

# Sunbridge Stewardship District

3501 Quadrangle Blvd., Suite 270, Orlando, FL 32817

Phone: 407-723-5935

<https://www.sunbridgesd.com>

---

Notice is hereby given that the Board of Supervisors ("Board") of the Sunbridge Stewardship District ("District") will hold a meeting of the Board of Supervisors on **Thursday, July 7, 2022, at 11:00 a.m. at 2770 River Creek Lane, St Cloud, FL 34771**. Questions or comments on the Board Meeting or proposed agenda may be addressed to Lynne Mullins [mullinsl@pfm.com](mailto:mullinsl@pfm.com) or (407) 723-5935. A quorum (consisting of at least three of the five Board Members) will be confirmed prior to the start of the Board Meeting.

Please use the following information to join the telephonic conferencing:

**Phone:** 1-844-621-3956      **Participant Code:** 796 761 297#

## BOARD OF SUPERVISORS' MEETING AGENDA

### Organizational Matters

- Roll Call to Confirm a Quorum
- Public Comment Period
- 1. Swearing in Newly Elected Board Member
- 2. Consideration of the Minutes of the May 31, 2022, Board of Supervisors' Meeting
- 3. Consideration of the Minutes of the June 2, 2022, Board of Supervisors' Meeting
- 4. Consideration of the Minutes of the June 22, 2022, Board of Supervisors' Meeting
- 5. Consideration of **Resolution 2022-18, Election of Officers**

### Business Matters

- 6. Review and Acceptance of the Fiscal Year 2021 Audit
- 7. Ratification of Right of Way Utilization Interlocal Agreement for Specialty Street Signs (*provided under separate cover*)
  - a. Ratification of Addition of Excess Liability
- 8. Public Interest Hearing on the Imposition of Contract to Sell Water and Wastewater Facilities to the Toho Water Authority
  - a. Public Comments and Testimony
  - b. Board Comments
  - c. Consideration of **Resolution 2022-17**, Directing and Authorizing the Sale to the Toho Water Authority of the Real and Personal Property Owned or Utilized by the District to Provide Water and Wastewater
- 9. Ratification of Payment Authorization Nos. 169 - 173
- 10. Review of District's Financial Position and Budget to Actual YTD



**Other Business**

- A. Staff Reports
  - 1. District Counsel
  - 2. District Manager
  - 3. District Engineer
- B. Supervisor Requests

**Adjournment**



# **Sunbridge Stewardship District**

**Oath of Office**

**SUNBRIDGE STEWARDSHIP DISTRICT  
BOARD OF SUPERVISORS  
OATH OF OFFICE**

I, \_\_\_\_\_, A CITIZEN OF THE STATE OF FLORIDA AND OF THE UNITED STATES OF AMERICA, AND BEING EMPLOYED BY OR AN OFFICER OF SUNBRIDGE STEWARDSHIP DISTRICT AND A RECIPIENT OF PUBLIC FUNDS AS SUCH EMPLOYEE OR OFFICER, DO HEREBY SOLEMNLY SWEAR OR AFFIRM THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND OF THE STATE OF FLORIDA.

---

Board Supervisor

**ACKNOWLEDGMENT OF OATH BEING TAKEN**

STATE OF FLORIDA  
COUNTY OF OSCEOLA

The foregoing oath was administered before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_, who personally appeared before me, and is personally known to me or has produced \_\_\_\_\_ as identification, and is the person described in and who took the aforementioned oath as a Member of the Board of Supervisors of Sunbridge Stewardship District and acknowledged to and before me that he/she took said oath for the purposes therein expressed.

(NOTARY SEAL)

---

Notary Public, State of Florida

---

Print Name

# **Sunbridge Stewardship District**

**Minutes of the May 31, 2022  
Board of Supervisors' Meeting**

## **MINUTES OF MEETING**

### **SUNBRIDGE STEWARDSHIP DISTRICT BOARD OF SUPERVISORS' MEETING Thursday, May 31, 2022, at 11:00 a.m. 5354 Rambling Rd, St Cloud, FL 34771**

Board Members Present:

Richard Levey	Chair
Rob Adams	Vice Chair
Julie Salvo	Assistant Secretary
Brent Schademan	Assistant Secretary

Also, Present:

Lynne Mullins	PFM
Brent Wilder	PFM
Jennifer Walden	PFM
Kevin Plenzler	PFM
Johnathan Johnson	District Counsel
Cristyann Courtney	Tavistock
Drew Dawson	Tavistock
Nick Anderson	SLR Reserve
Brett Sealy	MBS
Chris Wrenn	Pulte
Cristy Baxter	Poulos & Bennett
Mr. Deliwala	Resident
Donald and Linda Whiting	Resident

### **FIRST ORDER OF BUSINESS**

### **Roll Call to Confirm a Quorum**

The meeting was called to order and roll call was taken.

### **SECOND ORDER OF BUSINESS**

### **Public Comment Period**

Dr. Levey opened the floor for public comments on topics not listed in the agenda. There were no public comments.

### **THIRD ORDER OF BUSINESS**

### **Public Hearing on the Imposition of Special Assessments**

- a) Public Comments and Testimony
- b) Board Comments
- c) Consideration of Resolution 2022-07, Levying Special Assessments

Dr. Levey called for an overview of the agenda and an overview of the District

Mr. Johnson went over what the Sunbridge Stewardship District is and what it encompasses. He also went over the history of the District and why it exists. He noted that the reason for being here today is that Pulte Home Corporation requested that the District issue bonds to fund the utility infrastructure included in Del Webb. He noted that the District sent out notices stating that it is securing the bonds with a special assessment. The special assessment goes on every piece of developable property in Del Webb. The bonds will be on a 30-year amortization. Mr. Johnson noted how the bonds work in relation to payoffs and how they transfer if properties are sold. He noted that they would appear on the owner's Osceola County Tax Bill as non-ad valorem assessments. He mentioned that Del Webb is the first community to ask for this financing from the District, but that they expect more to do so.

Dr. Levey called for the District engineer to give an overview on the improvements that are expected to come from the bond issuance.

