 Bonds is subject to adjustment by the County after the receipt and opening of the bids for their purchase. Changes to be made after the opening of the bids will be communicated to the successful bidder directly prior to 8:00 a.m., Eastern Daylight Savings Time on the date following the sale date.

The County may cancel the sale of the Series 2021 Bonds or adjust the aggregate principal amount. The County may increase or decrease the principal amount of the Series 2021 Bonds or any maturity thereof by no more than the individual maturity or aggregate principal percentages, if any, shown in the Summary Table. This may include the elimination of one or more maturities. The County will consult with the successful bidder before adjusting the amount of any maturity of the Series 2021 Bonds or canceling the Series 2021 Bonds; however, the County reserves the sole right to make adjustments, within the limits described above, or cancel the sale of the Series 2021 Bonds.

Adjustment to the size of the Series 2021 Bonds within the limits described above does not relieve the purchaser from its obligation to purchase all of the Series 2021 Bonds offered by the County.

Each bid must specify the initial reoffering prices to the public of each maturity of the Series 2021 Bonds. Adjustments may be made to the principal amounts based on the reoffering prices shown on the Parity System. In determining whether there will be any revision to the principal amount of or maturity of the Series 2021 Bonds subsequent to the bid opening and award, the County expects that changes may be made that are necessary to increase or decrease the principal amount of the Series 2021 Bonds to meet the County's funding objectives, all subject to the limitations set forth above.

In the event that the principal amount of any maturity of the Series 2021 Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Series 2021 Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2021 Bonds submitted by the bidder and the price at which the Series 2021 Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Series 2021 Bonds bid.

## **FORM AND PAYMENT**

The Series 2021 Bonds will be issued in fully registered, book-entry only form and a bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co. A book-entry system will be employed, evidencing ownership of the Series 2021 Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules

and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2021 Bonds, will be required to deposit the Series 2021 Bond certificates with DTC or the Registrar (as defined below), registered in the name of Cede & Co. Principal of, premium, if any, and interest on the Series 2021 Bonds will be payable by UMB Bank, N.A., Houston, Texas, the paying agent and registrar (the "Paying Agent" or the "Registrar") for the Series 2021 Bonds by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Series 2021 Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the County nor the Registrar will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Except as otherwise provided in the Bond Resolution, principal of, and premium, if any, on the Series 2021 Bonds will be payable upon presentation and surrender thereof at the designated office of the Paying Agent on the dates, in the years and amounts established in accordance with the award of the Series 2021 Bonds. Interest on the Series 2021 Bonds is payable on the dates shown in the Summary Table. The Paying Agent will mail interest payments on the Series 2021 Bonds on each interest payment date to the owners of the Series 2021 Bonds at the addresses listed on the registration books maintained by the Registrar for such purpose at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next proceeding the applicable payment date, or, at the request of the holder of the Series 2021 Bonds, by bank wire transfer to the account of such holder, all as described in the Bond Resolution. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of principal, interest and any redemption premium on the Series 2021 Bonds will be made by the Paying Agent to DTC or its nominee.

**PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT**

The County has authorized the preparation and distribution of a Preliminary Official Statement containing information relating to the Series 2021 Bonds. The Preliminary Official Statement has been deemed final by the County as required by Rule 15c2-12 of the Securities and Exchange Commission. The County will furnish the successful bidder on the date of closing, with its certificate as to the completeness and accuracy of the Official Statement.

The Preliminary Official Statement and this Official Notice of Sale and any other information concerning the proposed financing will be available from PFM Financial Advisors LLC, Financial Advisor to the County, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone: (407) 406-5760 or email [gloverj@pfm.com](mailto:gloverj@pfm.com).

The Preliminary Official Statement, when amended to reflect the actual amount of the Series 2021 Bonds sold, the interest rates specified by the successful bidder and the price or yield at which the successful bidder will reoffer the Series 2021 Bonds to the public, together with any other information required by law, will constitute a final "Official Statement" with respect to the Series 2021 Bonds as that term is defined in Rule 15c2-12. The County shall furnish at its expense within seven (7) business days after the Series 2021 Bonds have been awarded to the successful bidder no more than 100 copies of the final Official Statement. Additional copies of the Official Statement may be provided at the request and expense of the winning bidder. If the Series 2021 Bonds are awarded to a syndicate, the County will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter submitting a bid with respect to the Series 2021 Bonds agrees thereby that if its bid is accepted, it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purpose of assuring the receipt and distribution by each participating underwriter of the Official Statement.

## **LEGAL OPINIONS**

The Series 2021 Bonds will be sold subject to the opinion of Nabors, Giblin & Nickerson, P.A., the County's Bond Counsel, as to the legality thereof and such opinion will be furnished without cost to the purchaser and all bids will be so conditioned. A form of Bond Counsel's opinion is attached to the Preliminary Official Statement as Appendix E. Certain matters will be passed on for the County by Patrick F. McCormack, Esq., County Attorney and Foley & Lardner LLP, the County's Disclosure Counsel.

A legal opinion (or reliance letter thereon) of Foley & Lardner LLP, Jacksonville, Florida, Disclosure Counsel, and a legal opinion of Patrick F. McCormack, Esq., County Attorney, with respect to certain matters concerning the Official Statement will be furnished without charge to the successful bidder at the time of delivery of the Series 2021 Bonds.

## **BIDDING PROCEDURE**

Only electronic bids submitted via the Parity System will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the County will be accepted. Bidders are permitted to submit bids for the Series 2021 Bonds during the bidding time period, provided they are eligible to bid as described under "GENERAL" above. Each electronic bid submitted via the Parity System shall be deemed an irrevocable offer in response to this Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the County. All bids remain firm until an award is made.

## **FORM OF BID**

Bidders must bid to purchase all maturities of the Series 2021 Bonds. Each bid must specify (1) an annual rate of interest for each maturity, (2) reoffering price or yield for each maturity and (3) a dollar purchase price for the entire issue of the Series 2021 Bonds. No more than one (1) bid from any bidder will be considered.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the Series 2021 Bonds are to bear, to be expressed in multiples of 1/8 or 1/100 of 1%. Any number of interest rates may be named, but the Series 2021 Bonds of each maturity must bear interest at the same single rate for all bonds of that maturity.

Each bid for the Series 2021 Bonds must meet the minimum and maximum reoffering price criteria shown in the Summary Table on a maturity and aggregate basis.

Reoffering prices presented as a part of the bids will not be used in computing the bidder's true interest cost. As promptly as reasonably possible after bids are received, the County will notify the successful bidder that it is the apparent winner.

## **AWARD OF BID**

The County expects to award the Series 2021 Bonds to the winning bidder as soon as practicable after the bids are opened on the sale date. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Series 2021 Bonds will be awarded by the County on the sale date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost ("TIC") to the County, as determined by the Financial Advisor to the County. The lowest TIC will be determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the dated date of the Series 2021 Bonds and to the aggregate purchase price of the Series 2021 Bonds. If two or more responsible bidders offer to purchase the Series 2021 Bonds at the same lowest TIC, the County will award the Series 2021 Bonds to one of such bidders by lot. Only the final bid submitted by any bidder through the Parity System will be considered. The right reserved to the County shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as in its conformity to the terms of this Official Notice of Sale.

## **RIGHT OF REJECTION**

THE COUNTY RESERVES THE RIGHT, IN ITS DISCRETION, TO REJECT ANY AND ALL BIDS, FOR ANY REASON, AND TO WAIVE IRREGULARITY OR INFORMALITY IN ANY BID.

## **DELIVERY AND PAYMENT**

Delivery of the Series 2021 Bonds will be made by the County to DTC in book-entry only form, in New York, New York on or about the delivery date shown in the Summary Table, or such other date agreed upon by the County and the successful bidder. Payment for the Series 2021 Bonds must be made in Federal Funds or other funds immediately available to the County at the time of delivery of the Series 2021 Bonds. Any expenses incurred in providing immediate funds, whether by transfer of Federal Funds or otherwise, will be borne by the purchaser. The County intends to conduct the closing in St. Augustine, Florida.

## **RIGHT OF CANCELLATION**

The successful bidder will have the right, at its option, to cancel its obligation to purchase the Series 2021 Bonds if the Registrar fails to authenticate the Series 2021 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder will be entitled to the return of the Good Faith Deposit accompanying its bid.

## **GOOD FAITH DEPOSIT**

The successful bidder for the Series 2021 Bonds is required to submit its Good Faith Deposit to the County in the form of a wire transfer in federal funds not later than 2:30 p.m., Eastern Daylight Savings Time, on the day of the award. If such deposit is not received by that time, the County may reject such bid and award the Bonds to the bidder that submitted the next best bid in accordance with the terms of the Official Notice of Sale. See "Summary Table" herein for the amount of the Good Faith Deposit.

The Good Faith Deposit so wired will be retained by the County until the delivery of such Series 2021 Bonds, at which time the good faith deposit will be applied against the purchase price of such Series 2021 Bonds or the Good Faith Deposit will be retained by the County as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Series 2021 Bonds in compliance with the terms of the Official Notice of Sale and of its bid. The County will pay no interest on the good faith deposit. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum provided by the County to the successful purchaser, simultaneously with delivery of such Series 2021 Bonds.

## **CUSIP NUMBERS**

It is anticipated that CUSIP numbers will be printed on the Series 2021 Bonds, but neither failure to print such numbers on any Series 2021 Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2021 Bonds. Bond Counsel will not review or express

any opinion as to the correctness of such CUSIP numbers. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2021 Bonds. The County's Financial Advisor will be responsible for applying for and obtaining CUSIP numbers for the Series 2021 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2021 Bonds will be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

## **BLUE SKY**

The County has not undertaken to register the Series 2021 Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2021 Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Series 2021 Bonds, the successful bidder represents that the sale of the Series 2021 Bonds in states other than Florida will be made only under exemptions from registration or, wherever necessary, the successful bidder will register the Series 2021 Bonds in accordance with the securities laws of the state in which the Series 2021 Bonds are offered or sold. The County agrees to cooperate with the successful bidder, at the bidder's written request and expense, in registering the Series 2021 Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the County shall not be required to consent to suit or to service of process in any jurisdiction.

## **CERTAIN DISCLOSURE OBLIGATIONS OF THE PURCHASER**

Section 218.38(1)(b)(2), Florida Statutes, requires that the successful purchaser file a statement with the County containing information with respect to any fee, bonus or gratuity paid, in connection with the Series 2021 Bonds, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant. Receipt of such statement is a condition precedent to the delivery of the Series 2021 Bonds to such successful bidder.

The winning bidder must (1) complete the Truth-in-Bonding Statement provided by Bond Counsel (the form of which is attached hereto as Exhibit A) and (2) indicate whether such bidder has paid any finder's fee to any person in connection with the sale of the Series 2021 Bonds in accordance with Section 218.386, Florida Statutes.

## **CONTINUING DISCLOSURE**

The County has covenanted to provide ongoing disclosure in accordance with Rule 15c2-12 of the Securities and Exchange Commission. The specific nature of the information to be contained in the annual report and the notices of material events are set forth in the Continuing Disclosure Certificate which is reproduced in its entirety in Appendix D attached to the Preliminary Official Statement for the Bonds. The covenants

have been undertaken by the County in order to assist the successful purchaser in complying with clause (b) (5) of Rule 15c2-12 of the Securities and Exchange Commission.

### **CERTIFICATE**

The County will deliver to the purchaser of the Series 2021 Bonds a certificate of an official of the County, dated the date of delivery of said Series 2021 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said official, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and further certifying that the signatory knows of no material adverse change in the financial condition of the County.

### **CHOICE OF LAW**

Any litigation or claim arising out of any bid submitted (regardless of the means of submission) pursuant to this Official Notice of Sale shall be governed by and construed in accordance with the laws of the State of Florida. The venue situs for any such action shall be the state courts of the Seventh Judicial Circuit in and for St. Johns County, Florida.

### **NOTICE OF BIDDERS REGARDING PUBLIC ENTITY CRIMES**

A person or affiliate who has been placed on the Convicted Vendor List (as described in Florida Statutes) following a conviction for a public entity crime may not submit a bid.

**ST. JOHNS COUNTY, FLORIDA**

By: /s/ Hunter S. Conrad  
County Administrator

Dated: March \_\_, 2021

**EXHIBIT A  
TRUTH-IN-BONDING STATEMENT**

March \_\_, 2021

Board of County Commissioners  
of St. Johns County, Florida

Re: St. Johns County, Florida Taxable Water and Sewer Revenue  
Refunding Bonds, Series 2021

Dear Commissioners:

The purpose of the following two paragraphs is to furnish, pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the truth-in-bonding statement required thereby, as follows:

(a) The County is proposing to issue \$\_\_\_\_\_ principal amount of the above-referenced Series 2021 Bonds for the principal purposes of refunding portions of certain outstanding bonds and paying certain costs of issuance of the Series 2021 Bonds. This obligation is expected to be repaid over a period of approximately \_\_\_ years. At a true interest cost of \_\_\_%, total interest paid over the life of the obligation will be approximately \$\_\_\_\_\_.

(b) The Series 2021 Bonds shall be limited obligations of the County payable solely from the Pledged Funds as described in the Preliminary Official Statement for the Series 2021 Bonds. Authorizing this debt will result in approximately \$\_\_\_\_\_ (representing the average annual debt service with respect to the Series 2021 Bonds) of such Pledged Revenues being used to pay debt service on the Series 2021 Bonds each year for \_\_\_\_\_ years.

The foregoing is provided for information purposes only and shall not affect or control the actual terms and conditions of the Series 2021 Bonds.

Very truly yours,

\_\_\_\_\_  
Underwriter

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT B**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2021

NEW ISSUE –BOOK ENTRY ONLY

RATINGS: (See “RATINGS” herein)

*In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, interest on the Series 2021 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. See “TAX MATTERS” herein for a general discussion of Bond Counsel’s opinion and other tax considerations.*



\$ \_\_\_\_\_  
**ST. JOHNS COUNTY, FLORIDA**  
**Taxable Water and Sewer Revenue Refunding Bonds,**  
**Series 2021**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover

**SEE INSIDE FRONT COVER FOR DETAILED MATURITY SCHEDULE**

The \$ \_\_\_\_\_\* St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the “Series 2021 Bonds”) are being issued by St. Johns County, Florida (the “County”) as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021 Bonds. Individual purchases of the Series 2021 Bonds may be made only in book-entry form in denominations of \$5,000 and any integral multiples thereof. Purchasers of Series 2021 Bonds will not receive physical delivery of bond certificates representing their ownership interests in the Series 2021 Bonds purchased. As long as DTC or its nominee is the registered owner of the Series 2021 Bonds, debt service payments will be made to DTC. See “DESCRIPTION OF THE SERIES 2021 BONDS – Book-Entry Only System” herein. Interest on the Series 2021 Bonds is payable on June 1 and December 1 of each year, commencing on June 1, 2021. UMB Bank, National Association, Houston, Texas, is Paying Agent and Registrar for the Series 2021 Bonds. See “DESCRIPTION OF THE SERIES 2021 BONDS” herein. Capitalized terms used but not defined in this Official Statement shall have the meaning ascribed thereto in the Resolution (as defined herein), unless the context would clearly indicate otherwise.

The Series 2021 Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, County Ordinance No. 86-89 duly enacted by the Board of County Commissioners of the County (the “Board”) on December 9, 1986, as amended and supplemented (the “Ordinance”), and other applicable provisions of law and Resolution No. 89-84 duly adopted by the Board on April 25, 1989, as amended and supplemented (the “Original Resolution”), particularly as supplemented by Resolution No. 2021-\_\_\_ duly adopted by the Board on March 2, 2021 (the “Supplemental Resolution,” and, together with the Original Resolution, the “Resolution”). See “COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION” attached hereto as APPENDIX C. The Series 2021 Bonds are being issued to provide funds to: (i) refund certain outstanding indebtedness of the County, as further described herein, and (ii) pay certain costs of issuance related to the Series 2021 Bonds, all as further described herein.

The Series 2021 Bonds are subject to redemption prior to their stated maturities as set forth herein. [In accordance with the Official Notice of Sale, the successful bidder of the Series 2021 Bonds may designate certain maturities of the Series 2021 Bonds as Term Bonds, as defined in the Resolution, and any such Term Bond will be subject to mandatory sinking fund redemption.] See “DESCRIPTION OF THE SERIES 2021 BONDS - Redemption” herein.

The principal of and interest on the Series 2021 Bonds are payable solely from and secured by a pledge of and prior lien upon the Pledged Funds (as defined herein), which include the Net Revenues derived from the operation of the water and sewer system owned, operated and maintained by the County (as further described herein, the “System”), certain legally available connection charges and moneys on deposit in certain funds and accounts established under the Resolution. The Series 2021 Bonds are being issued on a parity with the County’s outstanding

\* Preliminary; subject to change.

Water and Sewer Revenue Bonds, Series 1991A, the portion of Water and Sewer Revenue and Refunding Bonds, Series 2013A not refunded with proceeds of the Series 2021 Bonds, if any, Water and Sewer Revenue Refunding Bonds, Series 2013B, the portion of Water and Sewer Revenue Refunding Bonds, Series 2014 not refunded with proceeds of the Series 2021 Bonds, if any, and Water and Sewer Revenue and Refunding Bonds, Series 2016. See "SECURITY FOR THE SERIES 2021 BONDS" herein.

**THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON SUCH SERIES 2021 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.**

Electronic proposals for the purchase of the Series 2021 Bonds will be received by the County through i-DEAL LLC's Parity/BidComp Competitive Bidding System ("PARITY®") on \_\_\_\_\_, 2021\*, until 11:00 a.m., Eastern Standard Time\*, or on such other date or time as may be determined by the County, with notice provided through PARITY®, all as provided in the Official Notice of Sale relating to the Series 2021 Bonds, dated \_\_\_\_\_, 2021.

This cover page and the inside cover page contain certain information for quick reference only. They are not, and are not intended to be, a summary of the transaction. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The Series 2021 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to legality by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the County by the Office of the County Attorney, St. Augustine, Florida, and by Foley & Lardner LLP, Jacksonville, Florida, Disclosure Counsel to the County. PFM Financial Advisors LLC, Orlando, Florida is acting as Financial Advisor to the County. It is expected that settlement for the Series 2021 Bonds will occur through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2021.*

Dated: \_\_\_\_\_, 2021

\$ \_\_\_\_\_<sup>(1)</sup>  
**ST. JOHNS COUNTY, FLORIDA**  
**Taxable Water and Sewer Revenue Refunding Bonds,**  
**Series 2021**

<u>Maturity</u> <u>(June 1)</u> <sup>(2)</sup>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP</u> <u>Number</u> <sup>(3)</sup>
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<sup>(1)</sup> Preliminary; subject to change.

<sup>(2)</sup> Any bidder may, at its option, specify any consecutive maturities after June 1, 20\_\_ to be combined into Term Bonds. See "STRUCTURE" in the Official Notice of Sale.

<sup>(3)</sup> The County is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the County as to their correctness. The CUSIP numbers provided herein are included solely for the convenience of the readers of this Official Statement. The CUSIP number for a specific maturity is subject to being changed after the issuance of the bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary markets portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the bonds.

**MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS**

Jeremiah Ray Blocker, Chair  
Henry Dean, Vice Chair  
Christian Whitehurst  
Jeb S. Smith  
Paul M. Waldron

**CONSTITUTIONAL OFFICERS**

Robert A. Hardwick, Sheriff  
Brandon Patty, Clerk of Court and Comptroller  
Dennis W. Hollingsworth, C.F.C., Tax Collector  
Eddie Creamer, C.F.A., Property Appraiser  
Vicky Oakes, Supervisor of Elections

**UTILITY DEPARTMENT**

William G. Young, Utilities Director  
C. Gordon Smith, Assistant Utilities Director, Engineering and Operations  
Frank Kenton, Assistant Utilities Director, Finance and Administration  
Neal Shinkre, Assistant Director of Operations

**COUNTY ADMINISTRATOR**

Hunter Conrad

**FINANCE DIRECTOR**

Lon Stafford

**COUNTY ATTORNEY**

Patrick F. McCormack, Esq.

**BOND COUNSEL**

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

**DISCLOSURE COUNSEL**

Foley & Lardner LLP  
Jacksonville, Florida

**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2021 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, The Depository Trust Company and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the County with respect to any information provided by others. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2021 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2021 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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," "PROJECT," "ANTICIPATE," "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, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

[Red Herring Language]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2021 Bonds may not be sold nor may offers to buy the Series 2021 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 2021 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.

