RESOLUTION 2026-14

A RESOLUTION OF THE BOARD OF SUPERVISWORS OF THE NORTH SPRINGS IMPROVEMENT DISTRICT APPROVING THE PROPOSED WATER AND SEWER BUDGETS FOR FISCAL YEAR 2027 AND SETTING THE PUBLIC HEARING THERON PURSUANT TO THE CHAPTER 2005-341, LAWS OF FLORIDA AND FLORIDA LAW

WHEREAS, in accordance with Section 12 of Chapter 2005-341, Laws of Florida, the District Manager has heretofore prepared and submitted to the Board proposed water and sewer budget for Fiscal Year 2027; copies of which are attached hereto as Exhibit A, and

WHEREAS, the Board of Supervisors has considered said proposed budget and desires to set the required public hearing thereon:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE NORTH SPRINGS IMPROVEMENT DISTRICT THAT:

Section 1. The recitals above are true and correct and hereby made a part of this Resolution

Section 2. The budget proposed by the District Manager for Fiscal Year 2027 are hereby approved as the basis for conducting a public hearing to adopt said budgets.

Section 3. A public hearing on said approved budgets is hereby declared and set for the following date, hour and place:

Date: **Monday, September 14, 2026**
Hour: **4:00 P.M.**
Place: **9700 NW 52nd Street, Coral Springs FL 33076**

Section 4. The District Manager shall publish of have published notice of this public hearing in the manner prescribed by Chapter 2005-341, Laws of Florida.

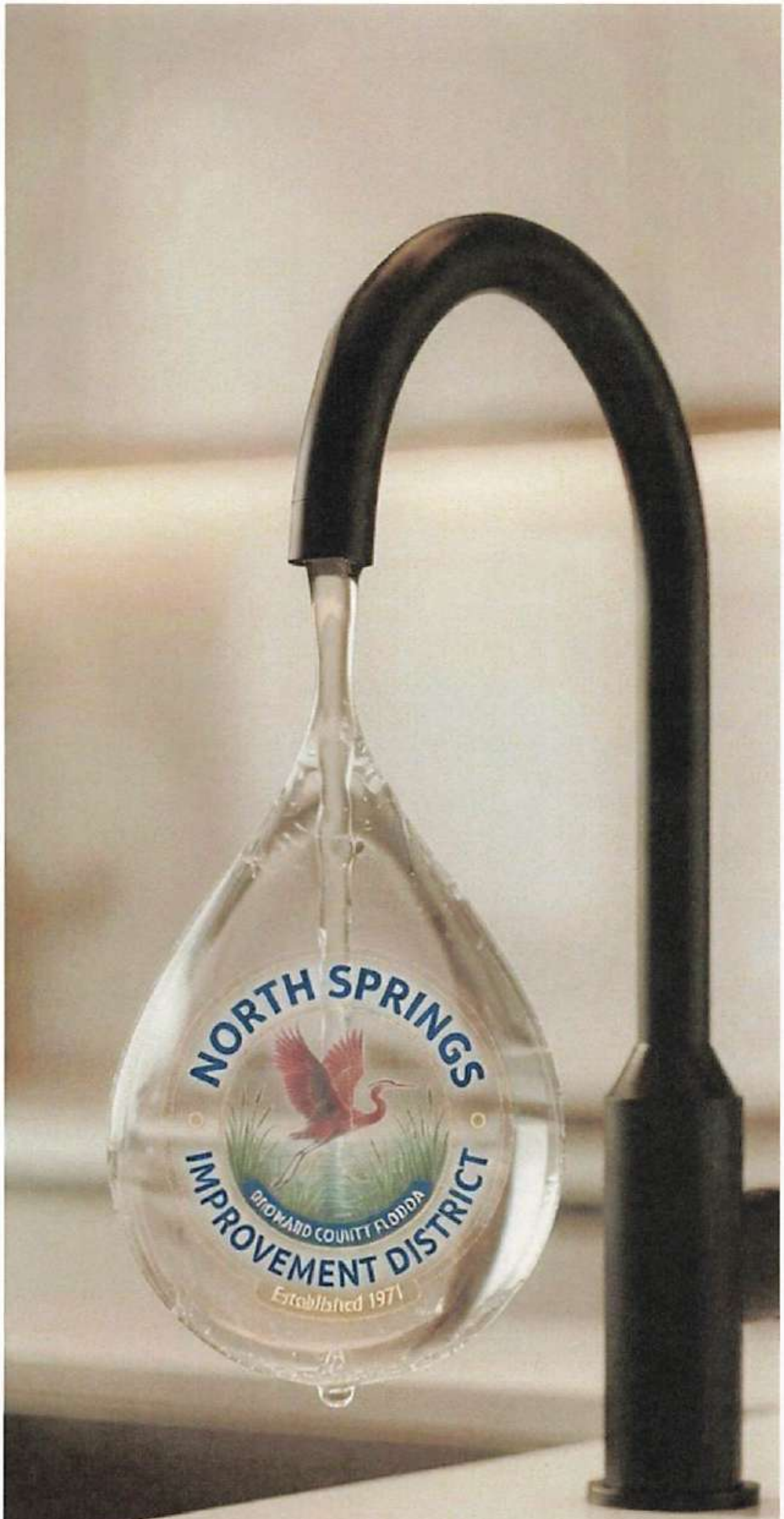
Section 5. This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the North Springs Improvement District, this 5th day of August 2026.