Ms. Baxter referenced the engineer's report (exhibit A), she noted that it provides an overview of the Capital Improvement Plan. It includes offsite projects associated with Cyrils Drive, the anticipated costs of offsite improvements, and the utility costs within Del Webb Phases 1 and 2.

Dr. Levey asked if the total cost of the improvements was around \$23,000,000.00, Ms. Baxter confirmed that yes, it is around that amount.

Dr. Levey prompted Mr. Plenzler to go over the methodology used to assign cost to individual properties.

Mr. Plenzler went over the methodology of the assessments. How the amounts are determined and how the assessments are allocated to the residential units. He noted what the different types of units are and how the assessment amounts were allocated to the different units. Mr. Plenzler noted that the assessment shows the maximum that could be assessed.

Mr. Adams noted that anybody who purchased a home at Del Webb should have had a consumer addendum in their contract. This addendum would disclose additional information about the purchase. Including the fact that, by being part of a stewardship district, assessments can be levied against the home. He noted that at the time of signing the disclosure, the buyer would have been made aware of the Stewardship District website to receive more information.

Ms. Mullins stated for the record that a mailed notice for this hearing was sent out per Florida Statute.

Dr. Levey opened the floor for public comments.

Mr. Deliwala of 2996 Cherry Blossom Loop, St Cloud, FL 34771. Dr. Levey noted that the Board is in receipt of his written letter. Mr. Deliwala expressed his concern over the \$23,000,000.00 stated cost not matching the notice, which states a cost of \$15,600,000.00 and an estimate of \$20,230,000.00.

Mr. Plenzler noted that the engineer's report was updated after the notice went out, with the updated costs. From the notice perspective the notice only anticipates funding a portion of the CIP cost, the total par amount of bonds is \$20,230,000.00, which would make the notice consistent with the numbers. He stated that the assessments are based on the \$20,230,000.00 in par amount of bonds. He clarified that while the total cost might be \$23,000,000.00, the District is only responsible for \$15,600,000.00. Mr. Delivala asked about how the rest would be paid for. Mr. Plenzler explained that it would be privately funded. Mr. Delivala asked about where the tax money goes to, his thought being that the portions that belong to the county would be paid for by the county.

Dr. Levey explained that the improvements associated with Del Webb are privately financed, even the portions that are county owned.

Mr. Deliwala brought up how Cyrils Dr. is used by more than Sunbridge residents and so he wonders how that is taken into account, if other people are contributing to it.

Dr. Levey explained that tax dollars will go toward the maintenance and operation as that is the county's responsibility. But that they do not go toward the upfront cost of building the road, as those are financed through the bond issue.

Mr. Whiting from 2738 River Creek Lane is curious about why the intersection improvements of Cyrils Dr. and Narcoossee Rd. is being funded by the District and the bond issuance.

Dr. Levey noted that part of it is going to be the responsibility of property owners of Sunbridge as it was an obligation of the approval of Sunbridge, as well as the widening of Cyrils Dr. With the District responsible for 52% of the cost of Cyrils Dr.

Ms. Baxter noted that the cost of the intersection improvements totals to \$2,800,000.00 but only \$1,300,000.00 is included in the CIP.

Dr. Levey explained that it is to consider the approval to Levy Special Assessments. He clarified that this is not a tax but is an assessment.

The Board answered that the amount stays the same for the 30-year term. Ms. Mullins offered to show where the document is found and pointed to the available contact information.

Mr. Deliwala brought up his letter, Dr. Levey noted that it has been received but there are no current answers, and that written answers can be provided.

On MOTION by Mr. Adams, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District closed the Public Hearing.

On MOTION by Mr. Adams, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved Resolution 2022-07, Levying Special Assessments.

#### **FOURTH ORDER OF BUSINESS**

#### **Staff Reports**

**District Counsel –** No report.

**District Manager –** No report.

**District Engineer –** No report.

#### **FIFTH ORDER OF BUSINESS**

#### **Supervisor Requests**

There were no supervisor requests.

#### **SIXTH ORDER OF BUSINESS**

#### **Adjournment**

On MOTION by Mr. Schademan, seconded by Ms. Salvo, with all in favor, the May 31, 2022, Board of Supervisors' Meeting for the Sunbridge Stewardship District was adjourned.

---

**Secretary/Assistant Secretary**

---

**Chairman/Vice Chairman**

# **Sunbridge Stewardship District**

**Minutes of the June 2, 2022  
Board of Supervisors' Meeting**

## **MINUTES OF MEETING**

**SUNBRIDGE STEWARDSHIP DISTRICT  
BOARD OF SUPERVISORS' MEETING  
Thursday, June 2, 2022, at 11:00 a.m.  
2770 River Creek Lane, St Cloud, FL 34771**

Board Members Present:

Richard Levey	Chair
Julie Salvo	Assistant Secretary
Brent Schademan	Assistant Secretary

Also, Present:

Lynne Mullins	PFM	
Jennifer Walden	PFM	(via phone)
Kevin Plenzler	PFM Financial Advisors	
Johnathan Johnson	District Counsel	(via phone)
Cristy Baxter	Poulos & Bennett	(via phone)
Lance Bennett	Poulos & Bennett	(via phone)
Nick Anderson	SLR	(via phone)
JD Humphreys	SLR	(via phone)
Cristyann Courtney	Tavistock	(via phone)
Scott Thacker	Berman	(via phone)
Sara Zare	MBS	(via phone)
Misty Taylor	Bryant Miller Olive	(via phone)
Drew Dawson	Tavistock	(via phone)

### **FIRST ORDER OF BUSINESS**

### **Roll Call to Confirm a Quorum**

The meeting was called to order. The Board Members, staff, and public in attendance are outlined above.

### **SECOND ORDER OF BUSINESS**

### **Public Comment Period**

Dr. Levey opened the floor for public comments. There were no public comments.

### **THIRD ORDER OF BUSINESS**

### **Consideration of the Minutes of the April 7, 2022, Board of Supervisors' Meeting**

The Board reviewed the minutes for the April 7, 2022, Board of Supervisors' Meeting.

On MOTION by Mr. Schademan, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved the Minutes of the April 7, 2022, Board of Supervisors' Meeting.