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- APPENDIX A – GENERAL INFORMATION CONCERNING THE COUNTY
- APPENDIX B – EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019 AND SELECTED UNAUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020
- APPENDIX C – COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION
- APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE
- APPENDIX E – FORM OF BOND COUNSEL OPINION

**OFFICIAL STATEMENT**

relating to

\$ \_\_\_\_\_ \*

**ST. JOHNS COUNTY, FLORIDA  
Taxable Water and Sewer Revenue Refunding Bonds,  
Series 2021**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page, the inside cover and the appendices hereto, is to provide information concerning the issuance by St. Johns County, Florida (the "County") of \$ \_\_\_\_\_ \* aggregate principal amount of the County's Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, County Ordinance No. 86-89 duly enacted by the Board of County Commissioners of the County (the "Board") on December 9, 1989, as amended and supplemented (the "Ordinance"), and other applicable provisions of law and Resolution No. 89-84 duly adopted by the Board on April 25, 1989, as amended and supplemented (the "Original Resolution"), particularly as supplemented by Resolution No. 2021-\_\_ duly adopted by the Board on March 2, 2021 (the "Supplemental Resolution," and, together with the Original Resolution, the "Resolution"). See "COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION" attached hereto as APPENDIX C. Capitalized terms used herein and not otherwise defined have the definitions set forth in the Resolution.

The Series 2021 Bonds are being issued on a parity with the Parity Obligations (as defined herein). See "DEBT SERVICE SCHEDULE" and "SECURITY FOR THE SERIES 2021 BONDS - Source of Payment" herein. The County may issue Additional Bonds payable from the Pledged Funds (as defined herein) on parity with the Parity Obligations and the Series 2021 Bonds, provided, however, that such Additional Bonds may be issued only if the County first has complied with certain requirements set out in the Resolution. The Series 2021 Bonds, the Parity Obligations and any Additional Bonds issued pursuant to the Resolution are collectively referred to herein as "Bonds." See "SECURITY FOR THE SERIES 2021 BONDS - Additional Bonds" herein.

The County has agreed to provide certain continuing disclosure information with respect to the Series 2021 Bonds pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

For a complete description of the terms and conditions of the Series 2021 Bonds, reference is made to the Resolution. See "COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION" attached hereto as APPENDIX C. The description of the Series 2021 Bonds and of the documents authorizing and securing the same and the description of other debt of the County

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\* Preliminary; subject to change.

do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each. All information included herein has been provided by the County except where attributed to other sources. This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning DTC and its book-entry system. Such information has not been provided by the County and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by such parties and is not responsible for the information provided by such parties.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing, other than the Series 2021 Bonds and the Resolution, is to be construed as a contract between the Registered Owners of the Series 2021 Bonds and the County.

## **THE COUNTY**

The County was established in 1821. The City of St. Augustine, the County seat, was founded over 400 years ago by Spanish explorers and is the nation's oldest continuously occupied city. The County encompasses approximately 608 square miles and is located in the northeastern region of the State of Florida (the "State") directly south of the City of Jacksonville and is bordered on the west by the St. Johns River, on the south by Flagler County, and on the east by the Atlantic Ocean. The 20\_\_ population of the County was \_\_\_\_\_. For further information concerning the County, see "APPENDIX A – GENERAL INFORMATION CONCERNING THE COUNTY."

## **PURPOSE OF THE SERIES 2021 BONDS**

The Series 2021 Bonds are being issued to provide funds to: (i) refund on an advance basis the County's outstanding Water and Sewer Revenue and Refunding Bonds, Series 2013A (the "Refunded Series 2013A Bonds"), maturing on and after June 1, 2023; (ii) refund on an advance basis the County's outstanding Water and Sewer Revenue Refunding Bonds, Series 2014, maturing on and after June 1, 2025 (the "Refunded Series 2014 Bonds" and, together with the Refunded Series 2013A Bonds, the "Refunded Bonds"), and (iii) pay certain costs of issuance related to the Series 2021 Bonds.

## **PLAN OF REFUNDING**

Concurrently with the delivery of the Series 2021 Bonds, a portion of the proceeds of the Series 2021 Bonds, together with other legally available moneys of the County, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") pursuant to the terms and provisions of the Escrow Deposit Agreement dated as of the date of issuance of the Series 2021 Bonds (the "Escrow Deposit Agreement") between the County and UMB Bank, National Association, as Escrow Agent thereunder, in order to defease the Refunded Bonds. A portion of the moneys deposited pursuant to the Escrow Deposit Agreement shall be applied to the purchase of certain United States Treasury obligations (the "Federal Securities") so as to produce sufficient funds, together with any cash on

deposit in the Escrow Fund, to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same become due and payable. The Refunded Series 2013A Bonds maturing on June 1, 2021 and June 1, 2022, will be payable at their scheduled maturity. The Refunded Series 2013A Bonds maturing on and after June 1, 2023, will be called for redemption on December 1, 2022. The Refunded Series 2014 Bonds maturing on June 1, in the years 2021, 2022, 2023 and 2024 will be payable at stated maturity. The Refunded Series 2014 Bonds maturing on and after June 1, 2025, will be called for redemption on June 1, 2024. Upon the deposit of such moneys in the Escrow Fund, in the opinion of Bond Counsel, rendered in reliance upon certain mathematical computations performed by PFM Financial Advisors LLC, as verified by Integrity (the "Verification Agent") as described below, the Refunded Bonds shall be deemed to be paid and legally defeased and shall no longer be deemed to be outstanding for purposes of the Resolution. The holders of the Refunded Bonds shall be entitled to payment solely out of the moneys and Federal Securities deposited pursuant to the Escrow Deposit Agreement. The moneys and Federal Securities on deposit in the Escrow Fund will not be available for payment of the Series 2021 Bonds.

Upon delivery of the Series 2021 Bonds, the Verification Agent will verify the accuracy of the arithmetical computations of the adequacy of the maturing principal amount of, and interest on the Federal Securities, together with any uninvested amounts, to be held in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds through the maturity and redemption date therefor and the yields on the Federal Securities on deposit in the Escrow Fund. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

## **DESCRIPTION OF THE SERIES 2021 BONDS**

### **General**

The Series 2021 Bonds are issuable only in fully registered form in denominations of \$5,000 and integral multiples thereof, shall be dated the date of delivery and shall bear interest from their dated date at the rates per annum as set forth on the inside cover of this Official Statement. Interest on the Series 2021 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2021 (each an "Interest Date"). The Series 2021 Bonds will mature on June 1 in the years and principal amounts set forth on the inside cover of this Official Statement.

The principal of or Redemption Price, if applicable, on the Series 2021 Bonds is payable only upon presentation and surrender of the Series 2021 Bonds at the designated office of UMB, National Association, Houston, Texas, as Paying Agent (the "Paying Agent"). Interest shall be payable on any Series 2021 Bond on any Interest Date to the Holder in whose name such Series 2021 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date by check or draft of the Paying Agent or, at the request of such Holder, by bank wire transfer for the account of such Holder.

## **Redemption**

***Optional Redemption.*** The Series 2021 Bonds maturing prior to or on June 1, 20\_\_ are not subject to redemption prior to maturity. The Series 2021 Bonds maturing after June 1, 20\_\_ may be redeemed prior to maturity at the option of the County as a whole or in part, from such maturity or maturities as the County shall designate and by lot within a maturity, on June 1, 20\_\_, or on any date thereafter, at a redemption price of 100% of the principal amount to be redeemed, together with accrued interest to the date set for redemption.

***Notice of Redemption.*** Unless waived by any Holder of the Series 2021 Bonds to be redeemed, notice of any redemption shall be given by the Registrar on behalf of the County by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of the Series 2021 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of Series 2021 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of the Series 2021 Bonds to be redeemed. Additional notice shall be given as provided in the Resolution.

***Notwithstanding the foregoing, so long as Cede & Co. is the registered owner of the Series 2021 Bonds pursuant to DTC's book-entry only system of registration (described below), notice of redemption required to be mailed to Holders of the Series 2021 Bonds shall only be sent to Cede & Co.***

***Payment of Redeemed Bonds.*** Official notice of redemption having been given substantially as provided in the Resolution, the Series 2021 Bonds or portions of the Series 2021 Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the County shall default in the payment of the Redemption Price) such Series 2021 Bonds or portions of Series 2021 Bonds shall cease to bear interest. Upon surrender of such Series 2021 Bonds for redemption in accordance with said notice, such Series 2021 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Resolution for payment of interest. All Series 2021 Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

## **Book-Entry Only System**

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2021 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2021 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE

BENEFICIAL OWNERS OF THE SERIES 2021 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2021 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2021 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS (AS HEREINAFTER DEFINED) OF THE SERIES 2021 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities 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 Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate initial principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("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 ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not

receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 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 2021 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 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's 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 Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the paying agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial

Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the County, or the paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2021 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the paying agent, 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 Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, the Series 2021 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2021 Bond certificates will be printed and delivered.

*If the DTC system is discontinued the transfer, exchange and registration of the Series 2021 Bonds will be governed by the provisions of the Resolution. See APPENDIX C attached hereto.*

## SECURITY FOR THE SERIES 2021 BONDS

### Source of Payment

The Series 2021 Bonds are special obligations of the County secured equally and ratably by a pledge of and prior lien upon the Pledged Funds. The Series 2021 Bonds are being issued on a parity with the Parity Obligations and any Additional Bonds issued after the date hereof as to the lien on and pledge of the Pledged Funds. "Pledged Funds" are defined in the Resolution to mean the Net Revenues, any Connection Charges on deposit in the Current Account and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, in the Revenue Fund and the Debt Service Fund. Pledged Funds do not include Net Revenues on deposit in the Rebate Fund or Connection Charges on deposit in the Stabilization Account. The County has covenanted that it will deposit all Gross Revenues it collects from the operation of or ownership of the System into the Revenue Fund, where they will be subject to the lien of the Bonds. Before money on deposit in the Revenue Fund may be used to pay debt service on the Bonds, however, an amount sufficient to pay the Operating Expenses of the System each month will be withdrawn and placed in the Operation and Maintenance Fund, which Fund is not subject to the lien of the Bonds.

*System.* Pursuant to the Resolution, System means the complete water facilities now owned, operated and maintained by the County, every Additional Project and any and all other water and sewer facilities hereafter acquired and operated by the County which shall be expressly declared by resolution of the Board to be part of the System, which System shall also include any and all improvements, extensions and additions to the foregoing which shall be hereafter

constructed or acquired, whether the same shall be financed from the proceeds of Bonds or from any other funds or sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith.

Net Revenues. Pursuant to the Resolution, Net Revenues include all income and moneys received by the County from the fees and charges made and collected by the County (excluding Connection Charges and non-ad valorem special assessments) for the use of the services or facilities of the System (such fees and charges, the "Rates"), together with all earnings and income derived from the investment of moneys under the provisions of the Resolution which are transferred to the Revenue Fund or the Interest Account as provided in the Resolution, less the County's expenses for operation, maintenance, repairs and replacements with respect to the System, as further provided in the Resolution.

Connection Charges. Pursuant to the Resolution, Connection Charges include all non-refundable (except at the option of the County) "water unit connection fees," "sewer unit connection fees," impact fees, capital expansion fees, utility improvement fees or other similar fees and charges, whether payable in full prior to connection with the System or to initiation of any service afforded by System facilities or payable in installments over any period of time, separately imposed from time to time by the County upon new customers of the System as a nonuser capacity charge for a proportionate share of the cost of the acquisition or construction of Expansion Facilities, which are imposed by the County for the purpose of allocating to each such customer a proportionate share of the cost of the additional System capacity made necessary by the inclusion or expected inclusion of System services to such new customers, but only to the extent that any such fee or charge has been lawfully levied and collected by the County and may under applicable law be used for the acquisition or construction of the Expansion Facilities or for debt service thereon as more particularly provided in the Resolution, and any income from the investment of moneys on deposit in the Connection Charges Fund or any other moneys transferred to the Connection Charges Fund pursuant to the provisions of the Resolution. Connection Charges do not include Assessments.

Assessments. Pursuant to the Resolution, Assessments are the proceeds to be derived by the County from any non-ad valorem special assessments which are levied by the County, on its own behalf or as the governing body of a municipal service benefit unit, against some or all of the parcels of real property to be specially benefited by the services and facilities of any Additional Project or by any portion thereof, and which are expressly declared by one or more resolutions of the Board to be Assessments, and which are expressly pledged by such resolutions, including interest on such non ad valorem special assessments and any penalties thereon and moneys received upon the foreclosure of the liens thereof and, by reason of such non ad valorem special assessments, upon the sale of tax certificates, to the payment of the principal of, redemption premium, if any, and interest on the Bonds or one or more Series of Bonds. The County has the right to levy and collect non ad valorem special assessments upon some or all of the parcels of real property specially benefited by any Additional Project or by any portion thereof without declaring that such assessments shall be Assessments, as defined in the Resolution, and to provide for the application of such assessments to any lawful public purpose, including provision for the application of such assessments to the payment of the principal of or Redemption Price, if applicable, and interest on any particular Series of Bonds or Subordinated Indebtedness or any other obligations of the County. No Assessments are currently pledged to the payment of the

principal of or Redemption Price, if applicable, or interest on the Series 2021 Bonds or on any Parity Obligations.

The Series 2021 Bonds are being issued on a parity with the County's Outstanding: Water and Sewer Revenue Bonds, Series 1991A (the "Series 1991A Bonds"), consisting of Capital Appreciation Bonds with an Accreted Value of \$3,501,467 as of December 1, 2020; Water and Sewer Revenue and Refunding Bonds, Series 2013A which are not being refunded with proceeds of the Series 2021 Bonds (the "Unrefunded Series 2013A Bonds"), such Unrefunded Series 2013A Bonds consisting of Current Interest Bonds in the aggregate principal amount of \$18,335,000; the Water and Sewer Revenue and Refunding Bonds, Series 2013B (the "Series 2013B Bonds"), consisting of Capital Appreciation Bonds with an Accreted Value of \$41,773,770 as of December 1, 2020; (the "Series 2013B Bonds"); Water and Sewer Revenue Refunding Bonds, Series 2014 which are not being refunded with the proceeds of the Series 2021 Bonds (the "Unrefunded Series 2014 Bonds"), such Unrefunded Series 2014 Bonds outstanding in the aggregate principal amount of \$24,540,000 as of December 1, 2020; Water and Sewer Revenue and Refunding Bonds, Series 2016, outstanding in the aggregate principal amount of \$47,690,000 as of December 1, 2020 (the "Series 2016 Bonds" and, collectively with the Series 1991A Bonds, the Unrefunded Series 2013A Bonds, the Series 2013B Bonds and the Unrefunded Series 2014 Bonds, the "Parity Obligations") and any Additional Bonds issued after the date hereof. See "SECURITY FOR THE SERIES 2021 BONDS – Additional Bonds" below.

The County also currently has outstanding the following subordinated indebtedness (the "Subordinated Indebtedness") as of September 30, 2020: [(i) a loan in the outstanding principal amount of \$179,995.95 as of September 30, 2015 evidenced by a State Revolving Fund Loan Agreement dated June 27, 1994, as amended and restated on September 12, 1995, as further amended, between the County and the State of Florida Department of Environmental Protection (the "Florida Department of Environmental Protection"), (ii) a draw-down loan in the outstanding principal amount of \$8,120,921.54 as of September 30, 2015 evidenced by a Clean Water State Revolving Fund Loan Agreement dated May 17, 2011, as amended, between the County and the Florida Water Pollution Control Financing Corporation and approved and accepted by the Florida Department of Environmental Protection, (iii) a loan in the outstanding principal amount of \$4,692,346.00 as of September 30, 2015 evidenced by a Drinking Water State Revolving Fund Construction Loan Agreement dated October 23, 2013, between the County and the Florida Department of Environmental Protection]. The Subordinated Indebtedness is payable from and secured by a lien upon and pledge of certain Pledged Funds which is junior and subordinate in all respects to the lien of and pledge thereon in favor of the Series 2021 Bonds and the Parity Obligations.

**THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST**

**ON SUCH SERIES 2021 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.**

**Funds and Accounts**

Pursuant to the Resolution, the following funds and accounts have been established:

- (1) The Construction Fund;
- (2) The Revenue Fund;
- (3) The Connection Charges Fund, which shall consist of the Current Account and the Stabilization Account;
- (4) The Operation and Maintenance Fund;
- (5) The Debt Service Fund, which shall consist of the Interest Account, the Principal Account, the Bond Amortization Account and the Reserve Account;
- (6) The Renewal and Replacement Fund;
- (7) The Rebate Fund; and
- (8) The Assessment Fund.

The moneys required to be accounted for in each of the funds and accounts established in the Resolution may be deposited in a single bank account and funds allocated to the various funds and accounts established in the Resolution may be invested in a common investment pool, provided that adequate accounting records are maintained by the County to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as provided in the Resolution. The designation and establishment of the various funds and accounts 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 for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

**Flow of Funds**

(A) The County will deposit the Connection Charges into the Current Account, promptly upon the receipt thereof, until an amount equal to the Connection Charges Debt Service Components for the then current Bond Year shall have been deposited into the Current Account in such Bond Year. After an amount equal to such Connection Charges Debt Service Components

shall have been deposited into the Current Account in such Bond Year, the County will deposit additional Connection Charges received in such Bond Year into the Stabilization Account.

On or before the last day of each month, all or any portion of the moneys in the Current Account may, at the option of the County, be deposited or credited to the Debt Service Fund in the manner described in subsection (B)(2) below, provided, however, that such moneys shall be deposited or credited to the Debt Service Fund in the manner described in subsection (B)(2) below in the event that moneys in the Revenue Fund are insufficient or unavailable to make all of the deposits into the Debt Service Fund required by the Resolution as described in subsection (B)(2) below. The balance of any moneys remaining in the Current Account after such deposits, if any, shall be transferred to the Stabilization Account.

Moneys in the Stabilization Account may, to the extent such moneys are lawfully available for such purpose, be applied only (i) to the Current Account in an amount which shall not exceed the Connection Charges Debt Service Components for the then current Bond Year, less amounts previously transferred from the Current Account to the Debt Service Fund during such Bond Year, (ii) to the purchase or redemption of Bonds or (iii) to the County, from time to time, for the acquisition and construction of Expansion Facilities.

Notwithstanding anything to the contrary contained in the Resolution, the aggregate amount of Connection Charges applied and allocated to the aggregate Debt Service Requirements for the Bonds shall never exceed the aggregate Connection Charges Debt Service Components for the Bonds.

(B) The County will deposit all Gross Revenues into the Revenue Fund, promptly upon the receipt thereof. On or before the last day of each month, the moneys in the Revenue Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Operation and Maintenance Fund. The County will deposit into or credit to the Operation and Maintenance Fund such sum as shall be necessary to cause the moneys in the Operation and Maintenance Fund to be sufficient to pay Operating Expenses for the next succeeding month according to the Annual Budget; provided, however, that subject always to the provisions of the Resolution, the County will transfer moneys from the Revenue Fund to the Operation and Maintenance Fund at any time to pay Operating Expenses to the extent there shall be a deficiency in the moneys in the Operation and Maintenance Fund for such purpose. Moneys in the Operation and Maintenance Fund shall be paid out from time to time by the County to pay reasonable and necessary Operating Expenses as and when the same shall be incurred.

(2) Debt Service Fund. Next, the County will deposit into or credit to the Debt Service Fund, from moneys in the Revenue Fund and/or the Current Account, such sums which, together with the moneys deposited into or credited to the Debt Service Fund from the Assessment Fund pursuant to the provisions of part (7) below, will be sufficient to make all of the deposits, transfers and payments described in this part (2). The moneys on deposit in the Debt Service Fund shall be applied by the County in the manner provided in the Resolution solely for the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds, including Assessments Redemption Bonds, and for the purchase

of, and reinstatement of the maximum limits of, any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, and shall not be available for any other purpose. The moneys transferred to the Debt Service Fund from the Assessments Fund, the Revenue Fund and the Current Account shall be deposited or credited in the following manner and in the following order of priority:

(a) Interest Account. The County will deposit into or credit to the Interest Account the sum which, together with the surplus moneys in the Interest Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Interest Account, will be sufficient to pay one-sixth (1/6) of all interest coming due on the Bonds on the next Interest Date, plus the full balance of any continuing deficiencies in prior deposits to the Interest Account. Moneys in the Interest Account shall be applied by the County to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The County will adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date.

(b) Principal Account. Next, the County will deposit into or credit to the Principal Account the sum which, together with the surplus moneys in the Principal Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Principal Account, will be sufficient to pay (i) the principal amount of all Outstanding Bonds other than Term Bonds due and unpaid and (ii) one-twelfth (1/12) of the principal amount of the Bonds other than Term Bonds which shall thereafter mature during the then current Bond Year. Serial Capital Appreciation Bonds (including their respective interest components) shall be payable entirely from moneys in the Principal Account on their respective maturity dates, and deposits or credits to the Principal Account to provide funds for such purpose shall commence in the month which is one year prior to each such maturity date. Moneys in the Principal Account shall be applied by the County to pay the principal of the Bonds other than Term Bonds as and when the same shall mature, and for no other purpose.