Anthony Avello, President

Vincent Moretti, Secretary

EXHIBIT 'A'



PROPOSED BUDGET
FY2027
WATER & SEWER

GOVERNING BOARD OF SUPERVISORS:

ANTHONY AVELLO, PRESIDENT
VINCENT MORETTI, SECRETARY
TONY MONTALTO, ASSISTANT SECRETARY

PREPARED BY:

ROD COLON, DISTRICT MANAGER
MARYAM OMIDI, CHIEF FINANCIAL OFFICER

Florida Department of Environmental Protection
Plant Operations Excellence Award
2021 | 2024 | 2025

9700 NW 52 ST CORAL SPRINGS, FL 33076

Table of Contents

EXECUTIVE MEMORANDUM

To: Governing Board of Supervisors
From: Rod Colon, District Manager
Date: July 28, 2026
Re: Proposed Operating Budget for FY2027

Governing Board of Supervisors:

Pursuant to Chapter 2005-341 of the Laws of Florida, as amended, District management is pleased to present the proposed operating and debt service budgets for the North Springs Improvement District for Fiscal Year (FY) 2027.

The District remains deeply committed to our core mission: delivering high-quality drinking water, safeguarding public health, and acting as a responsible steward of our environment. This proposed budget serves as the budget blueprint to achieve those goals, carefully balancing our immediate operational demands with the District's long-term infrastructure needs.

Recognizing the current economic environment, District staff worked diligently to maximize cost efficiencies and optimize resources without compromising service levels. Key highlights of the proposed FY 2027 budget include:

- **Managing External Costs:** We are proud to report that the current base water rate structure will continue for the upcoming fiscal year. The budget reflects a proposed \$0.20 increase to the sewer rate to accommodate Broward County's wastewater pass-through expenditures, which translates to an estimated \$1.60 monthly increase for the average customer.

- **Proven Operational Excellence:** Delivering the top-tier water quality and facility management that earned the District the prestigious FDEP Excellence in Operations Award in 2021, 2024, and 2025.

- **Smart Technology Integration:** Investing in advanced technological upgrades across field operations and the water treatment plant to optimize system monitoring, improve response times, and drive operational efficiency.

- **Workforce Retention:** Investing in the retention and training of our state-licensed operators and essential staff to ensure continued regulatory compliance and uninterrupted, safe water delivery.

By adhering to established budget best practices, this budget optimizes our budget resources to maintain the continued provision of safe drinking water while effectively planning for the District's future growth.

On behalf of the entire District staff, we are proud to submit this proposed budget plan for your review and consideration.

District Manager

WATER & SEWER
REVENUES

Account Description	Adopted Budget FY 2026	Actuals as of 06/30/2026	Projected July-Sept 2026	Total Projected 9/30/26	Proposed Budget FY 2027
Permits, Fees, & Licenses	-	44,232	-	44,232	-
Water Revenue	9,350,000	6,665,124	2,681,708	9,346,832	9,400,000
Standby Fees	100,000	92,319	30,773	123,092	20,000
Sewer Revenue	10,200,000	7,335,968	2,945,323	10,281,290	10,550,000
Water Revenue-Irrigation	475,000	389,205	149,735	538,940	550,000
Nsf Check Fees	5,000	5,575	1,858	7,433	6,000
Processing Fee	15,000	12,580	4,193	16,773	15,000
Lien Information Fee	20,000	35,150	11,717	46,867	45,000
Delinquent Fee	375,000	303,355	101,118	404,474	400,000
Turn On Fees	25,000	30,590	10,197	40,787	35,000
Meter Fees	27,500	4,100	-	4,100	25,000
Connection Fees-W/S	569,550	18,165	-	18,165	650,000
Interest-Investments	1,200,000	1,019,718	327,000	1,346,718	1,200,000
Unrealized Gain (Loss)	-	14,267	-	14,267	-
Miscellaneous Revenues	1,000	34,187	-	34,187	1,000
Misc. Receipts	15,000	15,220	5,073	20,293	15,000
Contract Service-Field Mgt..Frm 003	15,000	11,250	3,750	15,000	15,000
Carry Over Fund Balance From Previous Yr	6,000,000	1,252,591	-	1,252,591	4,000,000
Total Revenue	**28,393,050**	**17,283,596**	**6,272,445**	**23,556,041**	**26,927,000**