**FOURTH ORDER OF BUSINESS****Letter from Supervisor of Elections – Osceola County**

Ms. Mullins stated for the record that as of April 15, 2022, the District has 422 registered voters.

**FIFTH ORDER OF BUSINESS****Consideration of Resolution 2022-08, Designating a Date, Time, and Location for the 2022 Landowners' Meeting**

Dr. Levey noted that the suggested date is November 8, 2022. Ms. Mullins noted that the suggested time is at 11:00 a.m. and that the suggested location is the Lifestyle House at 2600 Del Webb Blvd., St. Cloud, FL 34771. Ms. Mullins explained that the Board Members do not need to be present at the Landowners' Meeting as the Landowner can make her proxyholder and it would just be herself in attendance.

On MOTION by Mr. Schademan, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge stewardship District approved Resolution 2022-08, Designating a Date, Time, and Location for the 2022 Landowners' Meeting, on November 8, 2022, at 11:00 a.m. at 2600 Del Webb Blvd., St. Cloud, FL 34771.

**SIXTH ORDER OF BUSINESS****Consideration of Resolution 2022-09, Re-setting the Location for the FY 2021-2022 Annual Meeting Schedule**

Ms. Mullins requested that this item be tabled for now as the Lifestyle Center is not ready.

**SEVENTH ORDER OF BUSINESS****Consideration of Operation & Maintenance Expense Assessment Methodology Report**

Mr. Plenzler explained that in discussions with Tavistock, and negotiations with the County regarding updated plans, it has come to the attention of District Staff that the Concept Plan area was dissolved. Previous methodology used that area as a boundary, and so they want an updated report taking it into consideration. They want to update the report to just be associated with lands that are in development or will be in the near future and apply the O&M budget against these properties. The methodology would be updated to treat all residential units the same with an ERU of 1, and any non-residential square footage will be applied an ERU factor. If hotels are in place, a room or key would have an ERU of 1. This way O&M can be properly managed with an increase in budget if additional development will add to the additional development volume as properties come online within Sunbridge.

Dr. Levey asked if it is different from prior assessment methodology. Mr. Plenzler said yes, they were using the debt methodology to drive it, which is what has been used in the Lake Nona Districts and Sunbridge but given the unknown of all the development that will be put in place over time, they thought this would be an easier manner to allocate assessment. Dr. Levey asked what this would do to the per unit assessments. Mr. Plenzler said that for this next fiscal year there will be some adjustment with respect to O&M going up for a handful of lots and some will go down, going forward they will be pretty static. There is no large deviation. Dr. Levey asked what the biggest increase will be and the biggest reduction. Mr. Plenzler estimated that the biggest change would be \$50.00 or \$60.00 annually, he noted that he could provide info to board. Dr. Levey noted that all other districts are based on lot size; Mr. Plenzler confirmed.

Mr. Plenzler brought up the option to table this discussion and bring back something linked to lot size if it is more amenable. With the thought process of not knowing what is coming online year after year in non-residential, they thought this would be an easier way to manage the budget going forward.

Ms. Mullins noted approximately \$196.12 per residential unit, under the new method. Dr. Levey brought up how that would compare to the old methodology. Ms. Mullins asked Ms. Walden to pull up FY 2022 budget and what the assessments were. Dr. Levey asked if the new methodology would be for the convenience of the District or to the benefit of the residents. Mr. Plenzler noted that in any situation where you switch from one methodology to another there will be some up and down, and that going forward depending on the district, residents are sometimes curious about why one resident might be paying more than another. Dr. Levey noted that their debt assessment would be different. He questioned why one assessment would be done one way and the other differently. Dr. Levey noted that he would like to hear the argument for why the methodology should change.

Dr. Levey stated that he would like to see a comparison of the two methodologies. Mr. Plenzler agreed to bring back a comparison and an updated methodology by lot size.

The discussion was tabled.

#### **EIGHTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2022-10, Approving a Preliminary Budget for Fiscal Year 2023 and Setting a Public Hearing Date**

Ms. Mullins noted that this year, with the change of concept plan, research agreements will be funded by Tavistock, since the concept plan is done, District Staff feel that the research agreements will benefit all 19,000 acres of Sunbridge. With O&M being potentially based on units. Dr. Levey asked if the research funding was not in the proposed budget. Ms. Mullins noted that it is under Developer Funded Line of Research. Ms. Courtney noted that, as the developer, they would pay the assessments that they are obligated to, as well as pick up the \$80,000.00. They are trying to maintain the budget at something reasonable that would be shared by all the residents. As developer they thought it would be in their best interest to pick up that piece and keep it off the overall budget and remove the burden from everyone else.

Dr. Levey clarified that the resolution is also to set the date and time of the public hearing. Ms. Mullins noted that it is for August 4, 2022, at 11:00 a.m. at 2600 Del Webb Blvd., St Cloud, FL 34771.

On MOTION by Mr. Schademan, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved resolution 2022-10, Approving a Preliminary Budget for Fiscal Year 2023 and Setting a Public Hearing Date of August 4, 2022, at 11:00 a.m. at 2600 Del Webb Blvd., St Cloud, FL 34771.

## **NINTH ORDER OF BUSINESS**

### **Consideration of Supplemental Assessment Methodology Report – Dell Webb Ph 1 & Ph 2 Project Area, Series 2022 Bonds**

Mr. Plenzler noted that the District is in the process of issuing bonds associated with Del Webb Phase 1 and Phase 2. This report is consistent with the Master which was approved by the District at the equalization hearing on May 31, 2022. Tables 1 and 2 have development volumes and most recent capital improvement plans, with respect to CIP cost, table 3 details the preliminary estimate of bond sizing of par amount of bonds just over \$14,000,000.00 allocated to Phases 1 and 2. Page 7 shows allocation of assessments in tables 5 and 6 in respect to the par depth per unit and the estimated annual assessment levels for various lot types. These assessments are reasonably and equitably allocated also found benefit from District property, CIP in excess of related assessments.

On MOTION by Ms. Salvo, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved the Supplemental Assessment Methodology Report – Del Webb Ph 1 & Ph 2 Project Area, Series 2022 Bonds.