(c) Bond Amortization Account. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account. Commencing in the month which is one year prior to the due date of each Amortization Installment, the County will deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said account held for the credit of such Amortization Installment and all Outstanding Term Bonds due and unpaid and not theretofore allocated to supplement any previous monthly deposit, will be sufficient to pay (i) one-twelfth (1/12) of such Amortization Installments and (ii) the full balance of any continuing deficiencies in prior deposits to the Bond Amortization Account for such Amortization Installment and the principal amount of all such Outstanding Term Bonds due and unpaid. Term Capital Appreciation Bonds (including their respective interest components) shall be payable entirely from moneys in the Bond Amortization Account on the respective due dates of the

Amortization Installments applicable thereto, and deposits or credits to the Bond Amortization Account to provide funds for such purpose shall commence in the month which is one year prior to each such Amortization Installment due date. Moneys in the Bond Amortization Account shall be applied by the County to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the County from the Revenue Fund.

(d) Reserve Account. Next, the County will deposit into or credit to the Reserve Account such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Account Requirement including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein or the cash replacement thereof. On or prior to each Interest Date and each maturity or redemption date for the payment of any principal of the Bonds, moneys in the Reserve Account shall be applied by the County to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds secured by the Reserve Account to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose in the manner provided in the Resolution. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit therein of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit, such surplus moneys shall be deposited by the County into the Principal Account or such other appropriate fund or account of the County, provided such deposit to such other fund or account will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

(3) Subordinated Indebtedness. Next, the County will apply available moneys in the Revenue Fund to the payment of the debt service for any Subordinated Indebtedness.

(4) Renewal and Replacement Fund. Next, whenever the balance on deposit in the Renewal and Replacement Fund shall be less than the Renewal and Replacement Fund Requirement, the County will deposit into or credit to the Renewal and Replacement Fund the balance of all moneys remaining in the Revenue Fund to the extent necessary to cause the moneys in the Renewal and Replacement Fund to equal the Renewal and Replacement Fund Requirement. If at any time the balance on deposit in the Renewal and Replacement Fund shall exceed the Renewal and Replacement Fund Requirement, such excess shall be withdrawn by the County from the Renewal and Replacement Fund and deposited into the Revenue Fund. The moneys in the Renewal and Replacement Fund shall be applied by the County to the payment of the cost of extensions, improvements and additions to, or renewals and replacements of the capital assets of, the System, or extraordinary repairs of the System; provided, however, that whenever moneys in the Debt Service Fund shall be insufficient to pay all or any part of the principal of, Redemption Price or interest on any of the Bonds, moneys in the Renewal and Replacement Fund shall first be used to supplement the Debt Service Fund to the extent necessary to prevent a default on the Bonds.

(5) Rebate Fund. Next, the County may, at its option, deposit into or credit to the Rebate Fund any amounts required to be rebated to the United States Treasury pursuant to the Resolution.

(6) Excess Revenues. Finally, the County may withdraw the balance of all moneys remaining on deposit to the credit of the Revenue Fund and apply the same to any lawful county purpose.

(7) Assessments. All Assessments shall be deposited by the County into the Assessments Fund promptly upon receipt thereof. Currently, no such Assessments are levied or pledged by the County for payment of the Bonds. As a first charge against moneys at any time on deposit to the credit of the Assessments Fund, the County will reimburse itself for all expenses incurred by the County in connection with its conduct of the proceedings necessary for the imposition, levy and collection of the Assessments in accordance with applicable law. On or before the last day of each month in every Bond Year, all moneys in the Assessments Fund shall be deposited or credited to the Debt Service Fund until the aggregate amount of all such deposits therein during such Bond Year shall equal all of the installments of the Assessments scheduled to be paid to the County during such Bond Year, and all such moneys thus deposited to the Debt Service Fund shall be applied by the County in the same manner as other moneys therein are applied pursuant to the provisions of part (2) of this subsection (B). All expenses in connection with the purchase, redemption or payment of Assessments Redemption Bonds shall be paid by the County from the Revenue Fund.

(C) The County, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the County's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

#### **Rate Covenant**

The County covenants in the Resolution to fix, establish, maintain and collect Rates, and revise the same effective at the beginning of each Fiscal Year, to the extent necessary, to provide if no Assessments are pledged to the Bonds:

(i) Net Revenues in such Fiscal Year, together with any Connection Charges actually on deposit in the Current Account at the beginning of such Fiscal Year, equal to at least one hundred twenty percent (120%) of the Debt Service Requirement for the Bond Year ending in such Fiscal Year and at least one hundred percent (100%) of any amounts required by the terms of the Resolution to be deposited in the Reserve Account or in the Renewal and Replacement Fund or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, and

(ii) Net Revenues in such Fiscal Year, not taking into account Connection Charges, equal to at least one hundred ten percent (110%) of the Debt Service Requirement for the Bond Year ending in such Fiscal Year and at least one hundred percent (100%) of any amounts required

by the terms of the Resolution to be deposited in the Reserve Account or in the Renewal and Replacement Fund or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year.

Under the Resolution, the County is prohibited from reducing Rates so that they will be insufficient to provide Net Revenues in each Fiscal Year which will be fully adequate for the purposes provided therefor by the Resolution, provided that the Resolution is not to be construed to obligate the County to impose or, once imposed, continue Connection Charges; but at any time and while Connection Charges shall be in effect and imposed by the County, the Connection Charges shall be pledged to the extent provided in the Resolution.

### **Reserve Account**

The Resolution requires the establishment and maintenance of a Reserve Account in an amount equal to the Reserve Account Requirement for the benefit of the owners of the Bonds. The Reserve Account Requirement is defined in the Resolution to mean, as of any date of calculation, an amount of money equal to the lesser of (i) the Maximum Debt Service Requirement for the Bonds (ii) 125% of average annual Debt Service Requirement for the Bonds, or (iii) 10% of the initial proceeds of the Bonds; except as otherwise expressly provided in the Resolution as described below. The Resolution permits the Reserve Account Requirement to be funded by cash or by a surety bond, irrevocable letter of credit, guaranty or insurance policy issued in compliance with the Resolution. Moneys in the Reserve Account shall be used only for the purpose of payment of the principal of or Redemption Price, if applicable, and interest on the Bonds when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose, in the manner provided in the Resolution.

Upon the issuance of Additional Bonds, the County is required by the Resolution to provide for the additional funding of the Reserve Account in the manner described in the Resolution.

Under the Resolution, the County may also establish a separate subaccount in the Reserve Account for any Series of Bonds and provide for a pledge of and lien on moneys on deposit in such subaccount exclusively for the payment of such Series of Bonds, notwithstanding any other provision of the Resolution. To the extent a Series of Bonds is secured separately by a subaccount in the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount in the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided, the Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount in the Reserve Account at such level as the Issuer deems appropriate (which may be \$0.00). Moneys used to replenish the Reserve Account shall be deposited in the Reserve Account and the separate subaccounts in the Reserve Account on a pro-rata basis. All cash and investments in the Reserve Account shall be transferred to the Principal Account, the Interest Account and/or the Bond Amortization Account for payment to debt service then due on such Bonds before any drawing may be made on any Reserve Account Insurance Policy in the manner provided in the Resolution.

Under the Resolution, the County has established a separate subaccount in the Reserve Account for the Series 2021 Bonds and determined the Reserve Account Requirement for the

Series 2021 Bonds will be \$0.00. Accordingly, the Series 2021 Bonds will not be secured by the Reserve Account or any subaccount therein. Additionally, the Reserve Account Requirement for the Unrefunded Series 2014 Bonds and the Series 2016 Bonds is \$0.00.

Currently on deposit in the Reserve Account are (i) a reserve account insurance policy with a face amount of \$3,625,000 issued by National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation) in connection with the issuance of the Series 1991A Bonds, with a stated expiration on the earlier of payment in full of the Series 1991A Bonds or June 1, 2021 (the "1991A Reserve Policy"), (ii) a reserve account insurance policy with a face amount of \$2,960,398.91 issued by Ambac Assurance Corporation (the "Ambac Surety Bond") in connection with the issuance of the County's Water and Sewer Revenue Bonds, Series 2004, with a stated expiration on the earlier of payment in full of all Outstanding Bonds secured by the Reserve Account or June 1, 2034 (collectively, with the with the 1991A Reserve, the "Reserve Account Insurance Policies") and (iii) cash and cash equivalents equal to \$\_\_\_\_\_. The Reserve Account Insurance Policies, together with the cash on deposit therein, equals or exceeds the current Reserve Account Requirement for the Series 1991A Bonds, the Series 2013B Bonds and the Unrefunded Series 2013A Bonds.

So long as the Ambac Surety Bond is on deposit in the Reserve Account and effective, the County has covenanted and agreed that upon the issuance of any Additional Bonds it will establish a separate subaccount within the Reserve Account to secure such Additional Bonds and no subsequently issued Additional Bonds will be secured by or be payable from the Ambac Surety Bond or by any other moneys, Reserve Account Insurance Policy or Reserve Account Letter of Credit in the Reserve Account or its other subaccounts. Pursuant to the Resolution, if any Reserve Account Insurance Policy terminates prior to the stated expiration date thereof, the County is required to fund the Reserve Account during a period not to exceed twelve (12) months when it shall make consecutive equal monthly payments in order that the amount on deposit in such account at the end of such period is equal to the applicable Reserve Account Requirement; provided, the County may at its sole option and discretion, with the prior written consent of the Insurers, if any, obtain a new Reserve Account Letter of Credit or a new Reserve Account Insurance Policy in lieu of making the required payments.

In the event an Insurer is unable to make payment of principal and interest as such payments become due under a Reserve Account Insurance Policy, the applicable Bonds are payable solely from the moneys received pursuant to the Resolution. Neither the County nor the Underwriter has made independent investigation into the claims paying ability of the Insurers and no assurance or representation regarding the financial strength or projected financial strength of the Insurers is given.

#### **Other Covenants**

The County has also covenanted in the Resolution to maintain or cause to be maintained the System and all portions thereof in good condition and to operate the System or cause to operate the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof. The County must obtain and renew, to the full extent required by applicable law, all permits for acquisition, construction and operation of the System. Pursuant

to the Resolution, the County is required to prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law and not to incur expenditures for Operating Expenses in any Fiscal Year in excess of the amount provided in the Annual Budget without a written finding and recommendation by an Authorized Issuer Officer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures and until the Board shall have approved such finding and recommendation by resolution. The County has agreed in the Resolution to keep books, records and accounts of the receipt of the Pledged Funds in accordance with generally accepted accounting principles, and any Credit Bank, Insurer, or Holder of any Bonds Outstanding or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all books, records and accounts of the County related thereto. Within 180 days of the close of each Fiscal Year the County must cause to be prepared and filed with the Clerk and mailed to all Credit Banks, Insurers and Holders who have filed their names and addresses with the Clerk for such purpose a statement setting forth in respect of the preceding Fiscal Year the amount of the Pledged Funds received in the preceding Fiscal Year, the total amounts deposited to the credit of each fund and account created under the Resolution, the principal amount of all Bonds issued, paid, purchased or redeemed and the amounts on deposit at the end of such Fiscal Year to the credit of each such fund or account. An annual audit of the financial statements of the County by an independent firm of certified public accountants is required by the Resolution.

The County also irrevocably covenants and agrees in the Resolution not to sell, lease, encumber or in any manner dispose of any facilities of the System, except as provided in the Resolution, until all of the Bonds and all interest thereon shall have been paid in full or provision for payment shall have been made in accordance with the Resolution. Pursuant to the Resolution, the County is also required to carry, with a reputable insurance carrier or carriers, such insurance as is ordinarily carried by private or public corporations owning and operating water and sewer facilities similar to the System including public liability insurance, in such amounts as the County shall determine to be sufficient. The property loss or damage insurance is required at all times to be in an amount or amounts equal to the fair appraisal value of the buildings, furniture, fixtures and equipment of the System.

### **Additional Bonds**

The County may issue Additional Bonds payable from the Pledged Funds on a parity with the Series 2021 Bonds and the Parity Obligations then Outstanding pursuant to the Resolution for the purposes specified and upon satisfaction of the requirements set forth in the Resolution including the following:

The County shall certify that it is current in all deposits into the various funds and accounts established in the Resolution and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and has complied with the covenants and agreements of the Resolution.

There shall have been obtained and filed with the County a certificate of an independent certified public accountant: (i) stating that he has examined the books and records of the County relating to the collection and receipt of the Gross Revenues, the Connection Charges and the Assessments; (ii) stating for the immediately preceding Fiscal Year or any twelve (12) consecutive

months selected by the County of the twenty four (24) months immediately preceding the issuance of such Additional Bonds the amount of the Net Revenues, the amount of the Connection Charges deposited into the Current Account and, as to each separate lot of Assessments which shall have been levied for a Project or a part of a Project, the dollar amount of the Assessments deposited into the Assessments Fund, and stating, for each separate lot of Assessments which shall have been levied for a Project or a part of a Project, the dollar amount of the portion of such lot of Assessments to become due and payable to the County during the first full Fiscal Year after the issuance of such Additional Bonds in which installments of such lot of Assessments shall be payable; (iii) if no Assessments shall be pledged to the Outstanding Bonds or such Additional Bonds then proposed to be issued, stating that (a) such Net Revenues and such Connection Charges, each adjusted as provided in the Resolution, equal at least one hundred twenty percent (120%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, and (b) such Net Revenues, adjusted as provided in the Resolution, not taking into account Connection Charges, equal at least one hundred ten percent (110%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued; (iv) if Assessments shall be pledged to the Outstanding Bonds or such Additional Bonds then proposed to be issued, stating that (a) such Net Revenues, adjusted as provided in the Resolution, together with the dollar amount of the portion of each lot of Assessments to become due and payable during the first full Fiscal Year after the issuance of such Additional Bonds in which installments of such lot of Assessments shall be payable, but (except for the first Fiscal Year in which such lot of Assessments shall be billed) not exceeding the dollar amount of the portion of such lot of Assessments deposited in the Assessments Fund as stated pursuant to clause (ii) of this paragraph, and such Connection Charges, adjusted as provided in the Resolution, equal at least one hundred twenty percent (120%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, (b) such Net Revenues, adjusted as provided in the Resolution, and the amount of the Assessments allowed under clause (iv)(a) of this paragraph, without taking into account Connection Charges, equal at least one hundred ten percent (110%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, (c) such Net Revenues and Connection Charges, each adjusted as provided in the Resolution, without taking into account Assessments, equal at least one hundred twenty percent (120%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, excluding all Outstanding and proposed Assessments Redemption Bonds, and (d) such Net Revenues, adjusted as provided in the Resolution, not taking into account Assessments or Connection Charges, equal at least one hundred ten percent (110%) of the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued, excluding all Outstanding and proposed Assessments Redemption Bonds; and (v) stating that no Event of Default was disclosed in the report of the most recent Annual Audit, or if such Event of Default was so disclosed, that it shall have been cured.

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**ESTIMATED SOURCES AND USES OF FUNDS**

The table that follows summarizes the estimated sources and uses of funds relating to the sale of the Series 2021 Bonds:

**SOURCES:**

Principal Amount of Series 2021 Bonds

\$ \_\_\_\_\_

Net Bond [Premium][Discount]

Other Legally Available Moneys<sup>(1)</sup>

**TOTAL SOURCES**

\_\_\_\_\_  
\$ \_\_\_\_\_

**USES:**

Deposit to Escrow Fund

\$ \_\_\_\_\_

Costs of Issuance<sup>(2)</sup>

**TOTAL USES**

\_\_\_\_\_  
\$ \_\_\_\_\_

<sup>(1)</sup> Represents funds on deposit in the Debt Service Fund allocable to the Refunded Bonds.

<sup>(2)</sup> Includes Underwriter's discount, financial advisory and legal fees and expenses, and other costs of issuance related to the Series 2021 Bonds.

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## DEBT SERVICE SCHEDULE

The following table sets forth the current debt service schedule for the Parity Obligations

<u>Maturity</u>	<u>Series 1991A</u>	<u>Unrefunded Series 2013A</u>	<u>Series 2013B</u>	<u>Unrefunded Series 2014</u>	<u>Series 2016</u>	<u>Series 2021</u>		<u>Aggregate</u>
	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
6/1/2017								
6/1/2018								
6/1/2021								
6/1/2020								
6/1/2021								
6/1/2022								
6/1/2023								
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6/1/2038								
6/1/2039								
6/1/2040								
6/1/2041								
6/1/2042								

## **THE SYSTEM**

### **System Overview**

Pursuant to the Resolution, upon the issuance of the Series 2021 Bonds, the System includes the complete main water, wastewater and reclaimed water facilities now owned, operated and maintained by the County (the "System"), and all other water, wastewater and reclaimed water facilities hereafter acquired and operated by the County which are expressly declared by a resolution of the Board to be part of the System.

In addition to water, wastewater and reclaimed water services provided by the County, under agreements with the County, the City of St. Augustine and JEA (formerly known as the Jacksonville Electric Authority) provide water and sewer services in portions of the unincorporated area of the County. Certain areas of the County are also served by other private utilities.

### **Other County-Owned Utilities**

The County continues to investigate and analyze the feasibility of acquiring private utility facilities within the County. It is not possible at this time to determine whether the County will actually pursue any such acquisitions or the terms upon which such an acquisition may take place. At the current time, it is likely that the County would include any such acquired utility systems as part of the System. The County would also likely issue Additional Bonds under the Resolution to finance any such acquisitions.

### **Utility Department**

The System is operated as a separate water, wastewater and reclaimed water enterprise of the utilities department of the County (the "Utility Department"). The Utility Department is operated under the direction of the Utility Director, who is directly responsible to the Assistant County Administrator for Operations. The Utility Department consists of eight divisions that report directly to the Utility Director: the Utilities Administration Division, the Water Treatment Division, the Wastewater Treatment Division, the Water and Wastewater Transmission and Distribution Division, Lift Stations Division, County Laboratory Division, Supervisory Control and Data Acquisition (SCADA) Division and Pretreatment Division.

### **Utility Administration**

The Utility Administration Division has an existing staff of approximately 50 personnel, including the Utility Director and managers who have experience in utility management, engineering, financing and operations. The personnel strategically involved in the management of the System include the following:

Mr. William G. Young was first hired in 1985 as a Water Treatment Plant Operator. In 1995 he was promoted to Assistant Utility Director and in 1999 he was named Utility Director. He has a Master's Degree in Public Administration and is a member of the Florida Water Environment Association, Florida Water Pollution Control Operators Association and a Board member of the American Water Works Association – Florida Section, St. Augustine Rotary, The Arc of Florida, and the St. Augustine YMCA. Mr. Young is a native of St. Johns County.

Mr. C. Gordon Smith joined the Utility Department in 2013 as Engineering Manager and was promoted to Assistant Utilities Director for Engineering and Operations in 2015. He has a Bachelor of Science degree in Civil Engineering and is a Professional Engineer in the states of Florida and South Carolina. He has twenty-three years of experience serving as president for a private engineering consulting firm where he primarily performed treatment plant, lift station and systems designs. Mr. Smith is a member of the American Water Works Association.

Mr. Frank Kenton has been with the Utility Department since 1999 when he was hired as the Administrative Manager and was promoted to Assistant Utilities Director for Finance and Administration in 2014. He has a Bachelor's Degree in Finance and a Master's Degree in Public Administration. He has several years of experience with other municipal and privately owned utility companies. Mr. Kenton is a native of St. Johns County and a member of the American Water Works Association and the Florida Water Pollution Control Operators Association.

Mr. Neal Shinkre joined the St. Johns County Utility in 2001 as a Utility Engineering Manager and served for 12 years in that position. Over the past 8 years, he worked as the County Public Works Director and recently rejoined the Utility as the Assistant Director of Operations. He is a Licensed Professional Engineer in Florida and Georgia and has over 25 years of experience in civil and environmental field, both in Public and Private Sectors. Prior to his service with St. Johns County government, Neal served in project management roles at JR Wauford & Company, Blasland Bouck and Lee and CGS Consulting Inc. managing civil and environmental engineering projects in Tennessee and Florida. He holds a Bachelor of Science in Civil Engineering, Masters of Science in Civil Engineering from Tennessee Technological University and a Master in Business Administration from University of North Florida.

Mr. Scott Trigg is the Chief Engineer for Capital Projects. Mr. Trigg started his career with the Utility Department in 2005. He holds a Bachelor of Science Degree in Civil Engineering, and is a Professional Engineer in the State of Florida. Mr. Trigg has worked in the public and private sector for over 22 years providing engineering solutions and managing large capital projects. He is a member of the American Water Works Association.