WATER & SEWER
PERSONNEL & ADMINISTRATION EXPENDITURES

Account Description	Adopted Budget FY 2026	Actuals as of 06/30/2026	Projected July-Sept 2026	Total Projected 9/30/26	Proposed Budget FY 2027
Payroll-Board of Supervisors	5,760	4,320	1,440	5,760	5,760
Payroll-Salaried	2,200,000	1,659,043	600,000	2,259,043	2,560,000
Payroll- Vehicle Benefit	3,000	1,554	518	2,072	3,000
Payroll-Special Pay	25,000	-	25,000	25,000	25,000
Employement Ads	2,100	750	250	1,000	2,000
FICA Expense	170,000	115,794	45,000	160,794	204,000
Pension Expense	520,000	400,789	133,596	534,386	600,000
Health & Life Insurance	960,000	632,846	300,000	932,846	1,000,000
Preventive Medical Allowance	-	35,672	10,995	46,667	50,000
Workers Comp Insurance	43,000	11,122	30,000	41,122	55,000
Unemployment Compensation	5,000	-	5,000	5,000	5,000
Other Post Employment Benefits (OPEB)	30,000	-	30,000	30,000	30,000
Professional Development	20,000	48,885	15,000	63,885	60,000
Prof Serv-Engineering	100,000	19,156	30,000	49,156	50,000
Prof Serv-Arbitrage Rebate	1,000	700	233	933	1,000
Prof Serv-Dissemination Agent	1,000	-	1,000	1,000	1,000
Prof Serv-Trustee	13,500	-	10,000	10,000	10,000
Prof Serv-Legal Services	100,000	40,638	20,000	60,638	100,000
Prof Serv-Legislative Expense	50,000	37,500	12,500	50,000	50,000
Actuarial Computation Fee-Opeb	3,000	2,250	-	2,250	3,000
Prof Serv-Mgt Consulting Serv	16,200	12,150	4,050	16,200	16,200
Prof Serv-Info Technology	350,000	118,667	50,000	168,667	300,000
Prof Serv-Web Site Develop	6,000	3,680	1,227	4,906	6,000
Prof Serv-Human Resources	10,000	7,245	2,415	9,661	10,000
Annual Audit	30,000	25,009	5,000	30,009	30,000
Communication-Telephone	18,000	3,409	1,136	4,545	15,000
Postage And Freight	41,000	29,459	9,820	39,279	40,000
Printing And Binding	18,000	14,665	3,000	17,665	18,000
Record Management	2,500	2,527	250	2,777	2,500
Rental/Lease-Vehicle/Equip	11,000	6,812	2,271	9,082	10,000
Insurance-General Liability	35,000	32,523	-	32,523	35,000
Legal Advertising	1,000	56	900	956	1,000
Office Supplies	45,000	26,821	8,940	35,761	40,000
Subsidized Food	42,000	34,808	11,603	46,411	47,000
Janitorail Services/Supplies	90,000	71,935	36,000	107,935	110,000
Misc-Licenses & Permits	20,000	370	5,000	5,370	20,000
Misc-Merchant Fees	50,000	18,029	6,010	24,038	20,000
Misc-Services	5,000	4,060	1,353	5,413	5,000
Misc-Contingency	35,000	17,581	5,860	23,442	35,000
Capital Outlay - Admin	50,000	-	50,000	50,000	50,000
Total Personnel & Administration Expens	**5,128,060**	**3,440,824**	**1,475,367**	**4,916,191**	**5,625,460**

WATER & SEWER
PLANT OPERATIONS & MAINTENANCE

Account Description	Adopted Budget FY 2026	Actuals as of 06/30/2026	Projected July-Sept 2026	Total Projected 9/30/26	Proposed Budget FY 2027
Payroll-Salaried	1,609,000	1,041,272	500,000	1,541,272	1,630,000
Payroll-Special Pay	16,000	-	15,000	15,000	16,000
Employement Ads	15,000	8,736	2,912	11,648	15,000
Fica Expense	131,000	76,981	30,000	106,981	125,000
Pension Expense	235,000	147,725	60,000	207,725	230,000
Health & Life Insurance	700,000	417,466	200,000	617,466	650,000
Worker'S Comp. Insurance	100,000	25,865	20,000	45,865	60,000
Unemployment Compensation	6,000	-	6,000	6,000	6,000
Other Post Employment Benefits (OPEB)	50,000	-	25,000	25,000	25,000
Professional Development	-	4,288	1,429	5,718	6,000
Water Quality Testing	50,000	44,963	14,988	59,951	60,000
Contracts-Landscape	110,000	82,500	27,500	110,000	110,000
Contracts-Generator Maint	12,000	6,593	5,000	11,593	12,000
Communication-Telephone	90,000	60,033	20,011	80,044	90,000
Electric	750,000	622,084	225,000	847,084	850,000
Utility-Wastewater Treatment	3,800,000	2,746,849	920,000	3,666,849	4,000,000
Rental/Lease-Vehicle/Equip	8,000	2,514	838	3,352	8,000
Insurance-General Liability	120,000	120,969	-	120,969	125,000
R&M-General	323,000	365,557	300,000	665,557	400,000
R&M-Electrical	35,000	3,554	10,000	13,554	20,000
R&M-Air Conditioning	45,000	4,194	30,000	34,194	35,000
R&M-Vehicles	15,000	3,625	1,208	4,834	15,000
R&M-Well Maintenance	55,000	32,012	10,671	42,683	55,000
R&M-Painting	5,000	861	287	1,148	5,000
Office Supplies	12,000	5,056	1,685	6,742	10,000
Op Supplies-General	130,000	50,522	50,000	100,522	120,000
Security	30,000	-	-	-	-
Op Supplies-Chemicals	470,000	245,292	150,000	395,292	470,000
Op Supplies-Lab Chemicals	30,000	23,153	7,718	30,871	35,000
Op Supplies-Lab Equipment	10,000	3,639	3,000	6,639	10,000
Op Supplies-Uniforms	26,000	13,016	4,339	17,355	25,000
Op Supplies-Fuel, Oil	40,000	213,191	71,064	284,255	290,000
Misc-Licenses & Permits	50,000	6,218	20,000	26,218	50,000
Misc-Contingency	5,000	4,294	500	4,794	5,000
Cap Outlay-Plant	620,000	446,506	135,000	581,506	620,000
Total Plant Expenses	**9,703,000**	**6,829,528**	**2,869,150**	**9,698,678**	**10,183,000**