## **TENTH ORDER OF BUSINESS**

### **Consideration of Resolution 2022-11, Delegation Award Resolution**

Ms. Taylor noted that in 2019 the District adopted a Master Bond resolution and authorized not to exceed \$4.3 billion worth of bonds for the life of the District. That resolution and various undertakings by the District were validated in court as required by Florida statutes in the special act establishing the District. The bonds were validated in 2019. As the District has not issued any debt this is the first bond issue for this District. This is a supplemental resolution to that Master Bond resolution authorizing a specific bond issue. The specific bond issue are special assessment revenue bonds related to the Del Webb Phases 1 and 2 project. This resolution approves not to exceed \$16,000,000.00. There is a Master Trust Indenture attached to the resolution and a First Supplemental Trust Indenture. There is a requirement to engage a trustee to hold all the bond funds and collect revenue from District, pay debt service to bond holders.

There is a bond purchase contract, this appoints MBS Capital markets as the underwriter for the bonds, it also makes all required findings under Florida statutes to authorize and negotiate sale of the bonds and approves the form of the purchase contract with MBS. It also delegates authority to the chair to sign that purchase contract once the bonds price, so long as certain delegation parameters are met, located in section 6 of the resolution. Those parameters include interest parameters, maturity parameters and par parameters. If the price within those parameters, the chair has authority to sign the contract. There is a preliminary limited offering memorandum, this is the prospectus to market the bonds to potential investors.

The final document is a continuing disclosure agreement. Pursuant to certain federal securities rules, when the District issues bonds it must continue to disclose certain information to investors post issuance. The Developer also enters into a continuing disclosure agreement. They continue to provide information about project and home sales as long as they are an obligated person in respect to the bond. The resolution does authorize additional changes to the engineer and assessment reports that have been previously adopted by the Board. This is there to provide flexibility to tweak documents. There are a lot of moving parts to bond issuance and, as Bond Counsel approaches posting and pricing, if there are things that need to be fixed it allows for that. These reports also come back to the board as previously mentioned by Mr. Johnson.

On MOTION by Ms. Salvo, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved Resolution 2022-11, Delegation Award Resolution.

#### **ELEVENTH ORDER OF BUSINESS**

#### **Ratification of Payment Authorization Nos. 164-168**

Dr. Levey noted that these documents have been signed by the Chair and just need to be ratified by the Board.

On MOTION by Mr. Schademan, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District ratified Payment authorization Nos. 164-168.

#### **TWELFTH ORDER OF BUSINESS**

#### **Review of District's Financial Position and Budget to Actual YTD**

Ms. Mullins noted there is nothing to report. Dr. Levey asked if there are any areas of concern on the expenditure side. Ms. Mullins noted that the District is currently running under budget by \$50,000.00.

#### **THIRTEENTH ORDER OF BUSINESS**

#### **Staff Reports**

##### **District Counsel –**

Mr. Johnson noted that they will ask the Board to continue today's meeting closer to the end of the month, around 22 or 23, in the event that they are able to do the final assessment resolution and facilitate a bond closing. Without knowing for sure District Staff would like to preserve the option. Ms. Mullins asked if the meeting could be continued on June 22, at 11:00 a.m. with the potential that it could be cancelled but MBS would like to keep the option open.

Dr. Levey asked about the specifics of how the meeting is continued. Mr. Johnson clarified that the meeting can be continued and if there ends up being no business that compels the Board to reconvene, District Staff can issue a notice of cancellation. Ms. Mullins explained that if the meeting is adjourned and a new meeting is set, then there are procedures to follow

in its advertising, which would not be needed if the meeting is simply continued.

The Board discussed everybody's availability in relation to the continuation date.

**District Manager –** Ms. Mullins noted that the meeting will be continued to June 22, at 3:00 p.m.

**District Engineer –** No report.

**FOURTEENTH ORDER OF BUSINESS**

**Supervisor Requests**

There were no Supervisor Requests.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

Dr. Levey requested a motion to continue the meeting on June 22 at 3:00 p.m.

On MOTION by Mr. Schademan, seconded by Ms. Salvo, the Board of Supervisors for the Sunbridge Stewardship District continued the meeting to June 22, 2022, at 3:00 p.m. at 2770 River Creek Lane, St Cloud, FL 34771.

---

**Secretary/Assistant Secretary**

---

**Chairman/Vice Chairman**

# **Sunbridge Stewardship District**

**Minutes of the June 22, 2022  
Board of Supervisors' Meeting**

## **MINUTES OF MEETING**

**SUNBRIDGE STEWARDSHIP DISTRICT  
BOARD OF SUPERVISORS' SPECIAL MEETING  
Wednesday, June 22, 2022, at 11:00 a.m.  
2770 River Creek Lane, St Cloud, FL 34771**

Board Members Present:

Richard Levey	Chair
Rob Adams	Vice Chair
Julie Salvo	Assistant Secretary
Brent Schademan	Assistant Secretary
Frank Paris	Assistant Secretary

Also, Present:

Lynne Mullins	PFM	
Jennifer Walden	PFM	(via phone)
Amanda Lane	PFM	(via phone)
Kevin Plenzler	PFM	
Johnathan Johnson	District Counsel	(via phone)
Christy Baxter	Poulos & Bennett	(via phone)
Nick Anderson	SLR	(via phone)
Clint Beaty	Tavistock	(via phone)
Katia Moraes	Tavistock	
Matt McDermott	Tavistock	(via phone)
Cristyann Courtney	Tavistock	(via phone)
Aaron Wilbanks	Berman	(via phone)
Sara Zare	MBS	
Brett Sealy	MBS	(via phone)
Misty Taylor	Bryant Miller Olive	

### **FIRST ORDER OF BUSINESS**

### **Roll Call to Confirm a Quorum**

The meeting was called to order. The Board Members, staff, and public in attendance are outlined above.

### **SECOND ORDER OF BUSINESS**

### **Public Comment Period**

Dr. Levey opened the floor for public comments. There were no public comments.