Mr. Larry Miller is the Chief Engineer for Development Projects. Mr. Miller started his career with the Utility Department in 2005. He holds a Bachelor of Science Degree in Environmental Engineering, and is a Professional Engineer in the State of Florida. Mr. Miller has worked in the public and private sector for over 16 years providing engineering solutions, managing large capital projects, utility infrastructure coordination efforts and agreements with developers. He is an officer in the Region II Chapter of American Water Works Association – Florida Section, and is a member of the Florida Water Environment Association.

Mr. Tim Harley, P.E. joined the Utility Department in 2010 and currently serves as the Wastewater Division Manager. He has a Bachelor of Science in Agricultural Engineering and a Master of Science in Environmental Systems Engineering. He has over thirty (30) years of progressive and diverse professional experience, including engineering consulting and positions with federal, state, and municipal agencies. He is a Professional Engineer in the states of Florida and South Carolina. He is a member of the American Water Works Association and the Water Environment Federation. He also serves as a Board Member of the Florida Water Resources Conference, *Florida Water Resources Journal*.

Mr. Barry Stewart has worked for the Utility Department for more than 31 years and was first hired as a Water Treatment Plant Operator. He was promoted to Water Operations Superintendent in 1998 and to Water Division Manager in 2016. He holds a State of Florida "A" certification in Water Treatment Operations. He also has an Associate of Science Degree in Industrial Technology in Reverse Osmosis Treatment. Mr. Stewart is a native of St. Johns County and is a member of the American Water Works Association and the Florida Water Pollution Control Operators Association.

Mrs. Charme Blackley joined the Utility Department in August 2009 as the department's Customer Service Manager. She previously worked in the St. Johns County Purchasing Department as a Contract Coordinator for three years. She holds a Bachelor's Degree in Business Administration. Mrs. Blackley has an extensive customer service background in the private sector. During her college years, she worked for the Department of Environmental Regulation and the Department of Health and Rehabilitative Services.

Mr. James Galley started his career with the Utility Department in 2013 and is currently a Principal Administrative Analyst. He holds a Bachelor's Degree in Finance and a Master's of Business Administration from the University of North Florida. He has several years of experience in the private sector as a financial analyst and is a member of the American Water Works Association.

Mr. Tony Cubbedge has been with the Utility Department since 2013 and with St. Johns County since 1993. He was hired as the Utility's Environmental Compliance Coordinator and was promoted to the Environmental Division Manager in 2015. Mr. Cubbedge holds a Master's Degree in Wildlife Ecology and a Bachelor's degree in Natural Resource Management. He also has a Real Estate License with the State of Florida and is a Professional Wetland Scientist. Mr. Cubbedge is a native of St. Johns County and a member of the American Water Works Association.

## **Water System**

*General.* The County's water system is governed by the Florida Department of Environmental Protection as well as the St. Johns River Water Management District ("SJRWMD") and is comprised of water supply wells, raw water mains, treatment facilities, transmission mains, remote storage, high service pumping, localized distribution pipelines and customer metering. The County's existing water system consists of raw water supply wells, water treatment plants ("WTPs"), remote storage and pumping stations and elevated steel water storage tanks. Additionally, there are raw water supply mains, water transmission mains and localized distribution pipelines. In addition, the County entered into long-term agreements with the City of St. Augustine and JEA to provide potable capacity to a portion of the Service Area.

*Water Supply Facilities.* The water supply facilities consist of twenty-six active Floridan wells located throughout the County, one additional permitted well site with no installed facilities and land for five additional wells. In the System, the County Road 214 Water Treatment Plant (the "CR 214 WTP") is served by eight Floridan aquifer wells having a total installed pumping capacity of approximately 15 MGD, four Floridan wells serve the Northwest Water Treatment Plant ("NW WTP") and have a total installed pumping capacity of approximately 8.0 MGD. In the Ponte Vedra Utility System, four of the Floridan wells serve the Plantations Water Treatment

Plant (“Plantations WTP”), two of the Florida wells serve the Sawgrass Water Treatment Plant (“Sawgrass WTP”), two of the Floridan wells serve the Marsh Landing water treatment plant (the “Marsh Landing WTP”), and the remaining four wells are located at the Innlet Beach water treatment plant (the “Innlet Beach WTP”).

The raw water supply for the water system is regulated by the SJRWMD, a governmental agency created by the Florida Legislature, which has the responsibility of managing the water resources within its boundaries (i.e. northeast central Florida). The SJRWMD authorizes the use of groundwater by the System from the surficial and Floridan aquifers pursuant to Consumptive Use Permits (“CUP”). The current CUP for the System allows annual ground water withdrawal collectively from the two aquifers of 4,814.41 million gallons (13.26 MGD) in 2020, increasing to 5,884.04 million gallons (16.120 MGD) in 2024, and expires in November, 2024. The current CUP for the Ponte Vedra Utility System allows annual ground water withdrawal of 2,109.7 million gallons (5.8 MGD) in 2020, increasing to 2,566 million gallons (7.0 MGD) in 2032, and expires in December, 2032.

*Raw Water Transmission Facilities.* Raw water is transmitted from each of the County’s raw water supply field wells via dedicated raw water transmission mains to the associated treatment facilities. The System transmission pipelines consists of approximately 8.7 miles of pipelines ranging in size from 10 to 36 inches in diameter. The System pipelines are constructed of either ductile iron (“DI”) or polyvinyl chloride (“PVC”).

*Water Treatment Facilities.* The County’s CR 214 WTP and NW WTP provide service to unincorporated areas within the County and have permitted maximum daily demand capacities of 8.0 MGD and 6.0 MGD, respectively. Additionally, the County is responsible for the Bartram Oaks WTP and the Northeast WTP which are all minor facilities with permitted capacities of 0.057 MGD and 2.25 MGD, respectively. The Ponte Vedra Utility System currently includes four water treatment facilities: the Sawgrass WTP, the Marsh Landing WTP, the Innlet Beach WTP and the Plantations WTP with permitted capacities of 3.0 MGD, 2.4 MGD, 3.6 MGD and 6.0 MGD, respectively.

**County Road 214 WTP.** The CR 214 WTP is located approximately one mile northwest of the intersection of Interstate 95 (I-95) and County Road 214, at 2150 Water Plant Road, St. Augustine, Florida. This facility uses a low pressure reverse osmosis (RO) process that was placed into service in 2009. The facility has a permitted maximum daily demand capacity of 8.0 MGD. Current blending of the untreated and RO treated Floridan aquifer supply sources allows production of high quality water. After the treatment process, finished water is stored on-site in two prestressed concrete ground storage reservoirs (“GSR”) and subsequently pumped to the water distribution system. The combined storage of the GSRs is 3.5 MGD. The plant is equipped with a diesel fuel emergency power generator to maintain system operation in the event of a power outage. The CR 214 WTP produced an average daily flow of approximately 4.426 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of approximately 6.88 MGD during such 12-month period.

**Northwest WTP.** The NW WTP is located just south of the World Golf Village along International Golf Parkway at 3390 International Golf Parkway, St. Augustine, Florida. The CUP for this facility was acquired during construction by World Golf Village who subsequently

transferred ownership to the County prior to the end of construction. The facility was placed into operation in 1996. The treatment process at this facility includes pH adjustment with carbon dioxide followed by aeration for hydrogen sulfide stripping and finally disinfection with sodium hypochlorite. Antiscalant is added before the water is sent to the GSRs. The plant has been improved to include 36-inch raw water piping, raw water and finished water flow meters, a 1.5 MG ground storage tank with tray aerators to strip hydrogen sulfide, two new 200 HP 3,000 gpm high service pumps, two 4,400 gallon hypochlorite storage tanks, two chemical feed pumps for a sodium hypochlorination, two chemical feed pumps for the proprietary anti-scalant addition, one new 1,000 KW auxiliary generator and associated appurtenances. The permitted maximum capacity of the NW WTP is limited to 6.0 MGD at this time. The NW WTP produced an average daily flow of approximately 3.952 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of approximately 6.304 MGD during such 12-month period.

**Northeast Water Treatment Plant.** The Northeast WTP is located in the far northeast portion of the County, along U.S. 1 North, at 326 Van Gogh, St. Augustine, Florida. This facility serves approximately 2,050 connections and was acquired by the County in approximately 2001. Source water is purchased from JEA and re-pumped to the customer base. The facility has a maximum capacity of 2.25 MGD in accordance with the source water agreement between the County and JEA. The treatment process at the Northeast WTP consists of aeration and disinfection with chloramines. The facility includes two 1 MG ground storage tank and four high service pumps. The plant produced an average daily flow of approximately 0.157 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of approximately 2.836 MGD during such 12-month period.

**Bartram Oaks Water Treatment Plant.** The Bartram Oaks WTP is located in the Northwest portion of the County, on the east side of CR13 near the St. Johns River, at 412 Treaty Oak Lane, St. Augustine, Florida. This facility was acquired by the County in 2011 and rehabilitated in 2015. The facility has a permitted capacity of 0.057 MGD. The treatment process at the Bartram Oaks WTP consists of aeration and disinfection. The facility also includes an on-site 7,500 gallon steel hydropneumatic storage tank, a 10,000 gallon ground storage tank, high service pumps and diesel generator for auxiliary power. The plant produced an average daily flow of approximately 0.011 MGD for the 12-month period ended September 30, 2020.

**Fruit Cove Water Treatment Plant.** The Fruit Cove WTP was decommissioned in January of 2017 and flow has been redirected to JEA treatment facilities under a bulk service agreement.

**Hastings Water Treatment Plant.** The Hastings WTP is located in the southwestern portion of the County at 102 S. Dancy Ave, Hastings, Florida. This facility was acquired by the County on March 1, 2018. The facility has a permitted capacity of .220 MGD. The Hastings WTP has two 100,000 ground storage tanks, two hydropneumatic tanks, associated sodium hypochlorite systems for disinfection and high service pumps. The treatment facilities include reverse osmosis, aeration, disinfection, chemical addition, storage and high service pumping. The plant produced an average daily flow of approximately 0.064 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of 0.132 MGD during such 12-month period.

**Marsh Landing Water Treatment Plant.** The Marsh Landing WTP is located in the far northeast portion of the County at 25570 Marsh Landing Parkway, Ponte Vedra Beach, Florida. This facility was acquired by the County in 2006 and upgraded in 2015. The facility has a permitted capacity of 2.4 MGD. The Marsh Landing WTP has one ground storage tank, one hydropneumatic tank, associated sodium hypochlorite systems for disinfection and high service pumps. Due to the good water quality in the area, the treatment facilities include only aeration, disinfection facilities, chemical addition, storage and high service pumping. The Marsh Landing WTP and the Innlet Beach WTP are interconnected, allowing for flexibility and efficiency in operations. The plant produced an average daily flow of approximately 0.39 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of 0.1.786 MGD during such 12-month period.

**Innlet Beach Water Treatment Plant.** The Innlet Beach WTP is located in the central portion of Ponte Vedra Beach at 98 Citrus Lane, Ponte Vedra Beach, Florida. This facility was acquired by the County in 2006 and upgraded in 2012. The facility has a permitted capacity of 3.6 MGD. The Innlet Beach WTP has one 1 MG ground storage tank, one hydropneumatic tank, associated chlorination systems for disinfection and high service pumps. Due to the good water quality in the area, the treatment facilities include only aeration, disinfection facilities, chemical addition, storage and high service pumping. The Innlet Beach WTP and the Marsh Landing WTP are interconnected, allowing for flexibility and efficiency in operations. The plant produced an average daily flow of approximately 1.624MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of 3.264MGD during such 12-month period.

**Sawgrass Water Treatment Plant.** The Sawgrass WTP is located in the south-central portion of Ponte Vedra Beach at 10052 Sawgrass Drive W, Ponte Vedra Beach, Florida. This facility was acquired by the County in 2007. The facility has a permitted capacity of 3 MGD. The Sawgrass WTP has one 0.5 MG ground storage tank, one hydropneumatic tank, associated sodium hypochlorite systems for disinfection and high service pumps. Due to the good water quality in the area, the treatment facilities include only aeration, disinfection facilities, chemical addition, storage and high service pumping. The Sawgrass WTP and the Innlet Beach WTP are interconnected, allowing for flexibility and efficiency in operations. The plant produced an average daily flow of approximately 0.645 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of 1.987 MGD during such 12-month period.

**Plantations Water Treatment Plant.** The Plantations WTP is located in the southern portion of Ponte Vedra Beach at 105 Tabby Lane, Ponte Vedra Beach, Florida. This facility was acquired by the County in 2007 and upgraded in 2015. The facility has a permitted capacity of 6.0MGD. The Plantations WTP has two ground storage tanks with a combined capacity of 1.1 MG, one hydropneumatic tank, associated sodium hypochlorite systems for disinfection and high service pumps. Due to the good water quality in the area, the treatment facilities include only aeration, disinfection facilities, chemical addition, storage and high service pumping. The plant produced an average daily flow of approximately 1.622 MGD for the 12-month period ended September 30, 2020, with a maximum daily demand of 2.865 MGD during such 12-month period.

### Water Transmission and Localized Distribution Facilities.

The water transmission and localized distribution facilities of the System are comprised of approximately 752 miles of water pipelines and range in size from 2 inches or less to 36 inches in diameter. The mains are constructed of DI, PVC, high density polyethylene ("HDPE"), cast iron pipe or asbestos cement ("AC") and most were installed within the prior 35 years coincident with the growth and development of the System. Based on current operating records and studies performed by the Utility Department, these facilities have a line loss of less than 10% which is within industry standards.

The water transmission system is looped with small diameter (8-inches and less) localized distribution facilities within the serviced development units. The large diameter transmission mains are used along the major roadways to serve existing customers and provide for future service to platted areas adjacent to these mains which presently do not have service available. The pressure in the localized distribution system is maintained above the 40 pounds per square inch (psi) County Land Development Code requirement, which also meets the fire flow requirements of the County. The distribution system is equipped with isolation valves that allow for repairs and maintenance without the need for shutting down a significant portion of the water flow at once. As of September 2020, the localized distribution system also included approximately 4,367 fire hydrants to provide fire protection to the System service area.

Remote Storage and Booster Pumping Facilities. In addition to the storage and high service pumping facilities at each WTP, the County operates four remote storage and booster pumping facilities and one elevated storage tank as part of the System. The remote storage facilities and elevated storage tank have a total combined storage capacity of 3.8 MG, which with the additional storage located at each WTP provides System-wide aggregate storage capacity in excess of 12.4 MG. Each storage and booster pumping station generally is equipped with rechlorination facilities, standby power equipment and remote monitoring and control via telemetry.

Bulk Water Service. The County's water system receives a portion of its water supply from the City of St. Augustine and JEA pursuant to interlocal agreements. The interlocal agreement with St. Augustine provides for up to 1.0 MGD of water to be delivered by St. Augustine on an average daily basis. Water from St. Augustine has been discontinued except for the Eagle Creek subdivision in the County. The County also has an interconnect with JEA for water supply in the Fruit Cove service area in the Northern portion of the County. The existing interconnects with St. Augustine's system will remain as an emergency supply source. In 1999, the County entered into a 12-year bulk purchase agreement with JEA to provide up to 1.5 MGD of water on an average basis to serve growth in the County's US 1 North Corridor. The terms of this agreement were mutually extended to 2030 for 2.25 MGD average annual daily flow, and may be extended based on mutual agreement of the parties.

### **Wastewater System**

General. The County's wastewater system is comprised of localized collection, transmission, treatment, and effluent disposal facilities. The System wastewater system collectively consists of six wastewater treatment plants ("WWTPs"), approximately 375 miles of

gravity sewers, approximately 283 miles of force mains, and approximately 380 wastewater lift stations. A portion of the collected wastewater is transferred to the City of St. Augustine and JEA for treatment and effluent disposal per interlocal agreement. The County's wastewater system is regulated by the Florida Department of Environmental Protection.

Collection and Transmission Facilities. In late 2020, wastewater collection and transmission facilities for the System consisted of approximately 375 miles of gravity sewers, approximately 283 miles of force mains. The materials of construction of the localized facilities consist of PVC, vitrified clay pipe ("VCP"), cast iron ("CI"), DI and HDPE. The collection system also includes approximately 9,879 manholes for maintenance and operation access as well as approximately 380 wastewater lift stations, each of which typically has two (2) pumps or more for redundancy. Of the total number of wastewater lift stations in the System, some are considered master lift stations which receive flow from smaller stations for repumping to the treatment facilities. The overall service areas are subdivided such that smaller lift stations boost flows to the larger master lift stations which then boost flows to the System WWTPs. Master pumping stations are equipped with standby power generators or diesel driven pumps.

The wastewater collection and transmission facilities in the System are in good condition with approximately 80% of such facilities having been constructed during or after 1990. The wastewater collection and transmission facilities in the Ponte Vedra Utility System are in average condition with approximately 65% of such facilities having been constructed before 1990. Based upon current operating records and studies performed by the Utility Department, these facilities have some infiltration and inflow that does increase with storm events. However, pump station run times during storm events and the ability of WWTFs to treat the flow of wastewater without any permit violations suggest that infiltration and inflow levels are within acceptable ranges. While not a regulatory requirement, collection personnel are trained pursuant to the Voluntary Collection Operation Certification Program Criteria.

Wastewater Treatment Facilities. The wastewater treatment facilities owned and operated by the County and included in the System consist of the Anastasia Island wastewater treatment plant ("Anastasia Island WWTP"), State Road 207 wastewater treatment plant ("SR 207 WWTP"), State Road 16 wastewater treatment plant ("SR 16 WWTP") and Northwest wastewater treatment plant ("NW WWTP"). In addition to these major facilities, the County is currently responsible for the Bartram Oaks wastewater treatment plant ("Bartram Oaks WWTP") and Hastings wastewater treatment plant ("Hastings WWTP") which are each considered minor facilities. All of these facilities have a total combined permitted capacity of approximately 9.32 MGD.

The wastewater treatment facilities owned and operated by the County and included in the Ponte Vedra Utility System consist of the Marsh Landing wastewater treatment plant (the "Marsh Landing WWTP"), the Sawgrass wastewater treatment plant (the "Sawgrass WWTP") and the Players Club wastewater treatment plant (the "Players Club WWTP"). These four treatment facilities have a combined permitted capacity of 4.70 MGD.

Effluent disposal for these facilities include surface water discharge, rapid rate land application, and/or non-restricted public access reuse. The County regularly applies for renewal permits and anticipates no problems with the continued issuance of permits for all facilities.

**Anastasia Island WWTP.** The Anastasia Island WWTP is located on Anastasia Island west of US Highway A1A at 860 W. 16th Street, St. Augustine, Florida. The original facility, which was placed into service in 1985, is a complete mixed activated sludge wastewater treatment facility. The facility was expanded in 2012 with advanced wastewater treatment to more effectively remove pollutants. This facility has a current permitted annual average daily capacity of 4.95 MGD and serves approximately 17 square miles of the County, with the ability to receive flows from the SR 207 WWTP service area located on the mainland. The plant currently consists of two mechanical band screens, a grit removal system, aeration basins/biological nutrient removal basins, secondary clarifiers, chlorine contact chamber and residual management facilities. A portion of the effluent is treated with filtration and rechlorinated before being discharged to the residential reuse system and to golf course storage ponds for beneficial reuse, and the remaining effluent is discharged into the Matanzas River after disinfection, dechlorination and oxygenation. The facility currently includes two emergency power generators which can supply power to the facility in the event of an electrical power outage. This facility acts as a central handling facility for the residual biosolids transferred from the other mainland WWTPs in the County to this facility for dewatering and subsequent hauling and disposal by a third party. A recent site inspection and review found that the facilities are in good physical and operating condition. The average daily flow to the Anastasia Island WWTP was approximately 2.79 MGD for the 12-month period ended September 30, 2020.

**State Road 207 WWTP.** The SR 207 WWTP is located southwest of the intersection of I-95 and SR 207, at 4428 Golfridge Drive, Elkton, Florida. This facility provides extended aeration treatment and was placed into service in 1989. This facility has a permitted annual average daily capacity of 0.25 MGD and serves an approximately 3 square mile area along the SR 207 corridor. The plant includes a manually cleaned bar screen, aeration basin, secondary clarifier, chlorine contact chamber, filters and a 1.0 MG open top concrete storage tank which is divided into a 0.75 MG area designated for reclaimed water and 0.25 MG area for the storage of substandard effluent. Biosolid residuals produced at this facility are transported to the Anastasia Island WWTP for dewatering and disposal. The facility currently includes an emergency power generator which can supply power to the facility in the event of an electrical power outage. As such, the facilities are in good physical and operating condition. The average daily flow to the SR 207 WWTP was approximately 0.134 MGD for the 12-month period ended September 30, 2020.