WATER & SEWER
FIELD EXPENDITURES

Account Description	Adopted Budget FY 2026	Actuals as of 06/30/2026	Projected July-Sept 2026	Total Projected 9/30/26	Proposed Budget FY 2027
Payroll-Salaried	980,000	608,431	250,000	858,431	900,000
Payroll-Special Pay	10,000	-	8,000	8,000	10,000
Employement Ads	10,000	8,593	1,000	9,593	10,000
Fica Expense	80,000	44,874	14,958	59,832	70,000
Pension Expense	138,000	76,335	30,000	106,335	130,000
Health & Life Insurance	450,000	278,499	100,000	378,499	450,000
Worker'S Comp. Insurance	60,000	15,519	20,000	35,519	55,000
Unemployment Compensation	4,500	-	4,500	4,500	4,500
Other Post Employment Benefits (OPEB)	30,000	-	20,000	20,000	20,000
Professional Development	-	4,748	1,583	6,331	5,000
Water Quality Testing	6,000	2,223	741	2,964	6,000
Contracts-Landscape	66,000	49,500	16,500	66,000	66,000
Contracts-Generator Maint	8,000	3,870	1,290	5,160	8,000
Communication-Telephone	12,000	12,750	4,250	17,000	20,000
Electric	80,000	71,162	23,721	94,883	100,000
Rental/Lease - Vehicle/Equip	4,500	785	262	1,046	4,000
Insurance-General Liability	55,000	51,107	-	51,107	55,000
R&M-General	80,000	103,434	20,000	123,434	100,000
R&M-Vehicle Repairs	35,000	24,811	8,270	33,081	35,000
R&M-Roads & Alleyways	35,000	1,945	30,000	31,945	35,000
R&M-Lift Stations	200,000	109,054	50,000	159,054	200,000
R&M-Painting	5,000	610	203	813	5,000
R&M-Valve Replacement	-	1,672	-	1,672	5,000
Utility-Meter Replacemt Prog	355,390	-	355,390	355,390	-
Utility Backflow Preventors	4,000	412	137	549	4,000
Office Supplies	5,000	4,979	-	4,979	5,000
Op Supplies-General	25,000	28,521	5,000	33,521	35,000
Op Supplies-Uniforms	15,000	7,481	2,494	9,975	15,000
Op Supplies-Fuel, Oil	40,000	22,757	7,586	30,343	35,000
Op Supplies-Hand Tools	3,000	3,165	1,055	4,220	5,000
Op Supplies-Meter Supplies	20,000	9,756	3,252	13,008	20,000
Misc-Licenses & Permits	12,000	1,300	10,000	11,300	12,000
Misc-Contingency	5,000	788	2,000	2,788	5,000
Cap Outlay-Field	550,000	603,275	-	603,275	550,000
Total Field Expenses	**3,383,390**	**2,152,357**	**992,191**	**3,144,548**	**2,979,500**
Inter-Fund Group Transfers Out	6,000,000	1,252,591	-	1,252,591	4,000,000
Reserves for Projects in W&S Fund	750,000	-	1,100,000	1,100,000	700,000
Total Operating Expenses	**24,964,450**	**13,675,299**	**6,436,708**	**20,112,007**	**23,487,960**
Net Income (Loss) Before Debt Services	**3,428,600**	**3,608,297**	**(164,263)**	**3,444,033**	**3,439,040**