### **THIRD ORDER OF BUSINESS**

### **Consideration of Resolution 2022-09, Re-setting the Location for the Fiscal Year 2022 Annual Meeting Schedule**

Ms. Mullins noted that this had been adopted at the previous meeting, but that this would change the location of the meeting to Base Camp at Sunbridge.

On MOTION by Mr. Paris, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved Resolution 2022-09, Re-setting the Location for the Fiscal Year 2022 Annual Meeting Schedule to Base Camp at Sunbridge, 6197 Cyrils Drive, St. Cloud, FL 34771.

#### **FOURTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2022-15, Amending Resolution 2022-08 and Re-setting the Location of the Landowners' Election**

Ms. Mullins noted that this was approved at the last meeting, but that this would change the location of the Landowners' Election.

On MOTION by Mr. Adams, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District, approved Resolution 2022-15, Amending Resolution 2022-08 and Re-setting the Location of the Landowners' Election to Base Camp at Sunbridge, 6197 Cyrils Drive, St. Cloud, FL 34771.

#### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Operation and Maintenance Methodology Report**

Mr. Plenzler noted that this document was presented to the Board at the previous meeting. The methodology has been updated based on changed to the land area subject to O&M. Mr. Plenzler noted that based on the current budget the resulting assessments would be \$168.55 per unit, subject to change based on the budgetary needs of the District.

Dr. Levey noted that there had been questions about the different methodologies at the previous meeting and so he, along with District staff and Developer staff, discussed the methodologies. He stated that he believes that the approach being taken is the appropriate one and that he supports the approval of the methodology report.

On MOTION by Ms. Salvo, seconded by Mr. Paris, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved the Operation and Maintenance Methodology Report.

#### **SIXTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2022-12, Supplemental Assessment Resolution for Del Webb Phase 1 & 2**

Mr. Johnson noted that this is the formal resolution that incorporates the final terms and conditions of the bonds into the assessment lean for Del Webb Phases 1 & 2. He prompted Mr. Sealy to discuss the success of the final pricing and the schedule to closing.

Mr. Sealy noted the successful pricing of the District's inaugural series of bonds. He noted that the District is issuing \$14,130,000.00 principal amount of bonds for Dell Web Phases 1 & 2, generating a project fund of approximately \$12,900,000.00. Mr. Sealy discussed the rates at which the bonds were priced and how they were structured. He congratulated the team on a successful pricing.

Mr. Johnson noted that Resolution 2022-12 takes the Supplemental Assessment methodology which was approved for marketing purposes only and now layers the final terms and condition into it. The resolution would close the book on the lean for this property. District staff recommend the approval of Resolution 2022-12.

On MOTION by Mr. Adams, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District, approved Resolution 2022-12, Supplemental Assessment Resolution for Del Webb Phase 1 & 2.

#### **SEVENTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2022-13, Declaring Special Assessments for Weslyn Park**

Mr. Johnson noted that Resolution 2022-13 is intended to begin the assessment process for Weslyn Park (Neighborhoods C & D). He prompted Mr. Plenzler and Ms. Baxter to discuss supporting documents.

Ms. Baxter provided an overview of the Engineer's Report. It covers the Capital Improvement Program and infrastructure costs associated with Weslyn Park, and the phases within, in addition to Marina Landings and the Voyager bridge crossing of the C30 canal. She noted that the unit counts assumed across both neighborhoods was 1,022 for single family units and 118 for future development multi-family units. The total infrastructure cost for the CIP was estimated at \$64,089,431.00.

Mr. Plenzler noted that regarding the Master Methodology, after taking the information from the Engineer's Report, the CIP was grossed up to \$83,190,000.00. He stated that staff believes he assessments to be reasonably and equitably allocated.

Dr. Levey asked if the school is assessed. Mr. Plenzler responded that no, there are 9000 sq ft of civic space designed not to be assessed.

On MOTION by Mr. Paris, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District, approved Resolution 2022-13, Declaring Special Assessments for Weslyn Park.

#### **EIGHTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2022-14, Setting a Public Hearing Date for the Imposition of Special Assessments for Weslyn Park**

Ms. Mullins noted that District staff recommends that the public hearing be set for 11:00 a.m. on August 4, 2022, at Base Camp at Sunbridge.

On MOTION by Mr. Paris, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved Resolution 2022-14, Setting a Public Hearing Date for the Imposition of Special Assessments for Weslyn Park at 11:00 a.m. on August 4, 2022, at Base Camp at Sunbridge, 6197 Cyrils Drive, St. Cloud, FL 34771.

**NINTH ORDER OF BUSINESS****Consideration of Resolution 2022-16,  
Amending Resolution 2022-10 and Re-setting  
the Location of the Fiscal Year 2023 Budget  
Hearing**

Ms. Mullins noted that that Resolution 2022-10 was adopted at the last meeting, and this is to change the location to Base Camp at Sunbridge.

On MOTION by Mr. Paris, seconded by Mr. Adams, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved Resolution 2022-16, Amending Resolution 2022-10 and Re-setting the Location of the Fiscal Year 2023 Budget Hearing.

**TENTH ORDER OF BUSINESS****Staff Reports****District Counsel –**

Mr. Johnson noted that staff will be working with Bond Counsel and Mr. Sealy to close the Del Webb transaction by June 28, 2022, so there should be some documents for the Chair to sign.

**District Manager –**

Ms. Mullins noted that a Board Member is resigning. The Board discussed the procedure of accepting the resignation and filling the vacant spot.

On MOTION, by Mr. Paris, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District approved the Resignation of Brent Schademan from the Board of Supervisors for the Sunbridge Stewardship District effective June 29, 2022.

Ms. Mullins noted that she had received a nomination for Katia Moraes. Mr. Paris nominated Katia Moraes for the Board.

On MOTION by Mr. Paris, seconded by Mr. Adams, with all in favor, the Board of Supervisors for the Sunbridge Stewardship District appointed Katia Moraes to the Board of Supervisors for the Sunbridge Stewardship District effective June 30, 2022.

Ms. Mullins noted that she would administer the Oath of Office to Ms. Moraes before the start of the next Board meeting, on July 7, 2022.

**District Engineer –**

No report.

**ELEVENTH ORDER OF BUSINESS****Supervisor Requests**

There were no supervisor requests.