**State Road 16 WWTP.** The SR 16 WWTP is located southeast of the intersection of I-95 and SR 16, at 3000 Industry Center Drive, St. Augustine, Florida. This facility was expanded in 1996 to a permitted capacity of 0.98 MGD allowing the treatment process to be either extended aeration or conventional activated sludge depending on the flow. The facility consists of a mechanical bar screen, grit removal equipment, aeration basins, secondary clarifiers, chemical feed equipment, sand filtration basins, chlorine contact chambers, a reclaimed water pump station, an off specification water holding pond, and a belt press for biosolids processing. Effluent from the clarifiers is treated in cloth membrane filters and rechlorinated before being discharged for beneficial reuse to the residential reuse system or on the golf courses and landscape areas in the World Golf Village. The facility currently includes an emergency power generator which can supply power to the facility in the event of an electrical power outage. The average daily flow to the SR 16 WWTP was approximately 0.59 MGD for the 12-period ended September 30, 2020..

**Northwest WWTP.** The Northwest WWTP is located along the new CR 2209 corridor just north of International Golf Parkway. This advanced wastewater treatment facility was completed in 2016. The facility is permitted for 3.0 MGD annual average daily flow with 3.0 MGD annual average daily reclaimed water flow as well. The reclaimed water system supplies reclaimed water to the World Golf Village Golf Course (Slammer Squire/King Bear), World Golf Village Landscape Irrigation, Silver Leaf Plantation Residential and World Commerce Center Irrigation. The plant infrastructure consists of mechanical band screens, grit removal system, two trains of four stage Bardenpho biological nutrient removal processes, two secondary clarifiers, two disk filters, UV disinfection system, 2.0 MG reclaimed water storage tank, 3.0 MG lined reject pond and a residual management facility with a belt press. Dewatered biosolids from the residuals management facility are hauled and disposed by a third party hauler. An emergency generator supplies power for the facility in the event of an electrical power outage. The average daily flows to the Northwest WWTP was approximately 1.25 MGD for the 12-month period ended September 30, 2020.

**Fruit Cove WWTP.** The Fruit Cove WWTP was decommissioned in May of 2020 and flow has been redirected to JEA treatment facilities under a bulk service agreement.

**Bartram Oaks WWTP.** The Bartram Oaks WWTP is located on Majestic Oak Parkway at the northern part of the Bartram Oaks Community in Northwest St. Johns County. The service area for this facility covers the entire Bartram Oaks community, which consists of approximately 92 residential units. This facility utilizes an extended aeration process. The designed rated capacity of the plant is 0.02 MGD annual average daily flow, which allows for possible expansion or further development of the service area. The primary components include an influent pump station, a coarse bar screen, four aeration basins (totaling 20,800 gallons), one secondary clarifier (6,200 gallons), chemical feed equipment, one chlorine contact chamber (670 gallons), and one aerobic digester (5,200 gallons). Effluent from the facility is discharged into two rapid infiltration basins located on site, and biosolid residuals produced at this facility are transported to the Anastasia Island WWTP for dewatering and ultimate disposal by a third party. An emergency power generator is located at a nearby water plant within the community to supply electrical power to both facilities in the event of a primary power outage. The Bartram Oaks Community utility system was abandoned by the previous owner in March of 2011. The County was ordered to take ownership of the wastewater facility in May 2011. An inspection of the facility noted the facility to be in good working order with air blower and safety equipment improvements apparent. The average daily flow to the Bartram Oaks WWTP was approximately 0.0128 MGD for the 12-month period ended September 30, 2020.

**Moultrie Woods WWTP.** The Moultrie Woods WWTP was decommissioned in November, 2016.

**Hastings Wastewater Treatment Plant.** The Hastings Wastewater Treatment Facility (WWTF) consists of an existing a 0.120 million gallons per day (MGD) annual average daily flow (AADF) permitted capacity advanced secondary treatment activated sludge domestic wastewater treatment facility (WWTF) which operates in the extended aeration mode with nitrification and denitrification (with carbon-source chemical feed capability available for treatment assistance) providing advanced secondary treatment. Treatment units consist of a single static influent screen, an 86,000 gallon equalization tank, biological treatment units (BTUs) with alternate anoxic and

aerobic tankage. The BTUs have four (4) sequential stages: pre-anoxic (20,737 gallons), nitrification (131,000 gallons), post anoxic (50,037 gallons), first and second reaeration, then to two EIMCO secondary clarifiers (88,100 gallons, 25 feet in diameter), then to one automatic backwash disc filter (120 SF) with four (4) discs. Final treated effluent is then disinfected with sodium hypochlorite in the dual chlorine contact chamber (6,250 gallons), then sodium bisulfite in the dechlorination chamber (180 gallons). Waste sludge is stabilized in two aerobic digesters operated in series (15,400 gallons and 18,000 gallons) and treated biosolids dewatered on two wedge wire sludge drying beds (400 square feet per each) with a 30 CY biosolids storage and loading facility. The average daily flow to the Hastings WWTP was approximately 0.086 MGD for the 12-month period ended September 30, 2020.

**Marsh Landing WWTP.** The Marsh Landing WWTP is permitted for an annual average daily capacity of 0.80 MGD. It is an advanced secondary extended aeration activated sludge wastewater treatment facility consisting of: a 0.145 million gallon equalization basin; influent static screens; two aeration basin; two secondary clarifiers; cloth membrane effluent filters; chlorine contact chambers with chlorination for effluent disinfection; a 0.90 million gallon unlined reject holding pond; a 4.1 million gallon unlined effluent holding pond; a 4.3 million gallon lined effluent holding pond; and an electronic surveillance system and backup power. Wastewater residuals are hauled to the Players Club WRF for dewatering and ultimate hauling and disposal by a third party hauler. Treated effluent from the Marsh Landing WWTP is permitted to discharge to a 1.1 MGD slow-rate public access reclaimed water irrigation system consisting of two golf courses at the Marsh Landing Country Club and the Ponte Vedra Golf Course and the Ponte Vedra Inn and Club. As a backup to such reclaimed water system, treated effluent can be discharged through a limited wet weather discharge into the Intracoastal Waterway through the Marsh Landing stormwater management system. The average daily flow to the Marsh Landing WWTP was approximately 0. MGD for the 12-month period ended September 30, 2020.

**Innlet Beach WWTP.** The Innlet Beach WWTP was decommissioned in November 2019. Existing wastewater flows have been diverted to the new Players Club WRF through the construction of a master pump station on the existing site. **Sawgrass WWTP.** The Sawgrass WWTP has a permitted annual average daily capacity of 1.50 MGD. The plant treats wastewater from primarily residential development in the immediate area surrounding the plant. Wastewater enters the plant and travels through fine rotary drum screens followed by a grit removal system. Wastewater is then pumped from the in-plant pump station into one of two sequencing batch reactors ("SBRs") which treat the wastewater to remove pollutants. Activated sludge from the SBRs is sent to an aerated holding tank and is either recycled to the biological treatment units as recycled activated sludge or wasted as waste activated sludge. Waste activated sludge is hauled to the PC WWTP for dewatering and disposal. All the treated effluent from the Sawgrass WWTP is permitted to be discharged for public access beneficial reuse within the irrigation system at the Sawgrass Golf and Country Club. As a backup to such reclaimed water system, dechlorinated effluent can be discharged to a 1.2 MGD annual average daily flow through a limited wet weather discharge at the Intracoastal Waterway through the Plantation Canal. The average daily flow to the Sawgrass WWTP was approximately 0.84 MGD for the 12-month period ended September 30, 2020.

**Players Club WWTP.** The Players Club is an advanced wastewater treatment (AWT) facility with a design treatment capacity of 2.4 MGD annual average daily flow. The new AWT

consists of the following treatment units: the headworks structure for preliminary treatment capable of treating the 6.50 MGD peak hour flow; two treatment trains in parallel using four-stage Bardenpho activated sludge process; Two 75-ft diameter secondary clarifiers, each of which has an external diameter of 75 ft, 16 ft side water depth, feed well diameter of 18 ft, feed well submerged of 5 ft, surface area of 4,417 ft<sup>2</sup>, surface overflow rate of 489 gpd per square feet (AADF) and 978 gpd per square feet (PHF), solids loading rate of 24 lb/day/ft<sup>2</sup> (AADF) and of 44 lb/day/ft<sup>2</sup> (AADF); effluent filtration system will consist of two cloth-media disk filter units. Each unit consists of 10 filter disks with a total filter area of 538 ft<sup>2</sup> and two 2 – hp, 130 – gpm backwash pumps. The two filter units will provide a maximum surface loading rate @PHF of 1.5 gpm/ft<sup>2</sup> at AADF and 6.3 gpm/ft<sup>2</sup> at PHF; and effluent disinfection via high-level ultraviolet disinfection which consists of two UV trains installed in parallel. Wastewater residuals are dewater on-site via a belt press and ultimate hauling and disposal by a third party. Treated effluent from the Players Club WWTP is permitted to be discharged to the TPC Golf Course for beneficial reuse. As a backup to such reclaimed water system, treated effluent can be discharged at an annual average daily flow 0.70 MGD through a limited wet weather discharge into the Intracoastal Waterway via the Stadium Course Stormwater Lake System. The average daily flow to the Players Club WRF was approximately 0.43 MGD for the 12-month period ended September 30, 2020. The annual average daily flow to the Players Club WWTP was approximately 0.5 MGD for the 12-month period ended July 31, 2016.

*Bulk Wastewater Service.* Similar to the potable water bulk purchase arrangements, the County has entered into agreements with JEA and St. Augustine to treat and dispose of wastewater from areas the County is currently unable to collect and treat. The agreement with the St. Augustine is for the treatment of wastewater primarily from the Eagle Creek subdivision. The County also has an interconnect with JEA for wastewater treatment in the Fruit Cove service area in the Northern portion of the County. This agreement includes treatment of wastewater from the subdivision for an indefinite time period at the County's request.

The County entered into a 30-year bulk service agreement with JEA to provide 2.35 MGD wastewater service on an average basis for an approximate 7 square mile area along the County's U.S. Highway 1 North Corridor. Wastewater flow from the north corridor is pumped north, from the northeast master lift station, along U.S. Highway 1 into Duval County where it is treated and disposed of by JEA. Currently, wastewater flows equal approximately 0.167 MGD.

## **Regulation**

The United States Environmental Protection Agency ("EPA") and the Florida Department of Environmental Protection promulgate various regulations governing operation of the System. The regulations deal primarily with the quality of effluent discharged from the wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, the discharge of pollutants into the groundwater and the nature of waste material discharged into the collection facilities. Various monitoring and reporting requirements are associated with the regulations. The County currently is in substantial compliance with all applicable regulations relating to its wastewater treatment and disposal facilities.

The County currently operates the WWTP's pursuant to permits issued by the Florida Department of Environmental Protection.

In addition to regulation of the wastewater treatment facilities, EPA and the Florida Department of Environmental Protection regulate the quality of the potable water. The County presently is in substantial compliance with all applicable regulations relating to water quality.

The consumptive use of water is administered by SJRWMD through a permitting system, pursuant to which water resources are divided among the permitted consumers.

### Capital Improvement Program

The County maintains an ongoing Capital Improvement Program (“CIP”) to address the expansion, upgrading and refurbishment needs of the System for continued high quality services to existing and future customers. The anticipated CIP projects for the System for Fiscal Year ending September 30, 2021, through 2026 are anticipated to equal approximately \$293,190,000. Approximately, 50% of the planned Capital Improvement Projects are related to growth and capacity requirements and timing may shift based on population and customer changes. The remainder of the six-year CIP will be funded from a combination of: (i) existing and future operating reserves; (ii) unrestricted and restricted operating revenues of the System; (iii) existing and future Unit Connection Fee (“UCF”) funds; (iv) proceeds of a proposed Florida Department of Environmental Protection subordinate loan; and (v) proceeds from future Bonds, as further described above. Funding sources from the UCFs have certain restrictions that limit the expenditure of such funds to either specific projects or specific classifications of projects. The UCF expenditures are limited to capacity expansion related projects independently by water and wastewater from each respective fund.

The anticipated sources and uses of the Utility Department’s CIP is set forth in the table below, which shows by Fiscal Year the anticipated amounts by source and the anticipated uses by the System.

	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources:</b>					
Revenue Fund	\$8,037,000	\$10,147,000	\$17,057,000	\$10,787,000	\$10,312,000
UCFs	9,650,000	11,550,000	1,050,000	8,550,000	5,050,000
R&R Fund	2,855,000	2,655,000	2,155,000	4,155,000	5,105,000
New Senior Bonds <sup>1</sup>	0	0	50,000,000	0	50,000,000
New Subordinate Loans	0	29,500,000	4,000,000	0	8,000,000
<b>Total Sources</b>	<b>\$20,542,000</b>	<b>\$53,852,000</b>	<b>\$74,262,000</b>	<b>\$23,492,000</b>	<b>\$78,467,000</b>
<b>Uses:</b>					
System	\$20,542,000	\$53,852,000	\$74,262,000	\$23,492,000	\$78,467,000
<b>Total Uses</b>	<b>\$20,542,000</b>	<b>\$53,852,000</b>	<b>\$74,262,000</b>	<b>\$23,492,000</b>	<b>\$78,467,000</b>

1. New senior bonds include anticipated future issuance of the 2023 Bonds and the 2026 Bonds. Some of the projects in the CIP are currently scheduled to occur in FY 2025 that would be funded through issuance of the anticipated 2026 Bonds.

### Rates and Fees

The Utility Department, through the County, has established a schedule of user rates, charges and fees, miscellaneous service charges, and unit connection fees. The unit connection fees are identified as “Connection Charges” in the Resolution. These rates, charges and fees are established by County Ordinance 2013-13 enacted on April 16, 2013 and effective on April 19,

2013, as amended and supplemented, with respect to the System, and County Ordinance 2006-4 enacted on January 24, 2006 and effective on February 23, 2006, as amended and supplemented (collectively, the "Rate Ordinance"). The user rates, fees and charges are designed and structured to: (i) recover the cost incurred by the System for water, wastewater and reclaimed water services; (ii) amortize a portion of the debt; and (iii) pay for other budgeted revenue requirements of the System including addressing the necessary minimum reserve fund levels.

*Existing Water, Wastewater and Reclaimed Water Rate Structure and Monthly Rates.* The existing water rate structure has two main components consisting of a minimum monthly charge per ERU regardless of the level of usage; and inclining usage blocks (conservation) gallonage rates per 1,000 gallons based on monthly metering activities. A single family residential connection, the most common connection type is considered as one ERU, with the number of ERUs for multi-family customers derived from the number of dwelling units served. ERU determination for all non-residential customers is predicated on meter size. The current gallonage rates utilize a conservation block rate structure where each block gallonage rate increases in accordance with consumption block increments. The wastewater rate structure also incorporates a minimum monthly charge based on the number of ERUs; however, the gallonage rate assessed per thousand gallons is uniform per customer class with single and multi-family residential classes limited to a maximum monthly billing threshold of 10,000 and 8,000 gallons per month per ERU respectively. Existing reclaimed water rates consist of a single component, a uniform gallonage rate, charge per 1,000 gallons of metered flow for all customers. The Rate Ordinance provides for annual indexing of all user rates pursuant to the Consumer Price Index. The County's existing user rates and charges for the System are summarized below:

Existing Main System Water, Wastewater and Reclaimed Water Rates  
(As of October 1, 2019 and 2020, respectively)

Water	<u>2019</u>	<u>2020</u>	
Minimum Monthly Charge	\$12.75	\$12.98	Per ERU
Gallonge Rates			
Block 1 (0-5,000 gallons per ERU)	\$3.23	\$3.29	Per 1,000 gallons
Block 2 (5,001 – 10,000 gallons per ERU)	4.04	4.11	Per 1,000 gallons
Block 3 (10,001 – 20,000 gallons per ERU)	6.81	6.94	Per 1,000 gallons
Block 4 (Above 20,000 gallons per ERU)	9.88	10.06	Per 1,000 gallons
Wastewater			
Minimum Monthly Charge	\$14.98	\$15.24	Per ERU
Gallonge Rates			
Single Family <sup>(1)</sup>	\$4.73	\$4.82	Per 1,000 gallons
Multi-Family <sup>(2)</sup>	4.73	4.82	Per 1,000 gallons
Commercial	4.73	5.75	Per 1,000 gallons
Industrial	5.65	5.75	Per 1,000 gallons
Government	5.65	5.75	Per 1,000 gallons
Combination	5.65	5.75	Per 1,000 gallons
Reclaimed Water			
Monthly Base Charge:			
General Service	\$7.59	\$7.73	Per EIC
Large User			
Pressurized	\$6.18	\$6.29	Per EIC
Non-Pressurized	5.43	5.53	Per EIC
Interruptible	0.00	0.00	Per EIC
Volume Rates			
General Service			
Block 1 (0 – 6,000 gallons per EIC)	\$1.73	\$1.76	Per 1,000 gallons
Block 2 (6,001 – 12,000 gallons per EIC)	2.35	2.39	Per 1,000 gallons
Block 3 (Above 12,001 gallons Per EIC)	3.15	3.21	Per 1,000 gallons
Large User - All Flows			
Pressurized	\$1.41	\$1.44	Per 1,000 gallons
Non-Pressurized	1.25	1.27	Per 1,000 gallons
Interruptible	0.61	0.62	Per 1,000 gallons

<sup>(1)</sup> Single Family customers capped at 10,000 gallons per month per ERU.

<sup>(2)</sup> Multi-Family customers capped at 8,000 gallons per month per ERU.

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Existing Ponte Vedra Water, Wastewater and Reclaimed Water Rates  
(As of October 1, 2019 and 2020, respectively)

Water	<u>2019</u>	<u>2020</u>	
Minimum Monthly Charge	\$13.64	\$13.91	Per ERU
Gallonage Rates			
Block 1 (0-5,000 gallons per ERU)	\$1.53	\$1.56	Per 1,000 gallons
Block 2 (5,001 – 10,000 gallons per ERU)	1.84	1.88	Per 1,000 gallons
Block 3 (10,001 – 20,000 gallons per ERU)	4.49	4.58	Per 1,000 gallons
Block 4 (Above 20,000 gallons per ERU)	5.45	5.56	Per 1,000 gallons
Wastewater			
Minimum Monthly Charge	\$24.62	\$26.71	Per ERU
Gallonage Rates			
Single Family <sup>(1)</sup>	\$3.81	\$4.14	Per 1,000 gallons
Multi-Family <sup>(2)</sup>	3.81	4.14	Per 1,000 gallons
Commercial	3.81	4.14	Per 1,000 gallons
Industrial	5.66	6.14	Per 1,000 gallons
Government	5.66	6.14	Per 1,000 gallons
Combination	5.66	6.14	Per 1,000 gallons

<sup>(1)</sup> Single Family customers capped at 10,000 gallons per month per ERU.

<sup>(2)</sup> Multi-Family customers capped at 8,000 gallons per month per ERU.

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Existing Water and Wastewater Unit Connection Fees. In addition to the monthly water, wastewater, and reclaimed water rates that serve as the primary source of revenue, the County also imposes UCFs on all new customers. UCFs were established to provide for cost recovery of water and wastewater treatment and water and wastewater major transmission facilities. Each new connection or property redevelopment where an increase in existing capacity is needed, are required to pay the UCF to obtain service from the County. UCFs for water and wastewater are calculated on a capacity basis per Equivalent Residential Connection (ERC) basis where one ERC is equal to one single family dwelling unit or 350 gallons per day. UCFs for reclaimed water are calculated based on Equivalent Irrigation Connection (EIC) where one EIC is equal to 300 gallons per day or approximately 3,600 sq. ft. or irrigable area. Funds generated from UCFs are restricted in their use and generally limited for expansion related costs and/or debt service. The County's existing UCFs for water, wastewater and reclaimed water in the System for FY 2020 are \$2,045.56 per ERC, \$2,589.80 per ERC and \$500.00 per EIC, respectively.

Miscellaneous Service Charges. In addition to the user rates, fees and charges the Rate Ordinance provides for miscellaneous charges and penalties to recover costs of certain services specifically requested by customers and in order to address violations. This secondary source of operating revenues assists with maintaining just cost recovery by reducing the level of expenditures funded from monthly user rates, fees and charges.

User Rates, Fees and Service Charge Comparison. The following table presents a comparison of the County's monthly rates, fees and charges for the System with those of neighboring utilities based on service to a single family dwelling unit using 5,000 gallons of potable water. The rates used to calculate the monthly bills of neighboring utilities were current as of October 1, 2020. However, such figures do not include any local taxes, franchise fees or other rate adjustments.