WATER & SEWER
DEBT SERVICES

Account Description	Adopted Budget FY 2026	Actuals as of 06/30/2026	Projected July-Sept 2026	Total Projected 9/30/26	Proposed Budget FY 2027
Debt Service Series 2024	2,210,000	1,657,500	552,500	2,210,000	2,300,000
Interest Expense Series 2024	901,841	676,381	225,460	901,841	816,247
Total Debt Service	**3,111,841**	**2,333,881**	**777,960**	**3,111,841**	**3,116,247**
Projected Income (Loss) After Debt Service	**316,759**			**332,192**	**322,793**
Coverage Calculation	**1.102**			**1.107**	**1.104**
Renewal and Replacement – Contingent Contribution (Up to)*	100,000	-	-	-	100,000
Rate Stabilization – Contingent Contribution (Up to)**	50,000	-	-	-	50,000
Total Reserves	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ 150,000**
Projected Surplus (Deficit)	**166,759**			**332,192**	**172,793**

**Rate Stabilization Fund
The budget authorizes a contingent contribution of up to $50,000 to the Rate Stabilization Fund. The District will determine whether to make this contribution after evaluating the fund's balance, investment earnings, projected operating results, anticipated rate needs, and other financial conditions. No transfer from this fund to the Operation and Maintenance Fund is anticipated.

*Renewal & Replacement Fund
The District Engineer recommends maintaining a minimum balance of $1,806,413.63 in the Renewal and Replacement Fund. The budget authorizes a contingent contribution of up to $100,000 should the balance fall below this threshold. Given current levels, no contribution or use of the engineer-recommended minimum balance for routine operation and maintenance is anticipated. Any release of funds exceeding the minimum will be processed in accordance with Section 5.11 of the applicable Bond Resolution and Trustee requirements.

Anticipated FY 2026 Excess R&R Transfer
During FY 2026, the District anticipates transferring approximately $124,575.49 from the Renewal and Replacement Account to the Water and Sewer Operating and Maintenance Account. Representing funds above the District Engineer's recommended $1,806,413.63 minimum, this amount is pending Trustee processing. This transfer is an internal reclassification of Water and Sewer funds and is excluded from operating revenue and debt-service coverage calculations.

WATER & SEWER PROPOSED BUDGET
NARRATIVES

REVENUES

Water Revenue

The projected revenue is based on the approved water service rate structure and estimated consumption for the upcoming year, with varying rates for residential and commercial customers set by the last rate study approved by the Board of Supervisors.

Water Minimum Charge	Rate FY 2027
Water Availability	$39.52
Water Residential, Multi-Family, Ranches/ Magic	$24.34
Water Commercial 1"	$60.84
Water Commercial 1.5"	$121.68
Water Commercial 2"	$194.69
Water Commercial 3"	$365.05
Water Commercial 4"	$608.41
Water Commercial 6 & 8"	$1,216.83

Water Volume Charge	Rate FY 2027
Residential, Commercial 1", 1.5", 2", 3", 4", 6", & 8", Ranches/ Magic	
0-12,600 Gal	$2.33
12,601-25,200 Gal	$4.71
25,201 Gal and Over	$7.06
Water Med/High-Density Consumption	
0-7,600 Gal	$2.33
7,601-15,200 Gal	$4.71
15,201 Gal and Over	$7.06

Sewer Revenue

The projected revenue is based on the approved sewer service rate structure and estimated consumption for the upcoming year, with varying rates for residential and commercial customers set by the last rate study approved by the Board of Supervisors.

Sewer Minimum Charge	Rate FY 2027
Residential, Multi-Family, Ranches/ Magic	$23.81
Sewer Commercial 1”	$46.60
Sewer Commercial 1.5”	$84.56
Sewer Commercial 2”	$130.13
Sewer Commercial 3”	$236.45
Sewer Commercial 4”	$388.33
Sewer Commercial 6 & 8”	$768.04

Sewer Volume Charge	Rate FY 2027
Residential, Commercial 1”, 1.5”, 2”, 3”, 4”, 6”, & 8”, Ranches/ Magic	
All Consumption	***$3.78****

**$0.20 Rate increase from FY2026*

Water Revenue – Irrigation

The projected revenue is based on the currently approved rate structure for irrigation water charges, which relies on consumption projections for the upcoming year. This rate structure includes a charge per thousand gallons specifically for irrigation water and will eventually encompass the District's re-use project.

Irrigation Minimum Charge	Rate FY 2027
Residential Irrigation	$24.34
Commercial 1.5” Irrigation	$121.68
Residential 2” Irrigation	$194.69

Irrigation Minimum Charge	Rate FY 2027
Irrigation Residential, Commercial 1.5"& 2" Consumption	
0-12,600 Gal	$2.35
12,601-25,200 Gal	$4.71
25,201 Gal and Over	$7.06

Standby Fees

The standby fees apply to both platted and unplatted residential and commercial parcels, charged per parcel or tract reserved for water and sewer capacity.

Permit, Fees, & License

Revenue is generated from various fees associated with permits, water and sewer plan review, licenses, and other related services.

NSF Check Fees

Charges are imposed on customers for insufficient funds in their accounts.