**TWELFTH ORDER OF BUSINESS****Adjournment**

On MOTION by Mr. Schademan, seconded by Mr. Adams, with all in favor, the June 22, 2022, Meeting of the Board of Supervisors for the Sunbridge Stewardship District was adjourned.

---

**Secretary/Assistant Secretary**

---

**Chairman/Vice Chairman**

# **Sunbridge Stewardship District**

**Resolution 2022-18,  
Election of Officers**

**RESOLUTION 2022-18**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT ELECTING THE OFFICERS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the Sunbridge Stewardship District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 220, Laws of Florida (the "Act") and Chapter 189, Florida Statutes, being situated entirely within Osceola County, Florida; and

**WHEREAS**, pursuant to Section 5(2) of the Act, the Board of Supervisors (the "Board"), shall organize by electing one of its members as chair and by electing a secretary, and such other officers as the Board may deem necessary.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT:**

Section 1. \_\_\_\_\_ is elected Chair.

Section 2. \_\_\_\_\_ is elected Vice Chair.

Section 3. \_\_\_\_\_ is elected Secretary.

\_\_\_\_\_ is elected Assistant Secretary.

Section 4. \_\_\_\_\_ is elected Treasurer.

Section 5 \_\_\_\_\_ is elected as Assistant Treasurer.

Section 6. All Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This Resolution shall become effective immediately upon its adoption.

**PASSED AND ADOPTED this 7th day of July 2022.**

**Attest:**

**SUNBRIDGE STEWARDSHIP DISTRICT**

---

**Secretary/Assistant Secretary**

---

**Chairperson, Board of Supervisors**

# **Sunbridge Stewardship District**

**Acceptance of the Fiscal Year 2021 Audit**



# **Sunbridge Stewardship District**

## **FINANCIAL STATEMENTS**

**September 30, 2021**



## Table of Contents



	Page
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Management's Discussion And Analysis (required supplemental information) .....	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	7
Statement of Activities .....	8
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	11
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	12
Notes to Financial Statements .....	13
Required Supplemental Information (other than MD&A)	
Budget to Actual Comparison Schedule - General Fund .....	21
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	22
Management Letter .....	24
Independent Accountants' Report on Compliance with Section 218.415 Florida Statutes .	27



**Carr, Riggs & Ingram, LLC**  
Certified Public Accountants  
500 Grand Boulevard  
Suite 210  
Miramar Beach, Florida 32550

(850) 837-3141  
(850) 654-4619 (fax)  
[CRIcpa.com](http://CRIcpa.com)

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
Sunbridge Stewardship District  
Osceola, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sunbridge Stewardship District (hereinafter referred to as "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 28, 2022

## **Management's Discussion And Analysis**

## Sunbridge Stewardship District Management's Discussion and Analysis

Our discussion and analysis of the Sunbridge Stewardship District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's financial statements, which begin on page 7.

### **FINANCIAL HIGHLIGHTS**

- At September 30, 2021, the assets of the District exceeded its liabilities by approximately \$6.4 million.
- During the year ended September 30, 2021, infrastructure totaling approximately \$6.7 million was conveyed to the District.

### **USING THE ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 7 – 8 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

#### ***Reporting the District as a Whole***

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

## Sunbridge Stewardship District Management's Discussion and Analysis

### ***Reporting the District's Most Significant Funds***

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 9 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

### **THE DISTRICT AS A WHOLE**

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 1,958,725	\$ 578,361	\$ 1,380,364
Capital assets, net	6,664,004	-	6,664,004
<b>Total assets</b>	<b>\$ 8,622,729</b>	<b>\$ 578,361</b>	<b>\$ 8,044,368</b>
<b>Liabilities</b>			
Current liabilities	\$ 250,911	\$ 226,076	\$ 24,835
Non-current liabilities - due to related party	1,926,135	531,990	1,394,145
<b>Total liabilities</b>	<b>2,177,046</b>	<b>758,066</b>	<b>1,418,980</b>
<b>Deferred Inflows of Resources</b>			
Developer contributions for the next fiscal year	-	5,381	(5,381)
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>5,381</b>	<b>(5,381)</b>
<b>Net position</b>			
Net investment in capital assets	6,664,004	-	6,664,004
Unrestricted	(218,321)	(185,086)	(33,235)
<b>Total net position (deficit)</b>	<b>6,445,683</b>	<b>(185,086)</b>	<b>6,630,769</b>
<b>Total liabilities and net position</b>	<b>\$ 8,622,729</b>	<b>\$ 578,361</b>	<b>\$ 8,044,368</b>

For more detailed information, see the accompanying Statement of Net Position.

## Sunbridge Stewardship District Management's Discussion and Analysis

During fiscal year ended September 30, 2021, total assets and liabilities increased by approximately \$8 million and \$1.4 million, respectively. The increase in assets is primarily due to infrastructure conveyed to the District, while the increase in liabilities is primarily due to the increase in District activity related to the Utility Fund's system development charges in the current year, a large portion of which is due to a related party.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Revenue:</b>			
Program revenue:			
Charges for services	\$ 484,408	\$ 280,140	\$ 204,268
Grants and contributions	21,003	160,162	(139,159)
Capital asset conveyance	6,664,004	-	6,664,004
General revenue:			
Miscellaneous revenue	131	-	131
<b>Total revenue</b>	<b>7,169,546</b>	<b>440,302</b>	<b>6,729,244</b>
<b>Expenses:</b>			
General government	157,283	179,190	(21,907)
Maintenance and operations	381,494	454,294	(72,800)
<b>Total expenses</b>	<b>538,777</b>	<b>633,484</b>	<b>(94,707)</b>
Change in net position	6,630,769	(193,182)	6,823,951
<b>Net position (deficit), beginning of year</b>	<b>(185,086)</b>	<b>8,096</b>	<b>(193,182)</b>
<b>Net position (deficit), end of year</b>	<b>\$ 6,445,683</b>	<b>\$ (185,086)</b>	<b>\$ 6,630,769</b>

For more detailed information, see the accompanying Statement of Activities.