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**Typical Monthly Bill Comparison – Single Family at 5,000 Gallons Per Month**

Rank	Utility	Water	Wastewater	Total	Utility Average
1	City of Flagler Beach	\$65.76	\$55.16	\$120.92	\$78.70
2	City of Edgewater	\$44.47	\$63.56	\$108.03	\$78.70
3	City of Daytona Beach	\$41.62	\$56.65	\$98.27	\$78.70
4	City of St. Augustine	\$36.63	\$49.56	\$86.19	\$78.70
5	City of Jacksonville Beach	\$34.00	\$50.30	\$84.30	\$78.70
6	City of Palm Coast	\$42.86	\$41.08	\$83.94	\$78.70
7	Volusia County - West S.A.	\$35.84	\$46.91	\$82.75	\$78.70
8	City of Palatka	\$35.62	\$41.09	\$76.71	\$78.70
9	JEA (3/4-inch Meter)	\$25.40	\$47.70	\$73.10	\$78.70
10	Volusia County - East S.A.	\$25.94	\$46.91	\$72.85	\$78.70
11	City of Orange Park	\$28.09	\$42.12	\$70.21	\$78.70
12	St. Johns County - PV (FY 21)	\$21.95	\$47.88	\$69.83	\$78.70
13	St. Johns County - Main (FY 21)	\$29.71	\$39.70	\$69.41	\$78.70
14	Nassau County	\$13.86	\$54.29	\$68.15	\$78.70
15	Clay County Utility Authority	\$18.36	\$42.97	\$61.33	\$78.70
16	City of Atlantic Beach	\$19.28	\$41.84	\$61.12	\$78.70
17	New Smyrna Beach Utilities Commission	\$16.92	\$38.96	\$55.88	\$78.70
18	City of Green Cove Springs	\$17.86	\$37.60	\$55.46	\$78.70

***Billing and Collection.*** The Utility Department is responsible for customer billings and collections. Meters are read and billed on a monthly basis. Automated meter reading devices are currently operational for the entire meter inventory. The delinquency collection procedure begins on the first day after the due date and allows ten extra days for payment. If the payment is not received at this time, the meter is disconnected with the account being closed 5 days thereafter and a final bill issued and due within another 30 days. If the bill still remains unpaid after the 30 day period, a 10 day in-house collection letter is sent. If the final bill is still unpaid after that 10 day period, the account is referred for collection.

**Customers and Usage**

***General.*** Identification of the Utility Department's customer base pursuant to class, demand and usage (customer characteristics) provides an accurate and uniform basis to forecast services, fiscal requirements and revenues. The County provides water and wastewater service to both residential and non-residential customers located throughout the service area. Residential customers, consisting of single and multi-family connections, characteristically include dwellings such as single-family homes, apartment complexes and condominiums. Non-residential customers include all other customers that for billing purposes are further identified pursuant to the following categories: (i) commercial; (ii) government; (iii) industrial; (iv) hydrants; and (v) combination. Additionally, reclaimed water service customers are classified as either general service or large users. The large user customer class is further categorized as either pressurized or non-pressurized customers. The County further identifies the customers through the ERU criterion that relates each customer demand characteristic to that of a residential single family dwelling unit. The reclaimed

water system currently provides effluent for non-potable purposes to three customers and at this time does not materially impact the customer, revenue or expense dynamics of the County.

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*Ten Largest Customers.* For the Fiscal Year ended September 30, 2020, the ten largest customers of the System represented approximately 2.89% of the total revenue contributed to the System through user rates, fees and charges. Additionally, the majority of the revenues, 1.74% or over 60.36% of the 2.89% total, are provided by established residential dwelling unit complexes that are historically stable and generally are not affected by conditions that reduce or discontinue usage over time.

**Ten Largest Customers -- System**

Rank	Customer	Class	Annual Water Usage (gallons)	Revenue
1	JEA	COM	\$49,574,710	\$233,013.80
2	Sawgrass Marriott Resort & Spa	COM	20,115,420	189,113.17
3	Ocean Gallery	MULTI	13,554,480	227,156.75
4	Ocean Village Club	MULTI	13,259,470	202,877.26
5	Tournament Players Club	COM	12,350,290	126,779.12
6	Life Care Pastoral	COM	11,820,000	121,598.62
7	St. Augustine Ocean & Racquet Club	MULTI	11,078,710	165,830.84
8	Summerhouse Condo	MULTI	10,679,280	156,077.29
9	Ocean Grove of Ponte Vedra Condo Association	MULTI	8,849,010	147,473.02
10	Florida Apartment Club	MULTI	8,354,630	121,600.04
Total			\$159,636,000	\$1,691,519.91

<sup>1</sup> Based on unaudited annual revenue of \$58,535,330.

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## Historical Financial Results

The following tables show combined historical revenues, expenses and debt service coverage for the System for the Fiscal Years ended September 30, 2016 through 2020. The information is derived from financial records of the County and demonstrates compliance with the rate covenant requirements of the Resolution.

### Summary of Historic Revenues and Expenses, and Rate Coverage Compliance – System

	2015/16	2016/17	2017/18	2018/19	2019/20 <sup>1</sup>
Charges for Services	42,493,629	45,908,034	46,903,729	50,858,807	55,177,444
Other Revenues <sup>2</sup>	2,930,326	3,310,472	3,348,985	3,515,543	3,332,032
Gross Revenue	45,423,955	49,218,56	50,252,714	54,374,350	58,509,476
Total Operating Expenses <sup>3</sup>	24,748,657	26,890,198	29,100,937	30,910,273	32,264,730
Net Operating Revenues	20,675,298	22,328,308	21,151,777	23,464,077	23,244,746
Investment Income	1,213,822	449,402	80,299	3,621,873	3,561,352
Net Revenue	21,889,120	22,777,710	21,232,076	27,085,950	29,806,098
Available in Current Account <sup>4</sup>	2,551,268	3,358,211	3,494,408	3,484,082	3,482,837
<b>Net Revenue &amp; Current Account</b>	<b>24,440,388</b>	<b>26,135,921</b>	<b>24,726,484</b>	<b>30,570,032</b>	<b>33,288,935</b>
<b>Senior Debt Service Requirement and Coverage</b>					
Debt Service Requirement <sup>5</sup>	6,784,138	10,629,331	12,001,550	11,986,100	11,977,550
Achieved	3.60	2.46	2.06	2.55	2.78
Required	1.20	1.20	1.20	1.20	1.20
<b>SRF Requirement and Debt Service Coverage</b>					
Revenue Net of Bonds <sup>6</sup>	17,656,250	15,506,590	12,724,934	18,583,932	21,311,385
Debt Service	544,992	974,842	974,842	974,842	974,842
Achieved	32.40	15.91	13.05	19.06	21.86
Required	1.15	1.15	1.15	1.15	1.15

1. Unaudited.

2. Includes miscellaneous service charges and interest earnings.

3. Excludes depreciation, amortization and interest expense.

4. Unit Collection Fees on deposit in Current Account.

5. As applicable Series 1991A, 1998, 2004, 2006, 2013A, 2013B, 2014 and 2016 Bonds.

6. Net Revenue less Debt Service Requirement including minimum coverage on senior debt.

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## Projected Financial Results

The following tables show the combined projected revenues, expenses and debt service coverage for the System for the Fiscal Years ending 2021 through 2025. The table is intended to demonstrate the expected coverage for purposes of the rate covenant requirements of the Resolution and is based on the assumptions of the County. See also "FORWARD-LOOKING STATEMENTS" herein.

<b>Projected Debt Service Coverage Summary</b>					
	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Gross Revenue <sup>1</sup>	\$59,553,500	\$62,490,400	\$65,691,500	\$68,917,000	\$72,275,700
Operating Expenses <sup>2</sup>	32,329,400	33,550,000	34,929,400	36,294,100	37,846,100
Net Revenue Available in Current Account <sup>3</sup>	\$27,224,100	\$28,940,400	\$30,762,100	\$32,622,900	\$34,429,600
Net Revenue & Current Acct Annual Debt Service Requirement	2,432,400	1,489,000	3,102,700	2,896,800	3,180,700
Senior <sup>4</sup>	\$29,656,500	\$30,429,400	\$33,864,800	\$35,519,700	\$37,610,300
Subordinate (SRF)	\$11,614,300	\$11,659,900	\$14,424,100	\$14,427,700	\$14,445,200
	\$2,541,500	\$3,624,800	\$3,624,800	\$4,581,000	\$5,537,100
<b>Senior Debt Service Requirement and Coverage</b>					
Net Revenue & Current Account					
Projected	2.55	2.61	2.35	2.46	2.60
Required	1.20	1.20	1.20	1.20	1.20
Net Revenue					
Projected	2.34	2.48	2.13	2.26	2.38
Required	1.10	1.10	1.10	1.10	1.10
<b>SRF Debt Service Requirement and Coverage<sup>5</sup></b>					
Projected	5.68	4.45	4.11	3.66	3.35
Required	1.15	1.15	1.15	1.15	1.15

1. Includes miscellaneous service charges and interest earnings.

2. The base charge revenue and volumetric revenues, from both the Main and PV divisions, are assumed to be adjusted annually as shown below. The annual adjustment is based on the forecast of the Consumer Price Index - All Urban Consumers (CPI) by the Congressional Budget Office (CBO) in the report titled "An Update to the Economic Outlook: 2020 to 2030" dated July 2020. Pursuant to Section 35 of County Ordinance 2013-13, the Utility's rates, charges, deposits, fees and costs will be automatically increased each year based on the CPI percentage increase from the preceding year.

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Projected Annual CPI Rate Adjustment	1.90%	2.20%	2.20%	2.20%

3. Excludes depreciation, amortization, and interest expense.

4. Connection Charges on deposit in the Current Account, pursuant to Section 4.06 of the Composite Resolution.

5. Includes estimated annual debt service on outstanding Series 199A Bonds, Unrefunded Series 2013A Bonds, Series 2013B Bonds, Unrefunded Series 2014 Bonds, Series 2016 Bonds, and Series 2021 Bonds, as applicable. Amount also includes estimated annual debt service associated with projected future issuance of 2023 Bonds to fund \$50,000,000 of capital improvements.

6. Net Revenues less Debt Service Requirement of senior bonds including minimum required coverage of Net Revenues of 1.10 times.

[Remainder of page intentionally left blank];

## **CERTAIN IMPACTS OF COVID-19 ON PLEDGED FUNDS AND COUNTY ECONOMICS**

A novel coronavirus outbreak first identified in 2019 is causing coronavirus disease (“COVID-19”), which in February 2020, the Center for Disease Control (“CDC”) confirmed the spread of COVID-19 to the United States, and in March 2020, cases were confirmed in Florida and the County. Also in March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The federal government has declared COVID-19 a national emergency, and many federal and state authorities have implemented aggressive measures in an attempt to curtail the spread of the virus and to avoid overwhelming the health care system. Since the pandemic declaration, COVID-19 has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide, including within Florida and the County. How long this negative impact will last cannot be determined at this time. While the foregoing describes certain risks related to the current outbreak of COVID-19, the same risks may be associated with any contagious epidemic or pandemic or disease.

While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. The continued spread of COVID-19, and measures taken to prevent or reduce it, adversely impacted state, national and global economic activities and, accordingly, adversely impacted the financial condition and performance of the State and the County, and the extent of that impact could be material.

While the impact of COVID-19 on the County and the Pledged Funds is uncertain at this time, the County is monitoring and will address such impacts as they arise. In late March of 2020, the County suspended disconnection of System services due to non-payment by a customer. The County anticipates that it will reinstate suspension of services for non-payment in the second quarter of 2021, although no assurance can be given that such reinstatement will occur during such time. At the time reinstatement occurs, the County will assess uncollectable accounts.

## **LEGAL MATTERS**

Certain legal matters in connection with the issuance of the Series 2021 Bonds are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose approving opinion (a form of which is attached hereto as “APPENDIX E – FORM OF BOND COUNSEL OPINION”) will be available at the time of delivery of the Series 2021 Bonds. Certain legal matters will be passed on for the County by the County Attorney’s Office, and Foley & Lardner LLP, Jacksonville, Florida, Disclosure Counsel.

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 2021 Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter of the Series 2021 Bonds and the County (upon which opinion only the Underwriter and the County may rely) relating to the fairness of the presentation of certain statements contained herein under the heading “TAX MATTERS” and certain statements which summarize provisions

of the Resolution and the Series 2021 Bonds and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2021 Bonds.

### LITIGATION

There is no pending or, to the knowledge of the County, any threatened litigation against the County of any nature whatsoever which in any way questions or affects the validity of the Series 2021 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the pledge of the Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Board or other officers of the County is being contested.

The County experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of Edwards Cohen, Counsel for the County, there are no actions presently pending or threatened which would materially adversely impact the County's ability to receive the Pledged Funds.

### TAX MATTERS

In the opinion of Bond Counsel, the form of which is included as APPENDIX E hereto, the interest on the Series 2021 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2021 Bonds may also be subject to state or local income taxation under applicable state or local laws. Purchasers of the Series 2021 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2021 Bonds in their particular state or local jurisdiction.

Except as provided above, Bond Counsel is not rendering any opinion regarding tax consequences of owning the Series 2021 Bonds. There are several tax-related issues attendant with ownership of the Series 2021 Bonds, including, but not limited to, treatment of original issue discount or premium, if any, treatment of secondary market discount or premium, if any, reporting requirements and possible application of backup withholding tax, determination of an owner's tax basis and gains or losses in connection with sales, exchanges or other dispositions of the Series 2021 Bonds, foreign ownership, ownership by certain employee benefit plans and other retirement plans and other issues. Many of the rules related to these issues are complicated and purchasers of the Series 2021 Bonds should consult their own tax advisors and professionals as to the tax consequences of the purchase, ownership and disposition of the Series 2021 Bonds under federal, state, local, foreign and other tax laws.

### RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), and Moody's Investors Service, Inc. ("Moody's") are expected to assign their municipal bond ratings of "\_\_\_\_\_" and "\_\_\_\_\_", respectively, to the Series 2021 Bonds. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings, may have an adverse effect on the market price of the Series 2021 Bonds. An

explanation of the significance of the ratings is available from the rating agencies, at the following addresses: Standard & Poor's Ratings Services, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007.

### **COMPETITIVE SALE**

The Series 2021 Bonds are being purchased at competitive sale by \_\_\_\_\_ (the "Underwriter") at an aggregate price of \$\_\_\_\_\_ (representing the par amount of the Series 2021 Bonds [plus original issue premium] [less original issue discount] of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent described in the Official Notice of Sale and it will be obligated to purchase all of the Series 2021 Bonds if any Series 2021 Bonds are purchased. The yields shown on the inside cover page hereof were furnished by the Underwriter. All other information concerning the terms of any re-offering should be obtained from the Underwriter.

### **FINANCIAL ADVISOR**

The County has retained PFM Financial Advisors LLC, Orlando, Florida, as financial advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2021 Bonds (the "Financial Advisor"). The Financial 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 the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2021 Bonds.

### **DISCLOSURE REQUIRED BY SECTION 517.051, FLORIDA STATUTES**

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 Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC 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 that would be considered material by a reasonable investor.

The County has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2021 Bonds because the County would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County would have been pledged or used to pay such securities or the interest thereon.

## **CONTINUING DISCLOSURE**

The County has covenanted for the benefit of the Series 2021 Bondholders to provide certain financial information and operating data relating to the County, and the Series 2021 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the Securities and Exchange Commission (the "SEC") to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board ("MSRB"). The County has agreed to file notices of certain enumerated material events, when and if they occur, with the Repository.

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 D – Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the County upon the issuance of the Series 2021 Bonds.

With respect to the Series 2021 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

The County believes it has not failed to comply in all material respects in the last five years with any prior continuing disclosure undertakings. The County fully anticipates satisfying all future disclosure obligations required pursuant to the Rule. The County has continuing disclosure policies and procedures to ensure compliance with its continuing disclosure obligations and has retained Digital Assurance Certification LLC ("DAC") as its dissemination agent.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Holders of the Series 2021 Bonds upon an event of default under the Resolution, as applicable, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified in the Resolution and the Series 2021 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds (including Bond Counsel's approving opinion) are qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION" attached hereto as APPENDIX C for a description of the events of default and remedies under the Resolution.

## **VERIFICATION OF ARITHMETICAL COMPUTATIONS**

The accuracy of the arithmetical computation of (i) the adequacy of the maturing principal amounts of, and interest on, the Federal Securities together with any uninvested amounts, to be held in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds, and (ii) the "yields" on the Federal Securities on deposit in the Escrow Fund will

be verified for the County by the Verification Agent. Such verification will be based on certain information supplied to the Verification Agent by PFM Financial Advisors LLC.

### **FINANCIAL STATEMENTS**

Excerpted pages from the General Purpose Financial Statements of the County for Fiscal Year ended September 30, 2019, including a report thereon of the County's independent certified public accountants (the "Auditor"), has been included as APPENDIX B attached to this Official Statement as a matter of public record and the consent of the Auditor to include such documents was not requested. Such statements speak only as of September 30, 2019. 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 2021 Bonds.

Also included as APPENDIX B attached to this Official Statement are selected unaudited financial statements of the County for Fiscal Year Ended September 30, 2020, which have been prepared by the County. The Auditor has not audited such unaudited financial statements.

The Series 2021 Bonds are payable solely from the Pledged Funds as described in the Resolution and herein and the Series 2021 Bonds are not otherwise secured by, or payable from, the general revenues of the County. See "SECURITY FOR THE SERIES 2021 BONDS" herein. The excerpted pages from the General Purpose Financial Statements are presented for general information purposes only.

### **FORWARD-LOOKING STATEMENTS**

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, the COVID-19 pandemic, the outbreak of any other disease or public health threat, other future global health concerns, and other events or circumstances beyond the control of the County. These forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

### **MISCELLANEOUS**

This Official Statement includes descriptions of the terms of the Series 2021 Bonds and summaries of certain provisions of the Resolution. Such descriptions do not purport to be complete and all such descriptions and references thereto are qualified in their entirety by references to each such document. The appendices appended to this Official Statement are integral parts thereof and should be read together with all other parts of this Official Statement.

## ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument. Copies of such documents may be obtained from either the office of the Clerk of the Circuit Court, 4010 Lewis Speedway, St. Augustine, Florida 32084, attention: Finance Department, telephone (904) 823-2400 or the County's Financial Advisor, PFM Financial Advisors LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone (407) 648-2208.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

[Remainder of page intentionally left blank]

**AUTHORIZATION OF OFFICIAL STATEMENT**

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2021 Bonds, the County will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2021 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

**ST. JOHNS COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair of its Board of County  
Commissioners

**APPENDIX A**  
**GENERAL INFORMATION CONCERNING THE COUNTY**

**APPENDIX B**

**EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS  
OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019 AND  
SELECTED UNAUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

**APPENDIX C**

**COMPOSITE RESOLUTION AND SUPPLEMENTAL RESOLUTION**

**APPENDIX D**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**APPENDIX E**  
**FORM OF BOND COUNSEL OPINION**

**EXHIBIT C**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by St. Johns County, Florida (the "Issuer") in connection with the issuance of its \$ \_\_\_\_\_ St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to Resolution No. 2021-\_\_\_, duly adopted by the Issuer on March 2, 2021 (as the same may be amended and supplemented, the "Resolution"). The Issuer, as of this \_\_\_ day of April, 2021, 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 2021 Bondholders and in order to assist the original underwriter of the Series 2021 Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

**SECTION 2. PROVISION OF ANNUAL INFORMATION.** Except as otherwise provided herein, the Issuer shall provide to all of the nationally recognized municipal securities information repositories described in Section 5 hereof (the "NRMSIRs") on or before June 30 of each year, commencing June 30, 2021, the information set forth below in this Section 2. Notwithstanding the immediately preceding sentence, to the extent any such information does not become available to the Issuer before June 30 of any year, the Issuer shall provide such information when it becomes available, but no later than one year following the end of the Issuer's Fiscal Year.

(A) The Issuer's Comprehensive Annual Financial Report for the immediately preceding Fiscal Year (the "CAFR"), which shall include the audited financial statements of the Issuer for the immediately preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; and

(B) To the extent not set forth in the CAFR, additional financial information and operating data of the type included with respect to the Issuer in the final official statement prepared in connection with the sale and issuance of the Series 2021 Bonds (as amended, the "Official Statement"), as set forth below:

i. updates of the information set forth under the heading "THE SYSTEM" in the Official Statement relating to the tables entitled "Existing Main System Water, Wastewater and Reclaimed Water Rates," "Existing Ponte Vedra Water, Wastewater and Reclaimed Water Rates," "Typical Monthly Bill Comparison – Single Family at 5,000 Gallons Per Month," "Summary of Historic Revenues and Expenses, and Rate Coverage Compliance"; and

ii. description of any additional indebtedness secured in whole or in part from the Pledged Funds (as defined in the Resolution).

For purposes of this Disclosure Certificate, "Fiscal Year" means the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

**SECTION 3. REPORTING SIGNIFICANT EVENTS.** The Issuer shall provide to the NRMSIRs notice of any of the following events relating to the Series 2021 Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

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 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;
7. modifications to rights of the holders of the Series 2021 Bonds, if material;
8. Series 2021 Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material;
11. ratings changes;
12. an event of bankruptcy or similar event of an Obligated Person (as defined in the Rule);
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Holders of the Series 2021 Bonds, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 2 hereof.