Processing Fee Revenue

A processing fee is charged for new accounts.

Lien Information Fees

A fee is charged for an estoppel letter.

Delinquent Fees

The Board of Supervisors adopted and a $25 late fee for customers who receive a delinquent notice or a notice of a scheduled service-termination date.

Turn On Fees

This fee applies to customers whose services have been suspended due to non-payment. The service is reinstated once the outstanding amount is paid.

Meter Fees

Represents the fees collected for meter usage based on meter size. The budget amount is based on the previous year's meters.

Meter Size	Fee
5/8" Meter	$400.00
1" Meter	$600.00
1 1/2" Meter	$900.00
ERT (All Meter Sizes)	$150.00
2" Meter	$150 per unit (ERC), plus cost of meter
3" Meter	$150 per unit (ERC), plus cost of meter

Connection Fees

This line item reflects the revenue collected for new connections based on user class and usage. The revenue is determined by the fees from the previous year.

User Class	Sewer	Water
Single-Family	$11,391.00	$558.00
Medium Density	$9,113.00	$446.00
Commercial	$12,872.00	$631.00
Irrigation	-	$166.00

Interest Investments

The District earns interest from accounts with Truist, the SBA, various CDs, and debt service trust accounts held with U.S. Bank.

Miscellaneous Revenues

Revenue generated from various fees for repairs and services provided by the District to customers.

Miscellaneous Receipts

The District offers employees subsidized food on-site to enhance efficiency.

Contract Service - Field Management (Parkland Isles)

The District receives reimbursement from the Parkland Isles fund for field management services provided by staff, including HOA communication, contractor oversight, and compliance assurance.

EXPENDITURES

PERSONNEL & ADMINISTRATION

Payroll Salaried

This includes payroll, FUTA/SUTA taxes, and payroll charges for administrative personnel based on the current rate, plus an anticipated annual increase.

FICA Expense

The Federal Insurance Contributions Act (FICA) tax is a statutory obligation calculated based on the current salary rate. This item represents the payroll taxes associated with administrative personnel.

Pension Expense

The District contributes to the Florida Retirement System based on each employee's annual salary as part of its pension plan.

Health & Life Insurance

The District offers employees a comprehensive benefits package that includes health, life, dental, and disability insurance.

Workers' Compensation Insurance

Expenses associated with legally mandated payments for job-related injuries or disabilities incurred by employees.

Unemployment Compensation

This line item represents the expenses incurred for eligible unemployed workers.

Professional Development

This line item includes expenditures for training and education, such as courses, seminars, workshops, and other related activities.

Professional Services – Engineering

This line item represents the general engineering services provided to the District. Additionally, the District engages various engineering firms to obtain specialized services, including electrical engineering, consulting, and surveying.

Professional Services - Arbitrage Rebate

The District annually hires an independent certified public accountant to calculate its arbitrage rebate liability on revenue bonds, based on standard service fees.

Professional Services - Dissemination Agent

The District is required to comply with the continuing disclosure requirements applicable to its bond issues under SEC Rule 15c2-12. The District has retained a dissemination agent to assist with these reporting obligations.

Professional Services - Trustee

This expense represents the fees associated with the Trustee for the District's Water and Sewer Bonds. The Trustee administers the District's bond-related accounts and performs the duties established by the applicable Bond Resolution.

Professional Services - Legal Services

This line item accounts for legal counsel services for the District. The associated expenses include preparation for monthly board meetings, as well as reviews of contracts and other related legal matters.

Professional Services - Legislative Expense

The District may need to engage a consultant who specializes in legislative codification matters, including bidding threshold requirements, efficiencies, gains, and benefits inherent in contract administration. Additionally, other consulting services may be incurred for special projects as needed.

Actuarial Pension Cost of Benefits - OPEB

Florida State Statutes require employers to provide health coverage to retirees at the employer's group rate. GASB 75 requires a periodic actuarial assessment to evaluate the costs and liabilities associated with these retiree benefits.

Professional Services - Consulting Services

The expenditure represents the District's allocation of resources for financial consulting services and coordination with our in-house accountants.

Professional Services - Info Technology

This line item represents expenses associated with specialized technology and cybersecurity measures necessary for the effective management of the District's network and computer systems.

Professional Services - Website Development

The District has engaged a service provider to manage its website. In accordance with federal regulations, the District has received authorization to utilize the .gov domain.

Professional Services - Human Resources

The District has engaged a provider to oversee payroll and other human resources-related functions.

Annual Audit

The District is required by Florida Statutes to conduct an annual independent audit of its financial records. The expenses associated with this audit are outlined in the current engagement letter and include any anticipated increases specified for this year.

Communication - Telephone

Estimates for telephone and fax machine expenses are based on previous years' costs.

Postage and Freight

This line represents expenditures related to overnight deliveries, general correspondence, utility bills, and other associated items.

Printing and Binding

This line represents expenses related to the printing of computerized checks, stationery, envelopes, photocopies, and related materials.