Revenue increased over the prior year by approximately \$6.7 million, while expenses decreased by approximately \$95,000. Revenue increased primarily due to the conveyance of infrastructure from the developer to the District. The decrease in expenses is primarily due to a decrease in engineering fees and utility fund inspection fees. The overall result was a \$6,630,769 increase in net position for fiscal year 2021.

### **THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance deficit of approximately \$229,000, which is a decrease from last year's fund balance deficit that totaled approximately \$185,000.

## Sunbridge Stewardship District Management's Discussion and Analysis

### **GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS**

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the General Fund, including the original budget and final adopted budget, is shown at page 21.

The District experienced a favorable variance in revenue and expenditures of approximately \$20,000 and \$11,000, respectively, as compared to the budget. The variance in expenditures occurred primarily due to anticipated professional service expenditures that were not incurred during the year. The variance in revenue is primarily due to developer contributions received.

### **CAPITAL ASSET ADMINISTRATION**

At September 30, 2021, the District had approximately \$6.7 million invested in capital assets. This amount represents an increase of approximately \$6.7 million from the fiscal year 2020 total. A listing of capital assets for the current and prior year follows:

<i>September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Capital assets being depreciated	\$ 5,615,320	\$ -	\$ 5,615,320
Capital assets not being depreciated	1,048,684	-	1,048,684
<b>Total capital assets</b>	<b>\$ 6,664,004</b>	<b>\$ -</b>	<b>\$ 6,664,004</b>

More information about the District's capital assets are presented in Note 3 to the financial statements.

### **FUTURE FINANCIAL FACTORS**

Sunbridge Stewardship District is an independent special district that operates under the provisions of Chapter 189, Florida Statutes, and Chapter 2017-220, Laws of Florida. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. For fiscal year 2022, the Developer has agreed to fund the operations of the District.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Sunbridge Stewardship District's management company at 3501 Quadrangle Blvd., Suite 270, Orlando, Florida 32817.

## **Basic Financial Statements**

**Sunbridge Stewardship District  
Statement of Net Position**

*September 30,*

**2021**

Governmental  
Activities

**Assets**

Cash and cash equivalents	\$ 1,922,468
Accounts receivable	30,447
Prepaid expenses	5,570
Deposits	240
Capital assets:	
Not being depreciated	1,048,684
Depreciable, net	5,615,320
 Total assets	 8,622,729

**Liabilities**

Accounts payable	52,992
Due to developer	150,000
Other liabilities	47,919
Due to related party	1,926,135
 Total liabilities	 2,177,046

**Net Position**

Net investment in capital assets	6,664,004
Unrestricted	(218,321)
 Total net position	\$ 6,445,683

*The accompanying notes are an integral part of these financial statements.*

**Sunbridge Stewardship District  
Statement of Activities**

*For the year ended September 30,*

**2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>			<u>Capital</u>		<u>Net Position</u>			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Grants and Contributions	Governmental Activities				
<b>Primary government:</b>											
<b>Governmental activities:</b>											
General government	\$ (157,283)	221,604	\$ 5,381	\$ -	\$ 69,702						
Maintenance and operations	(381,494)	262,804	-	15,622	(103,068)						
Conveyance of capital assets	-	-	-	6,664,004	6,664,004						
Total governmental activities	\$ (538,777)	\$ 484,408	\$ 5,381	\$ 6,679,626				6,630,638			
 <b>General revenue</b>											
		Miscellaneous revenue						131			
		Change in net position						6,630,769			
		Net position (deficit) - beginning of year						(185,086)			
		Net position - end of year						\$ 6,445,683			

*The accompanying notes are an integral part of these financial statements.*

**Sunbridge Stewardship District  
Balance Sheet – Governmental Funds**

*September 30,*

**2021**

	General Fund	Utility Fund	Non-major Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 25,008	\$ 1,897,460	\$ -	\$ 1,922,468
Accounts receivable	529	19,001	10,917	30,447
Prepaid expenses	5,570	-	-	5,570
Deposits	240	-	-	240
<b>Total assets</b>	<b>\$ 31,347</b>	<b>\$ 1,916,461</b>	<b>\$ 10,917</b>	<b>\$ 1,958,725</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities				
Accounts payable	\$ 15,940	\$ 26,135	\$ 10,917	\$ 52,992
Due to developer	-	150,000	-	150,000
Other liabilities	-	47,919	-	47,919
Due to related party	-	1,926,135	-	1,926,135
<b>Total liabilities</b>	<b>15,940</b>	<b>2,150,189</b>	<b>10,917</b>	<b>2,177,046</b>
Deferred Inflows of resources				
Unearned revenue	-	-	10,668	10,668
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>10,668</b>	<b>10,668</b>
Fund balances				
Nonspendable	5,810	-	-	5,810
Unassigned	9,597	(233,728)	(10,668)	(234,799)
<b>Total fund balances (deficit)</b>	<b>15,407</b>	<b>(233,728)</b>	<b>(10,668)</b>	<b>(228,989)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,347</b>	<b>\$ 1,916,461</b>	<b>\$ 10,917</b>	<b>\$ 1,958,725</b>

*The accompanying notes are an integral part of these financial statements.*

**Sunbridge Stewardship District**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of**  
**Net Position**

<u>September 30,</u>	<u>2021</u>
Total fund balances, governmental funds	\$ (228,989)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level financial statements.	6,664,004
Revenue in the Statement of Activities that do not provide current financial resources are reported as deferred inflows at the fund level.	<u>10,668</u>
<b>Total net position - governmental activities</b>	<b>\$ 6,445,683</b>

*The accompanying notes are an integral part of these financial statements.*

**Sunbridge Stewardship District**  
**Statement of Revenue, Expenditures and Changes In Fund Balance –**  
**Governmental Funds**