As used in this Section 3, "Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligations; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities, as to which a final official statement has been provided to the Municipal Securities Rulemaking Board (the "MSRB") consistent with the Rule.

The notices required to be given pursuant to Section 2 above and this Section 3 shall be filed with the NRMSIRs, in electronic format as prescribed by the NRMSIRs.

**SECTION 4. IDENTIFYING INFORMATION.** In accordance with the Rule, all disclosure filings submitted in pursuant to this Disclosure Certificate to the NRMSIRs must be accompanied by identifying information as prescribed by the NRMSIRs. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, 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. NRMSIRs.** The NRMSIRs to which the Issuer shall provide the information described in Sections 2 and 3 above, to the extent required, shall be the NRMSIRs then existing on the date such information is provided in accordance with the terms of this Disclosure Certificate.

(A) A list of the names and addresses of all designated NRMSIRs as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document number 0206 or by visiting the SEC's website at [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

(B) As of the date hereof, the NRMSIR recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at <http://emma.msrb.org>.

**SECTION 6. NO EVENT OF DEFAULT.** Notwithstanding any other provision in the Resolution to the contrary, failure of the Issuer to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution. To the extent permitted by law, the sole and exclusive remedy of any Series 2021 Bondholder for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Series 2021 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding Series 2021 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2021 Bond for federal income tax purposes.

**SECTION 7. INCORPORATION BY REFERENCE.** Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the Issuer or related public entities, which have been submitted to each of the NRMSIRs or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each document incorporated by reference.

**SECTION 8. 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 disseminating agent. The Issuer has appointed Digital Assurance Certification LLC, as dissemination agent.

**SECTION 9. TERMINATION.** The Issuer's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the Series 2021 Bonds, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

**SECTION 10. AMENDMENTS.** Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision may

be waived, if such amendment or waiver is supported by an opinion of counsel that is nationally recognized in the area of federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

**SECTION 11. ADDITIONAL INFORMATION.** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in its annual information described in Section 2 hereof or notice of occurrence of a significant event described in Section 3 hereof, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

**SECTION 12. OBLIGATED PERSONS.** If any person, other than the Issuer, becomes an Obligated Person relating to the Series 2021 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.

*[Remainder of page intentionally left blank; signature page follows]*

Dated as of the date first above written.

**ST. JOHNS COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair of its Board of County Commissioners

§ \_\_\_\_\_  
St. Johns County, Florida  
Taxable Water and Sewer Revenue Refunding Bonds,  
Series 2021

[Signature page | Continuing Disclosure Certificate]

**EXHIBIT D**

**FORM OF REGISTRAR AND PAYING AGENT AGREEMENT**

## **REGISTRAR AND PAYING AGENT AGREEMENT**

**THIS AGREEMENT** is made and entered into as of the \_\_\_ day of April, 2021, by and between St. Johns County, Florida (the "Issuer") and UMB Bank, N.A. ("UMB"), a national banking association existing under the laws of the United States of America and having its designated office in Houston, Texas.

**WHEREAS**, the Issuer, by the Supplemental Resolution defined below, designated UMB as Registrar and Paying Agent for the St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds"), issued by the Issuer for the purposes of (i) refunding a portion of the County's outstanding Water and Sewer Revenue and Refunding Bonds, Series 2013A, (ii) refunding a portion of the County's outstanding Water and Sewer Revenue Refunding Bonds, Series 2014, and (iii) paying costs associated with the issuance of the Series 2021 Bonds; and

**WHEREAS**, the Series 2021 Bonds are being issued pursuant to Resolution No. 98-84 adopted by the Issuer on April 25, 1989, as amended and supplemented, particularly as supplemented by Resolution No. 2021-\_\_\_ (the "Supplemental Resolution") of the Issuer adopted on March 2, 2021 (collectively, the "Resolution"); and

**WHEREAS**, the Issuer and UMB desire to set forth the agreement between the parties;

**THEREFORE**, it is agreed by the parties hereto as follows:

(1) The Issuer hereby appoints UMB as Registrar and Paying Agent for the Series 2021 Bonds and UMB hereby accepts such appointment and agrees to perform its responsibilities as Registrar and Paying Agent pursuant to the terms hereof and the Resolution. UMB shall have no duty to determine the performance or nonperformance of any terms or conditions of any contract or agreement other than those between the parties hereto and the duties and responsibilities of UMB are limited to those specifically stated herein and in the Resolution.

- (2) The Issuer shall file with UMB a set of closing documents that shall include:
- (a) Resolution;
  - (b) Specimen of the Bond certificates;
  - (c) Bond Counsel Opinion; and
  - (d) Official Statement.

(3) In the event the Series 2021 Bonds are certificated, the Issuer shall furnish to UMB a sufficient supply of blank Bond certificates and from time to time will renew such supply upon the request of UMB. Such blank certificates are to be executed by the Issuer

as required by the Resolution. In case any official of the Issuer who shall have signed manually or whose facsimile signature shall have been affixed to blank Bond certificates shall die, resign or be removed prior to the issuance of such certificates, UMB, as Registrar, may authenticate or register such certificates notwithstanding such death, resignation or removal; and the Issuer shall file promptly with UMB such approval, adoption or ratification as may be required by law.

(4) Transfers of any certificated Bonds shall be registered and new certificates issued by UMB upon surrender of outstanding Bond certificates (a) in form deemed by UMB properly endorsed for transfer and (b) with all necessary endorser's signatures guaranteed in such manner and form as UMB may require in accordance with the terms of the Resolution.

(5) In registering transfers, UMB, as Registrar, may rely upon the Uniform Commercial Code or any other statutes or regulations that, in the opinion of counsel to UMB, protect UMB and the Issuer in not requiring complete documentation, in registering transfer without inquiry into adverse claims, in delaying registration for purposes of such inquiry, or in refusing registration where in its judgment an adverse claim requires such refusal.

(6) When mail is used for delivery of any Bond certificates, UMB shall forward certificates in "NON-NEGOTIABLE" form by first class mail, and certificates in "NEGOTIABLE" form by certified or registered mail. All mail deliveries shall be covered while in transit to the addressee by insurance arranged by UMB.

(7) In the event the Series 2021 Bonds are issued in certificated form, UMB shall issue new certificates in place of certificates represented to have been lost, destroyed, or stolen upon receipt of indemnity satisfactory to UMB and the Issuer, and shall issue new certificates in exchange for and upon surrender of, mutilated certificates, all in accordance with the terms of the Resolution.

(8) UMB shall maintain customary records in connection with this Agreement and in accordance with federal and state regulations. It shall send all books, documents and records deemed no longer needed for current purposes to the Issuer who shall safely store such books, documents and records as required by applicable law.

(9) The Issuer shall provide immediately available funds to UMB in a timely manner in accordance with the Bond Resolution in order to assure prompt payment of the principal of, redemption premium, if any, and interest on the Series 2021 Bonds. UMB will hold and apply any moneys deposited with it solely for the payment of the Series 2021 Bonds.

(10) UMB upon timely receipt of collected funds sufficient for the payment thereof, shall distribute principal and interest payments on the outstanding Bonds to the

holders indicated as of the current record dates in its records as Registrar unless otherwise directed. The record date of the Bond shall be as indicated in the Resolution.

(11) UMB shall destroy by complete mutilation all paid certificated Bonds, if any, and will furnish the required destruction certificate.

(12) UMB at any time may apply to the Issuer for instructions and may consult with counsel in respect of any manner arising in connection with its serving as Registrar and Paying Agent.

(13) The Issuer, upon the receipt of periodic invoices, shall pay to UMB the fees and out-of-pocket expenses, including the fees and expenses of its attorneys, incurred by it in connection with its duties hereunder as shall have been mutually agreed upon in writing.

(14) UMB may resign at any time upon giving 90 days written notice of such resignation to the Issuer. UMB may be removed at any time by appropriate resolution of the Issuer, a certified copy of which shall be furnished to UMB. Upon resignation or removal, UMB shall, to the extent permitted by law, deliver to its successor or to the Issuer its records as such agent.

(15) To the extent permitted by law, the Issuer agrees that it will indemnify and hold UMB harmless from any and all liability, cost or expense incurred without negligence or misconduct on its part, arising out of or in connection with the acceptance or administration of the duties hereunder, including the cost and expenses (including its reasonable counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The indemnities contained in this Section shall survive the termination of this Agreement.

(16) UMB may consult with legal counsel acceptable to the Issuer and the written advice of such counsel or any opinion shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith in reliance thereon; provided that any such written advice or opinion is supplied to the Issuer by UMB.

(17) UMB may rely and shall be protected by the Issuer against any claim by the Issuer or any other person in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, UMB need not examine the ownership of any certificate, but is protected in acting upon receipt of a certificate containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the holder or an agent of the holder. UMB shall not be bound to make any investigation into the acts or manners stated in a resolution, certificate, statement, instrument, opinion, report,

notice, request, direction, consent, order, certificate, note, security, or other paper or document supplied by the Issuer.

(18) In the event of any merger or consolidation of UMB with or into any other corporation or in the event of the sale of all or substantially all of UMB's corporate trust business, the corporation resulting from such merger or consolidation, or the transferee in the case of any such sale, shall be and become successor Bank.

(19) This Agreement may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

(20) Notwithstanding any other provisions hereof, the terms of this Agreement are subject to and shall be deemed amended in all respects if there is a conflict with the requirements of The Depository Trust Company and its system of book-entry only registration so long as said system is being used by the Issuer for the Series 2021 Bonds.

**IN WITNESS WHEREOF**, the parties have caused these presents to be duly executed, the day and year first above written.

**ST. JOHNS COUNTY, FLORIDA**

(SEAL)

\_\_\_\_\_  
Chairman, Board of County Commissioners

ATTESTED:

\_\_\_\_\_  
Clerk of the Circuit Court and Ex-Officio  
Clerk of the Board of County  
Commissioners

**UMB BANK, N.A., as Escrow Agent**

By: \_\_\_\_\_  
Vice President

**EXHIBIT A**

Paying Agent and Registrar

One Time Upfront Fee.....\$ \_\_\_\_\_

Costs and expenses to be billed at actual cost.

**EXHIBIT E**  
**FORM OF ESCROW AGREEMENT**

## ESCROW DEPOSIT AGREEMENT

**ESCROW DEPOSIT AGREEMENT**, dated as of April \_\_, 2021, by and between **ST. JOHNS COUNTY**, a political subdivision of the State of Florida (the "County"), and **UMB BANK, N.A.** (the "Escrow Agent"), a national banking association organized and existing under the laws of the United States of America, having its designated office in Houston, Texas, as escrow agent hereunder.

**WHEREAS**, the County has heretofore issued its St. Johns County, Florida, Water and Sewer Revenue and Refunding Bonds, Series 2013A (the "Series 2013A Bonds") and its St. Johns County, Florida, Water and Sewer Revenue Refunding bonds, Series 2014 (the "Series 2014 Bonds") pursuant to Resolution No. 89-84 adopted by the County on April 25, 1989, as amended and supplemented (the "Bond Resolution"); and

**WHEREAS**, the County has determined to exercise its option under the Bond Resolution to advance refund a portion of the Series 2013A Bonds (the "Refunded Series 2013A Bonds") as identified on Schedule A attached hereto, and to advance refund a portion of the Series 2014 Bonds as identified on Schedule A attached hereto (the "Refunded Series 2014 Bonds"); and

**WHEREAS**, the County has determined to issue its \$ \_\_\_\_\_ aggregate principal amount of St. Johns County, Florida Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "Series 2021 Bonds") pursuant to the Bond Resolution, a portion of the proceeds of which Series 2021 Bonds, together with other legally available monies of the County, will be used to purchase certain United States Treasury obligations in order to provide payment for the Refunded Series 2013A Bonds and the Refunded Series 2014 Bonds (collectively, the "Refunded Bonds") to discharge and satisfy the pledges, liens and other obligations of the County under the Bond Resolution in regard to the Refunded Bonds; and

**WHEREAS**, the issuance of the Series 2021 Bonds, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities, the deposit of cash and such Escrow Securities into an escrow deposit trust fund to be held by the Escrow Agent and the discharge and satisfaction of the pledges, liens and other obligations of the County under the Bond Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

**WHEREAS**, this Agreement is intended to effectuate such simultaneous transaction;

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

**SECTION 1. PREAMBLES.** The recitals stated above are true and correct and incorporated herein.

**SECTION 2. RECEIPT OF RESOLUTION AND VERIFICATION REPORT.** Receipt of a true and correct copy of the above-mentioned Bond Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Bond Resolution, including but not limited to Section 3.03 and 8.01 thereof are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of Integrity Public Finance Consulting LLC dated April \_\_, 2021 (the "Verification Report"). Reference herein to or citation herein of any provisions of the Resolution or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

**SECTION 3. DISCHARGE OF PLEDGE OF HOLDERS OF REFUNDED BONDS.** The County by this writing exercises its option to cause the pledge of the Pledged Funds (as defined in the Bond Resolution) and any additional security pledged under the Bond Resolution, and all covenants, agreements and other obligations of the County under the Bond Resolution to the holders of the Refunded Bonds, to cease, terminate and become void and be discharged and satisfied.

**SECTION 4. ESTABLISHMENT OF ESCROW FUND.** There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "St. Johns County, Florida Water and Sewer Refunding Bonds Escrow Deposit Trust Fund" (the "Escrow Fund"). There are two accounts established within the Escrow Fund, the "Series 2013A Account" and the "Series 2014 Account". The Escrow Fund and the Accounts therein shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds separate and apart from other funds and accounts of the County and the Escrow Agent. **Specifically, and notwithstanding any other provision herein, the Series 2013A Account shall secure only the Refunded Series 2013A Bonds and the Series 2014 Account shall secure only the Refunded Series 2014 Bonds.** The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Series 2013A Account the sum of \$ \_\_\_\_\_ received from the County from certain proceeds of the Series 2021 Bonds ("Bond Proceeds - Series 2013A ") and the sum of \$ \_\_\_\_\_ received from the County from certain moneys on deposit in the funds and accounts established under the Bond Resolution for the benefit of the Refunded Series 2013A Bonds ("County Moneys - Series 2013A"). The Escrow Agent also hereby acknowledges the receipt of and deposit to the credit of the Series 2014 Account the sum of \$ \_\_\_\_\_ received from the County from proceeds of the Series 2021 Bonds ("Bond Proceeds - Series 2014") and the sum of \$ \_\_\_\_\_ received from the County from certain moneys on deposit in the funds and accounts established under the Bond Resolution for the benefit of the Refunded Series 2014 Bonds ("County Moneys - Series 2014").

**SECTION 5. DEPOSIT OF MONEYS AND SECURITIES IN ESCROW FUND.** The County hereby directs and the Escrow Agent represents and acknowledges that, concurrently with the deposit of the Bond Proceeds - Series 2013A and County Moneys - Series 2013A into the Series 2013A Account under Section 4 above, it has used \$ \_\_\_\_\_ of the Bond Proceeds - Series 2013A and \$ \_\_\_\_\_ of the County Moneys - Series 2013A to purchase on behalf of and for the account of the County certain United States Treasury obligations (collectively, together with any other securities which may be on deposit, from time to time, in the Series 2013A Account of the Escrow Fund, the "Series 2013A Escrow Securities"), which are described in Schedule B hereto, and the Escrow Agent will deposit such Series 2013A Escrow Securities and \$ \_\_\_ in cash (the "Series 2013A Cash Deposit") in the Series 2013A Account of the Escrow Fund. All Series 2013A Escrow Securities shall be noncallable, direct obligations of the United States of America.

The County hereby directs and the Escrow Agent represents and acknowledges that, concurrently with the deposit of the Bond Proceeds - Series 2014 and County Moneys - Series 2014 into the Series 2014 Account under Section 4 above, it has used \$ \_\_\_\_\_ of the Bond Proceeds - Series 2014 and \$ \_\_\_\_\_ of the County Moneys - Series 2014 to purchase on behalf of and for the account of the County certain United States Treasury obligations (collectively, together with any other securities which may be on deposit, from time to time, in the Series 2014 Account of the Escrow Fund, the "Series 2014 Escrow Securities"), which are described in Schedule B hereto, and the Escrow Agent will deposit such Series 2014 Escrow Securities and \$ \_\_\_ in cash (the "Series 2014 Cash Deposit") in the Series 2014 Account of the Escrow Fund. All Series 2014 Escrow Securities shall be noncallable, direct obligations of the United States of America.

In the event any of the Series 2013A Escrow Securities or Series 2014 Escrow Securities (collectively, the "Escrow Securities") described in Schedule B hereto are not available for delivery on April \_\_, 2021, the Escrow Agent may, at the written direction of the County and with the approval of Bond Counsel (as defined in the Resolution), substitute other United States Treasury obligations and shall credit such other obligations to the appropriate Account of the Escrow Fund and hold such obligations until the aforementioned Escrow Securities have been delivered. Bond Counsel shall, as a condition precedent to giving its approval, require the County to provide it with a revised Verification Report addressed to the County and the Escrow Agent in regard to the adequacy of the Escrow Securities, taking into account the substituted obligations to pay the Refunded Bonds in accordance with the terms hereof. The Escrow Agent shall in no manner be responsible or liable for failure or delay of Bond Counsel or the County to promptly approve the substitutions of other United States Treasury obligations for the Escrow Fund. The Series 2013A Cash Deposit and the Series 2014 Cash Deposit shall be referred to collectively herein as the "Cash Deposits."

**SECTION 6. SUFFICIENCY OF ESCROW SECURITIES AND THE CASH DEPOSITS.** In reliance upon the Verification Report, the County represents that the Series 2013A Cash Deposit and the interest on and the principal amounts successively maturing on the Series 2013A Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, premium, if any, and interest due and to become due on the Refunded Series 2013A Bonds as described in Schedule C attached hereto. If the Series 2013A Escrow Securities and the Series 2013A Cash Deposit shall be insufficient to make such payments, the County shall timely deposit to the Series 2013A Account of the Escrow Fund, solely from legally available funds of the County, such additional amounts as may be required to pay the Refunded Series 2013A Bonds as described in Schedule C hereto. Notice of any insufficiency shall be given by the Escrow Agent to the County as promptly as possible, but the Escrow Agent shall in no manner be responsible for the County's failure to make such deposits.

In reliance upon the Verification Report, the County represents that the Series 2014 Cash Deposit and the interest on and the principal amounts successively maturing on the Series 2014 Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, premium, if any, and interest due and to become due on the Refunded Series 2014 Bonds as described in Schedule C attached hereto. If the Series 2014 Escrow Securities and the Series 2014 Cash Deposit shall be insufficient to make such payments, the County shall timely deposit to the Series 2014 Account of the Escrow Fund, solely from legally available funds of the County, such additional amounts as may be required to pay the Refunded Series 2014 Bonds as described in Schedule C hereto. Notice of any insufficiency shall be given by the Escrow Agent to the County as promptly as possible, but the Escrow Agent shall in no manner be responsible for the County's failure to make such deposits.

**SECTION 7. ESCROW SECURITIES AND THE CASH DEPOSITS IN TRUST FOR HOLDERS OF REFUNDED BONDS.** The deposit of the Series 2013A Escrow Securities and the Series 2013A Cash Deposit in the Series 2013A Account of the Escrow Fund shall constitute an irrevocable deposit of Securities (as defined in the Bond Resolution) and cash in trust solely for the payment of the principal of, premium, if any, and interest on the Refunded Series 2013A Bonds at such times and in such amounts as set forth in Schedule C hereto, and the principal of and interest earnings on such Series 2013A Escrow Securities and the Series 2013A Cash Deposit shall be used solely for such purpose.

The deposit of the Series 2014 Escrow Securities and the Series 2014 Cash Deposit in the Series 2014 Account of the Escrow Fund shall constitute an irrevocable deposit of Securities (as defined in the Bond Resolution) and cash in trust solely for the payment of

the principal of, premium, if any, and interest on the Refunded Series 2014 Bonds at such times and in such amounts as set forth in Schedule C hereto, and the principal of and interest earnings on such Series 2014 Escrow Securities and the Series 2014 Cash Deposit shall be used solely for such purpose.

**SECTION 8. ESCROW AGENT TO PAY REFUNDED BONDS FROM ESCROW FUND.** The County hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Bond Resolution referenced in this Agreement, including the timely transfer of money to the Paying Agent for the Refunded Series 2013A Bonds (Regions Bank) as provided in the Bond Resolution, in order to effectuate this Agreement and to pay the Refunded Series 2013A Bonds in the amounts and at the times provided in Schedule C hereto. The Series 2013A Escrow Securities and the Series 2013A Cash Deposit shall be used to pay debt service on the Refunded Series 2013A Bonds as they mature or are redeemed prior to maturity. The Refunded Series 2013A Bonds shall be redeemed prior to their respective maturities on December 1, 2022, at a redemption price equal to 100% of the principal amount of each Refunded Series 2013A Bond, plus interest accrued to such redemption date. If any payment date shall be a day on which either the Paying Agent for the Refunded Series 2013A Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of and interest on the Refunded Series 2013A Bonds pursuant to this Agreement shall be limited to the application of the Series 2013A Escrow Securities and the Series 2013A Cash Deposit and the interest earnings thereon available for such purposes in the Series 2013A Account of the Escrow Fund.