Record Management

This line represents expenses related to document shredding services.

Rental/Lease - Vehicle/Equipment

This line represents the expenses associated with renting essential equipment, such as heavy machinery, for the District.

Insurance - General Liability

The District retains an insurance agent to oversee its annual insurance coverage needs.

Legal Advertising

This line represents the expenses related to advertising monthly board meetings, public hearings, bid requests, and all other legally required advertisements.

Office Supplies

This line represents the expenses for supplies needed throughout the fiscal year, including paper, minute books, file folders, labels, paper clips, and other related items.

Subsidized Food

The District offers employees subsidized food on-site to enhance efficiency and save time.

Janitorial Services

This line represents the expenses for facility cleaning services.

Miscellaneous - Licenses & Permits

This line represents the expenses associated with miscellaneous services essential for the effective operations and maintenance of the District.

Miscellaneous - Merchant Fees

This line represents all fees related to payment processing, bank charges, and similar costs.

Miscellaneous - Services

This line represents the expenses associated with miscellaneous services essential for the effective operations and maintenance of the District.

Miscellaneous - Contingency

This line accounts for any unexpected expenses that may occur in the District during the fiscal year.

Capital Outlay

This line accounts for the District's periodic purchases of new or replacement equipment needed during the fiscal year.

EXPENDITURES

PLANT OPERATIONS & MAINTENANCE

Water Quality Testing

This line represents the expenses related to the District's water quality testing, which includes monthly tests by BCHD, standard plate count, UCMR2 EPA tests, quarterly water samples, and annual water analysis.

Contracts - Landscape

This line represents the expenses related to the District's monthly landscaping services provided at the District's water plant and offsite locations, including wells, lift stations, and District rights-of-way for plant operations.

Contracts - Generator Maintenance

Repair and maintenance costs for the District's various generators, including clean fuel testing and tank cleaning.

Communication - Telephone

This line represents the expenses associated with the District's landlines, internet services, and mobile lines.

Electric

This line represents the expenses related to the District's electrical needs for the water treatment facility and associated wells, based on historical operational data.

Utility - Wastewater Treatment

The District sends all wastewater to Broward County for treatment and disposal per its Large User Agreement at the 2A regional facility.

R & M - General

Maintenance and repair of the District's equipment for optimal operational condition, including trash pickup services.

R & M - Electrical

This line represents the expenses associated with the District's electrical maintenance and supplies.

R & M - Air Conditioning

This line represents the expenses related to the District's air conditioning system repairs and maintenance.

R & M - Vehicles

Expenses associated with the repair and maintenance of the District's vehicles.

R & M - Well Maintenance

Expenses related to the repair and maintenance of the District's wells.

R & M - Painting

This line represents the expenses related to paint maintenance for the facility and storage tanks in the District.

Operational Supplies - General

This line represents expenses for general operating supplies, including janitorial and lab supplies, necessary for the operation of the District's water treatment plant.

Security

This line represents the costs related to security for both the facility and its personnel.

Operation Supplies - Chemicals

Expenses associated with the use of chemicals for plant treatment.

Operation Supplies - Lab Chemicals

Expenses related to the use of laboratory chemicals purchased by the District.

Operation Supplies - Lab Equipment

Expenses related to purchasing laboratory equipment for the water treatment facility, necessary for compliance testing as mandated by regulatory authorities.

Operation Supplies - Uniforms

Expenses associated with uniform rental and the yearly allowance for safety boots.

Operation Supplies - Fuel & Oil

This line represents the costs associated with diesel fuel and gasoline purchased by the District.

Miscellaneous - Licenses & Permits

This line represents the expenses for renewing facility licenses, subscriptions, staff licenses, books, and necessary training to maintain the operational permits for plant operators.

Capital Outlay - Plant

Funds allocated to purchase miscellaneous tools, equipment, and vehicles to support the operations of the District.

EXPENDITURES

FIELD OPERATIONS & MAINTENANCE

Water Quality Testing

This line represents expenses related to testing the water quality of the District's infrastructure.

R &M - Roads & Alleyways

Expenses related to the repair and maintenance of various roads and driveway paving.

R & M - Lift Stations

Expenses related to the repair and maintenance of pumps, electrical supplies, and the cleaning of lift stations.

Utility - Meter Replacement Program

Expenses related to the replacement of meters.

Utility Backflow Preventors

Expenses for installing or replacing backflow preventers at our customers' utility meters, as required by Florida law. This measure prevents cross-connections and hazardous backflow into our drinking water distribution system.

Operating Supplies - Hand Tools

Expenses related to hand and power tools necessary for the District's operation.

Operating Supplies - Meter Supplies

Expenses related to the supplies for meter installation.

DEBT SERVICES

Debt Service Series

The District has refinanced its water and sewer tax-exempt bonds into the new 2024 Water & Sewer Revenue Refunding/Revenue Bond, which requires annual principal and interest payments on October 1, as per the amortization schedule.