The County hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Bond Resolution referenced in this Agreement, including the timely transfer of money to the Paying Agent for the Refunded Series 2014 Bonds (Hancock Whitney Bank) as provided in the Bond Resolution, in order to effectuate this Agreement and to pay the applicable Refunded Series 2014 Bonds in the amounts and at the times provided in Schedule C hereto. The Series 2014 Escrow Securities and the Series 2014 Cash Deposit shall be used to pay debt service on the Refunded Series 2014 Bonds as they mature or are redeemed prior to maturity. The Refunded Series 2014 Bonds shall be redeemed prior to their respective maturities on June 1, 2024, at a redemption price equal to 100% of the principal amount of each Refunded Series 2014 Bond, plus interest accrued to such redemption date. If any payment date shall be a day on which either the Paying Agent for the Refunded Series 2014 Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of and interest on the Refunded Series 2014 Bonds pursuant to this Agreement shall be limited to the application of the Series 2014 Escrow Securities and the Series 2014 Cash Deposit and the interest earnings thereon available for such purposes in the Series 2014 Account of the Escrow Fund.

**SECTION 9. REINVESTMENT OF MONEYS AND SECURITIES IN ESCROW FUND.** Moneys deposited in the Escrow Fund shall be invested, other than the Cash Deposits, only in the Escrow Securities listed in Schedule B hereto and, except as provided in Section 5 hereof and this Section 9, neither the County nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

Except as provided in Section 5 hereof and in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities or the Cash Deposits in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the County and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the County the following:

- (a) a written verification report by a firm of independent certified public accountants, of recognized standing, appointed by the County, addressed to the County and the Escrow Agent, to the effect that after such reinvestment or substitution the principal amount of Escrow Securities, together with the interest therein and any uninvested cash, will be sufficient to pay the applicable Refunded Bonds as described in Schedule C hereto; and
- (b) a written opinion of nationally recognized Bond Counsel to the effect that such investment does not violate any provision of Florida law or of the Bond Resolution.

The above-described verification report need not be provided in the event the County purchases Escrow Securities with the proceeds of maturing Escrow Securities and such purchased Escrow Securities mature on or before the next interest payment date for the applicable Refunded Bonds and have a face amount which is at least equal to the cash amount invested in such Escrow Securities.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be released to the County upon its written direction. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Paying Agents for the Refunded Bonds in an amount sufficient to pay the Refunded Bonds as described in Schedule C hereto, whereupon the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund, and shall remit to the County the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

**SECTION 10. REDEMPTION OF REFUNDED BONDS.** The County shall instruct the Registrar for the Refunded Series 2013A Bonds (Regions Bank) to give, on behalf of the County, at the appropriate times the notice or notices, if any, required by the Bond Resolution in connection with the redemption of the Refunded Series 2013A

Bonds. The Refunded Series 2013A Bonds shall be redeemed on December 1, 2022, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest.

The County shall instruct the Registrar for the Refunded Series 2014 Bonds (Hancock Whitney Bank) to give, on behalf of the County, at the appropriate times the notice or notices, if any, required by the Bond Resolution in connection with the redemption of the Refunded Series 2014 Bonds. The Refunded Series 2014 Bonds shall be redeemed on June 1, 2024, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest.

**SECTION 11. DEFEASANCE NOTICE TO HOLDERS OF REFUNDED BONDS.** Concurrently with the deposit of the Escrow Securities set forth in Section 5 hereof, the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 8.01 of the Resolution. Within 60 days of the deposit of moneys into the Escrow Fund, the Escrow Agent, on behalf of the County, shall mail, or cause the respective Paying Agents for the Refunded Bonds (Regions Bank and Whitney Bank d/b/a Hancock Bank) to mail, to the Holders of the Refunded Bonds the appropriate notice in substantially the form provided in Schedule D attached hereto. The Escrow Agent shall file such defeasance notice with the Electronic Municipal Market Access within 10 days of it being so given.

**SECTION 12. ESCROW FUND IRREVOCABLE.** The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on that portion of the Escrow Securities and Cash Deposits which is deposited in their respective Account within the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Bond Resolution. Neither the County nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

**SECTION 13. AMENDMENTS TO AGREEMENT.** This Agreement is made for the benefit of the County and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the County and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

**SECTION 14. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION.** In consideration of the services rendered by the Escrow Agent under this Agreement, the County agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Securities in the Escrow Fund for the payment of such proper fees and expenses. To the extent allowed by applicable law, the County further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's own negligence or misconduct. Indemnification provided under this Section 14 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement or any nonnegligent act, omission or

error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the County and to holders of the Refunded Bonds to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

**SECTION 15. REPORTING REQUIREMENTS OF ESCROW AGENT.**

As soon as practicable after each June 1 and December 1, commencing June 1, 2021, so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward in writing to the County a statement in detail of the activity of the Escrow Fund since the last reporting date.

**SECTION 16. RESIGNATION OR REMOVAL OF ESCROW AGENT.**

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 60 days' written notice to the County and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the County as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and signed by either the County or the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the County shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The

County shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the County pursuant to the foregoing provisions of this Section 16 within 60 days after written notice of resignation of the Escrow Agent has been given to the County, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall have no further liability hereunder and the County shall indemnify and hold harmless the Escrow Agent, to the extent allowed by law, from any such liability, including reasonable costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$30,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the County an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the County execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the County be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the County.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the

execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**SECTION 17. TERMINATION OF AGREEMENT.** This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the County.

**SECTION 18. GOVERNING LAW.** This Agreement shall be governed by the applicable laws of the State of Florida. Any action or proceeding, in law or equity, arising out of or in any way related to this Agreement or the obligations hereunder shall be in St. Johns County, Florida, or if in federal court, in Duval County, Florida.

**SECTION 19. SEVERABILITY.** If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

**SECTION 20. COUNTERPARTS.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

**SECTION 21. NOTICES.** Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

UMB Bank, N.A.  
5555 San Felipe Street, Suite 870  
Houston, TX 77056  
Attention: Corporate Trust

St. Johns County, Florida  
4010 Lewis Speedway  
St. Augustine, Florida 32084  
Attention: County Finance Director

**IN WITNESS WHEREOF**, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and officials as of the date first written herein.

**ST. JOHNS COUNTY, FLORIDA**

(SEAL)

\_\_\_\_\_  
Chair, Board of County Commissioners

ATTESTED:

\_\_\_\_\_  
Clerk of the Circuit Court and Ex-Officio  
Clerk of the Board of County  
Commissioners

**UMB BANK, N.A., as Escrow Agent**

By: \_\_\_\_\_  
Vice President

**SCHEDULE A****DESCRIPTION OF THE REFUNDED BONDS****Refunded Series 2013A Bonds**

<u>Maturity Date (June 1)</u>	<u>Interest Rate</u>	<u>Par Amount</u>
2023	4.00%	\$ 365,000
2024	4.00	390,000
2027*	5.00	1,350,000
2032*	5.00	2,840,000
2034*	3.25	1,335,000
2042*	5.00	11,475,000

\*Term Bonds

**Refunded Series 2014 Bonds**

<u>Maturity Date (October 1)</u>	<u>Interest Rate</u>	<u>Par Amount</u>
2025	5.00%	\$ 1,260,000
2026	5.00	1,320,000
2027	5.00	1,390,000
2028	5.00	1,460,000
2029	5.00	1,530,000
2030	5.00	1,610,000
2031	5.00	1,690,000
2032	5.00	1,770,000
2033	5.00	1,865,000
2034	5.00	1,960,000
2035	5.00	2,055,000
2036	5.00	2,160,000

**SCHEDULE B**

**ESCROW SECURITIES\***

**Series 2013A Escrow Securities**

Type	Maturity Date	Par Amount	Rate	Total Cost
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\* [All of the sinking fund amounts are allocated to the earliest maturing securities. The reserve account amounts and Series 2021 Bond Proceeds are allocated to the remaining securities ratably.]

**Series 2014 Escrow Securities**

Type	Maturity Date	Par Amount	Rate	Total Cost
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\* All of the sinking fund amounts are allocated to the earliest maturing securities.

**SCHEDULE C**

**DISBURSEMENT REQUIREMENTS FOR REFUNDED BONDS**

**Refunded Series 2013A Bonds**

<u>Date</u>	<u>Principal</u>	<u>Principal Redeemed</u>	<u>Interest</u>	<u>Total</u>
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**Refunded Series 2014 Bonds**

<u>Date</u>	<u>Principal</u>	<u>Principal Redeemed</u>	<u>Interest</u>	<u>Total</u>
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**FORM OF NOTICE OF DEFEASANCE  
(Series 2013A)**

Notice is hereby given pursuant to Resolution No. 89-84 adopted by St. Johns County, Florida (the "County") on April 25, 1989, as amended and supplemented (the "Resolution"), that the St. Johns County, Florida Water and Sewer Revenue and Refunding Bonds, Series 2013A identified below (the "Refunded Bonds") are deemed to be paid within the meaning of Section 8.01 of the Resolution and shall no longer be secured from the Pledged Funds (as defined in the Resolution) and the other liens created by the Resolution for the benefit of the holders of the Refunded Bonds and shall be secured solely from the irrevocable deposit of U.S. Treasury obligations and cash made by the County with UMB Bank, N.A., as Escrow Agent, in accordance with Section 8.01 of the Resolution.

Further, the Refunded Bonds shall be redeemed, prior to their respective maturities, on December 1, 2022 (the "Redemption Date") at a redemption price equal to 100% of the principal amount of each such Refunded Bond to be redeemed, together with interest accrued thereon to the Redemption Date.

The Refunded Bonds to be defeased and redeemed are:-

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>CUSIP</b>
06/01/2023	4.00%	\$ 365,000	790420KB8
06/01/2024	4.00	390,000	790420KC6
06/01/2027*	5.00	1,350,000	790420KD4
06/01/2032*	5.00	2,840,000	790420KE2
06/01/2034*	3.25	1,335,000	790420KJ1
06/01/2042*	5.00	11,475,000	790420KF9

\*Term Bonds


**FORM OF NOTICE OF DEFEASANCE  
(Series 2014)**

Notice is hereby given pursuant to Resolution No. 89-84 adopted by St. Johns County, Florida (the "County") on April 25, 1989, as amended and supplemented (the "Resolution"), that the St. Johns County, Florida Water and Sewer Revenue Refunding Bonds, Series 2014 identified below (the "Refunded Bonds") are deemed to be paid within the meaning of Section 8.01 of the Resolution and shall no longer be secured from the Pledged Funds (as defined in the Resolution) and the other liens created by the Resolution for the benefit of the holders of the Refunded Bonds and shall be secured solely from the irrevocable deposit of U.S. Treasury obligations and cash made by the County with UMB Bank, N.A., as Escrow Agent, in accordance with Section 8.01 of the Resolution.

Further, the Refunded Bonds shall be redeemed, prior to their respective maturities, on June 1, 2024 (the "Redemption Date") at a redemption price equal to 100% of the principal amount of each such Refunded Bond to be redeemed, together with interest accrued thereon to the Redemption Date.

The Refunded Bonds to be defeased and redeemed are:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
2025	5.00%	\$1,260,000	790420LQ4
2026	5.00	1,320,000	790420LR2
2027	5.00	1,390,000	790420LS0
2028	5.00	1,460,000	790420LT8
2029	5.00	1,530,000	790420LU5
2030	5.00	1,610,000	790420LV3
2031	5.00	1,690,000	790420LW1
2032	5.00	1,770,000	790420LX9
2033	5.00	1,865,000	790420LY7
2034	5.00	1,960,000	790420LZ4
2035	5.00	2,055,000	790420MA8
2036	5.00	2,160,000	790420MB6




# Water and Sewer Revenue Bonds

## Refunding Overview

March 2, 2021

PFM Financial Advisors, LLC  
300 S. Orange Ave  
Suite 1170  
Orlando, FL 32801  
407.648.2203  
pfm.com

# DRAFT



### Water and Sewer Revenue and Refunding Bonds, Series 2013A – Summary

- The County issued its Water and Sewer Revenue and Refunding Bonds, Series 2013A (the "2013A Bonds") on February 21, 2013 to (i) finance the acquisition, construction and equipping of certain capital improvements to the County's main water and sewer system and (ii) refund certain outstanding indebtedness of the County
  - Original Par Amount: \$19,785,000
  - Maturity Dates: June 1, 2013 through June 1, 2042
  - Interest Rates: 2.00% - 5.00%
  - Current Par Amount Outstanding: \$18,335,000
  - Bonds maturing on and after June 1, 2023 are callable at par on or after December 1, 2022
- Given the current historically low level of interest rates, the 2013A Bonds are a good candidate to be refunded for debt service savings

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### Water and Sewer Revenue Refunding Bonds, Series 2014 – Summary

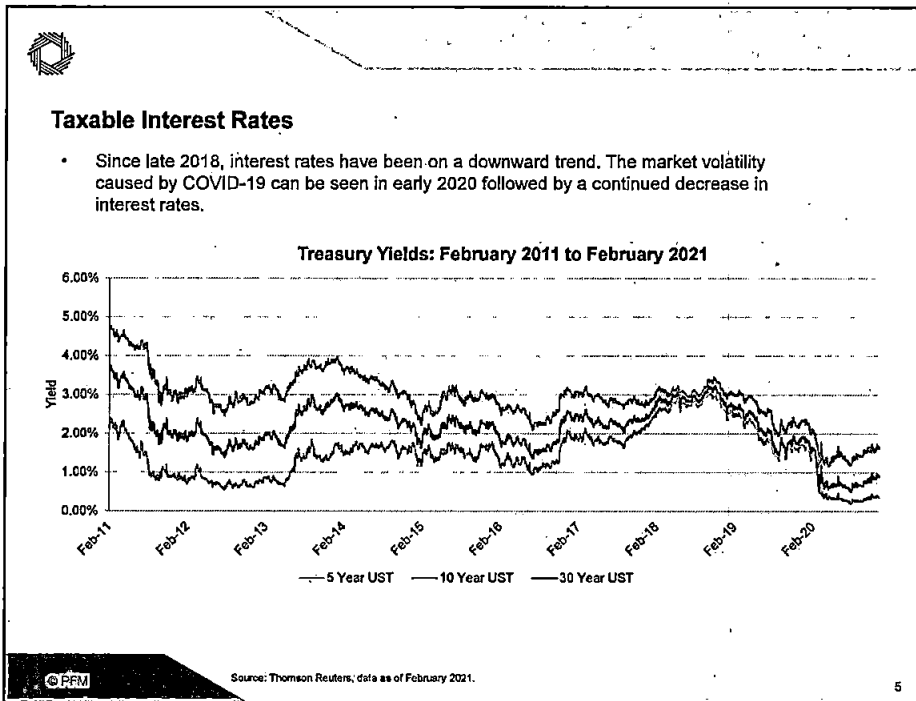
- The County issued its Water and Sewer Revenue Refunding Bonds, Series 2014 (the "2014 Bonds") on December 11, 2014 to advance refund a portion of the County's outstanding Water and Sewer Revenue and Refunding Bonds, Series 2006
  - Original Par Amount: \$28,270,000
  - Maturity Dates: June 1, 2017 through June 1, 2036
  - Interest Rates: 4.00% - 5.00%
  - Current Par Amount Outstanding: \$24,540,000
  - Bonds maturing on and after June 1, 2025 are callable at par on or after June 1, 2024
- Given the current historically low level of interest rates, the 2014 Bonds are a good candidate to be refunded for debt service savings

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### Types of Refundings

- If the proceeds of the refunding issue are fully expended within 90 days of issuance, the refunding issue is considered a **Current Refunding**
- All other refundings are **Advance Refundings**
  - Escrow defeasing the prior bonds is greater than 90 days. Refunding delivery date is greater than 90 days from the call date on the prior issue
  - Tax-exempt advance refundings are no longer allowed (post tax reform); forcing issuers to evaluate different alternatives to achieve economic savings on existing debt, such as issuing taxable refunding bonds
- Given the respective call dates of the 2013A and 2014 Bonds being more than 90 days from the proposed closing date of the refunding bonds, in order to move forward with the refunding now, the County must issue the refunding bonds with a taxable interest rate
  - As shown on the following slide, taxable interest rates are near historic low levels, which provides the County the opportunity to generate significant debt service savings by doing so



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**Proposed Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 – Summary**

- The County has an opportunity to issue Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 (the "2021 Bonds") to advance refund the callable portion of the outstanding 2013A and 2014 Bonds
- Based on current market conditions and assumed AA+ and Aa2 credit ratings, PFM estimates the following refunding statistics:
  - Refunded Bonds Par Amount: \$37,825,000
  - All In True Interest Cost: 2.45%
  - Net Present Value Debt Service Savings: \$5,357,454
  - % Net Present Value Debt Service Savings: 14.16% of the refunded bonds par amount
  - Average Annual Debt Service Savings: \$335,000 (no extension of final maturity)
  - Estimated cost of issuance (including underwriter's discount): \$500,000
    - o Cost of issuance is already factored into debt service savings figures above



### Taxable Water and Sewer Revenue Refunding Bonds, Series 2021 – Savings

The table below provides a comparison between the current debt service on the 2013A and 2014 Bonds and the estimated debt service after the refunding

Date	Prior Net Debt	Estimated		Present Value
	Service	Refunding Debt	Savings	Savings
6/1/2021	248,045	115,567	132,478	129,976
6/1/2022	1,860,338	1,471,753	388,585	384,172
6/1/2023	2,225,338	1,838,365	386,973	373,895
6/1/2024	2,235,738	1,847,418	388,320	366,576
6/1/2025	3,510,138	3,120,092	389,046	359,742
6/1/2026	3,516,138	3,128,073	388,065	349,460
6/1/2027	3,527,638	3,138,863	388,775	341,809
6/1/2028	3,534,138	3,145,869	388,269	333,287
6/1/2029	3,535,638	3,146,361	389,277	326,239
6/1/2030	3,532,138	3,146,833	385,305	315,305
6/1/2031	3,543,638	3,157,533	386,105	308,476
6/1/2032	3,539,138	3,150,770	388,368	303,911
6/1/2033	3,529,138	3,140,515	388,623	295,912
6/1/2034	3,554,925	3,166,678	388,248	288,650
6/1/2035	4,044,500	3,653,228	391,273	284,013
6/1/2036	4,041,500	3,653,603	387,898	274,815
6/1/2037	1,775,500	1,538,688	236,813	164,669
6/1/2038	1,774,250	1,536,638	237,613	160,752
6/1/2039	1,774,750	1,538,590	236,160	156,011
6/1/2040	1,776,750	1,539,403	237,348	153,091
6/1/2041	1,775,000	1,539,075	235,925	148,573
6/1/2042	1,774,500	1,537,608	236,893	145,640
	60,628,870	53,251,516	7,377,354	5,963,373

Annual Cash Flow Savings

Net Present Value Debt Service Savings

PV of savings from cash flow	5,963,373
Less: Debt Service Reserve Fund Release	(610,000)
Plus: Refunding funds on hand	4,080
Net PV Savings	5,357,454

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### Requested Action

- The Board of County Commissioners is being asked to consider a supplemental bond resolution that authorizes the issuance of Water and Sewer Revenue Refunding Bonds, Series 2021
- The resolution includes the following parameters that must be met before moving forward:
  - Not to Exceed Par Amount: \$45,000,000
  - Minimum Net Present Value Debt Service Savings: 5% of the refunded bonds par amount
- If approved, the County will accept competitive bids on March 16 for the purchase of the 2021 Bonds and award the 2021 Bonds to the underwriter offering the lowest true interest cost
- Assuming a successful sale that meets all the parameters in the resolution, the 2021 Bonds will close the week of April 12

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<u>Cost of Issuance</u>	<u>Amount</u>
Bond Counsel Fee	49,540
Disclosure Counsel Fee	37,155
Financial Advisor Fee	37,382
Escrow Structure Fee	20,000
Moody's Rating Fee	37,000
S&P Rating Fee	34,250
Paying Agent/Registrar Fee	5,000
Escrow Agent Fee	250
Verification Agent Fee	1,225
Bond Buyer Legal Ad	1,500
POS/OS Printing and Posting	3,000
Miscellaneous	10,000
	<u>236,302</u>
Underwriter's Discount	<u>250,000</u>
Total	<u><u>486,302</u></u>