Interest Expense Series

The District has refinanced its water and sewer tax-exempt bonds into the new 2024 Water & Sewer Revenue Refunding/Revenue Bond, which requires annual principal and interest payments on October 1, as per the amortization schedule.

Projected Annual Income (Loss)

The total income received or the total income loss, following the payment of all expenses, including operational costs and debt service, incurred by the District.

Coverage Calculation

The District must maintain annual net revenues equal to at least 110% of annual debt service, providing a 10% margin above scheduled debt-service requirements.

DEBT SERVICES

BUDGETED RESERVES

Renewal & Replacement

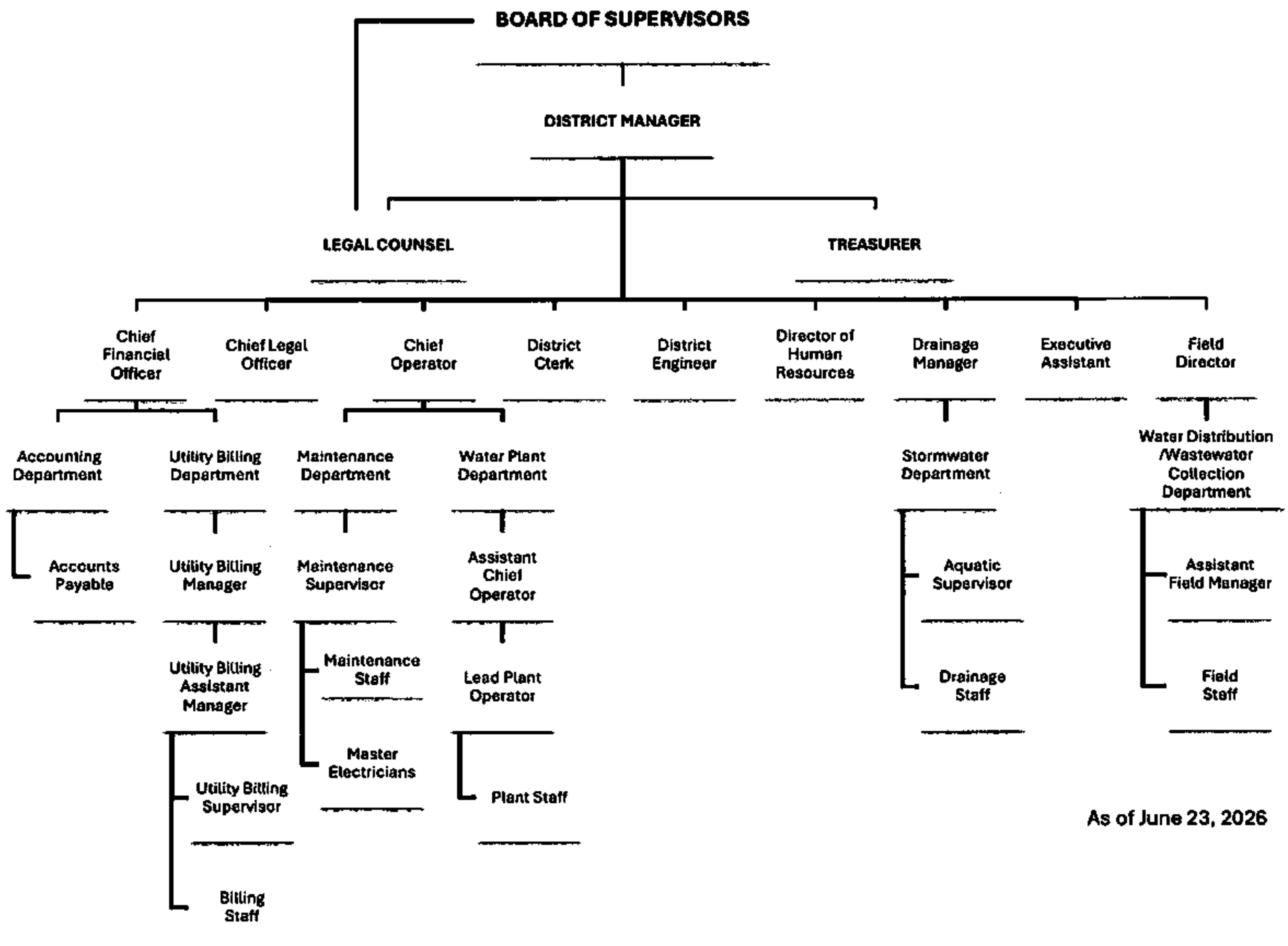
The District has established a reserve program to replace operational equipment once it reaches the end of its life expectancy or becomes inoperable.

Rate Stabilization

The Rate Stabilization Fund is maintained to help mitigate the need for sudden customer rate increases by providing funds that may be transferred to the Operation and Maintenance Fund when authorized in the annual budget. The budget authorizes a contingent contribution of up to $50,000, and no transfer to the Operation and Maintenance Fund is anticipated.

APPENDIX A

ORGANIZATION CHART



As of June 23, 2026