*For the year ended September 30,*

	2021			Total Governmental Funds
	General Fund	Utility Fund	Non-major Fund	
<b>Revenue</b>				
Assessments	\$ 221,604	\$ -	\$ -	\$ 221,604
Developer contributions	5,381	-	4,954	10,335
Charges for services	-	262,804	-	262,804
Miscellaneous revenue	131	-	-	131
<b>Total revenue</b>	<b>227,116</b>	<b>262,804</b>	<b>4,954</b>	<b>494,874</b>
<b>Expenditures</b>				
Current:				
General government	141,661	-	15,622	157,283
Maintenance and operations	54,698	326,796	-	381,494
<b>Total expenditures</b>	<b>196,359</b>	<b>326,796</b>	<b>15,622</b>	<b>538,777</b>
Excess (deficit) of revenue over expenditures	30,757	(63,992)	(10,668)	(43,903)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	300	300
Transfers out	(300)	-	-	(300)
<b>Total other financing sources (uses)</b>	<b>(300)</b>	<b>-</b>	<b>300</b>	<b>-</b>
Net change in fund balances	30,457	(63,992)	(10,368)	(43,903)
Fund balances (deficit), beginning of year	(15,050)	(169,736)	(300)	(185,086)
<b>Fund balances (deficit), end of year</b>	<b>\$ 15,407</b>	<b>\$ (233,728)</b>	<b>\$ (10,668)</b>	<b>\$ (228,989)</b>

*The accompanying notes are an integral part of these financial statements.*

**Sunbridge Stewardship District**  
**Reconciliation of the Statement of Revenue, Expenditures and Changes**  
**In Fund Balance of Governmental Funds to the Statement of Activities**

<i>For the year ended September 30,</i>	<b>2021</b>
Net change in fund balances - governmental funds	\$ (43,903)
The conveyance of capital assets has no impact on the fund level financial statements but is treated as revenue in the government-wide Statement of Activities.	6,664,004
Certain revenue that does not represent current financial resources in the current year were deferred in the fund level financials but were recognized as revenue in the government-wide financial statements.	<u>10,668</u>
Change in net position of governmental activities	<u>\$ 6,630,769</u>

*The accompanying notes are an integral part of these financial statements.*

## **Sunbridge Stewardship District Notes to Financial Statements**

### **NOTE 1: NATURE OF ORGANIZATION**

The Sunbridge Stewardship District (the "District") was established on June 6, 2017 pursuant to Chapter 189, Florida Statutes, by Chapter 2017-220, Laws of Florida. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance, and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors ("Board"), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Certain supervisors are affiliated with Tavistock East Services, LLC (the "Developer"). The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 2017-220, Laws of Florida.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the criteria identified therein, no potential component units were found.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

## Sunbridge Stewardship District Notes to Financial Statements

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Government-wide and Fund Financial Statements***

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2021, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### ***Measurement Focus, Basis of Accounting and Basis of Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Assessments are non ad-valorem special assessments imposed on all lands located within the District and benefited by the District's activities, operation, and maintenance. Assessments are levied and certified for collection by the District prior to the start of the fiscal year, which begins October 1<sup>st</sup> and ends on September 30<sup>th</sup>. Operation and maintenance special assessments are imposed upon all benefited lands located in the District.

## Sunbridge Stewardship District Notes to Financial Statements

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assessments, developer contributions, utility charges and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Utility Fund – The Utility Fund is used to account for the operations that provide water, sewer, and irrigation utilities within the District.

For the year ended September 30, 2021, the District does not report any proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

#### ***Cash, Deposits and Investments***

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others negotiable direct or indirect obligations which are secured by the United States Government; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

## Sunbridge Stewardship District Notes to Financial Statements

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Capital Assets***

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset</b>	<b>Years</b>
Infrastructure	25

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### ***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2021.

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2021, the District's deferred inflows consist of developer contributions not received within sixty days of fiscal year-end.

## Sunbridge Stewardship District Notes to Financial Statements

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Fund Equity***

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents net position restricted by outside entities.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

#### ***Budgets***

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

#### ***Subsequent events***

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 28, 2022. See Note 7 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Sunbridge Stewardship District  
Notes to Financial Statements**

**NOTE 3: CAPITAL ASSETS**

The following is a summary of changes in the capital assets for the year ended September 30, 2021:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated</i>				
Land	\$ -	\$ 1,048,684	\$ -	\$ 1,048,684
Total capital assets not being depreciated	- 1,048,684			- 1,048,684
<i>Capital assets being depreciated</i>				
Infrastructure	- 5,615,320			- 5,615,320
Total capital assets being depreciated	- 5,615,320			- 5,615,320
Governmental activities capital assets	\$ - \$ 6,664,004			- \$ 6,664,004

During the fiscal year ended September 30, 2021, the Developer conveyed Cyrls Drive Phases 1 and 2 and the related infrastructure totaling approximately \$6.6 million to the District. The Developer conveyed this infrastructure on September 30 of the current fiscal year, and accordingly, the District has not reported depreciation expense as of September 30, 2021.

**NOTE 4: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

**NOTE 5: MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

## Sunbridge Stewardship District Notes to Financial Statements

### **NOTE 6: RELATED PARTY TRANSACTIONS**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Tavistock East Services, LLC, the loss of which could have a material adverse effect on the District's operations.

During the current year, the Developer contributed \$169,589 to the District, of which \$10,335 is reported as Developer contributions and \$148,586 are reported as operations and maintenance off-roll assessments on the Statement of Activities and Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.

At September 30, 2021, the District was owed a receivable of \$10,917 from the Developer, which is included in the total accounts receivable balance on the Statement of Net Position and the Balance Sheet – Governmental Fund; and the District owed \$150,000 to the Developer, which is recorded as Due to developer on the Statement of Net Position and Balance Sheet – Governmental Funds. In addition, the Developer contributed \$10,668 to the General Fund for current year expenses for which funding was not received within sixty days of fiscal year-end, which is recorded as deferred inflows of resources on the Statement of Net Position and Balance Sheet – Governmental Funds.

In October 2019, the District and Tavistock East II, LLC (TE II), a subsidiary of the Developer, entered into a Wholesale Water, Wastewater and Reclaimed Water Service Agreement (the "Wholesale Agreement"). In accordance with the agreement, TE II was authorized to construct Utility Facilities based on the condition that TE II shall convey the Utility Facilities to the District. The District subsequently will convey the Utility Facilities to the Tohopekaliga Water Authority ("TWA") in return for "system development charge credits", which are credits against future payments of connection charges which TWA otherwise would collect from the District prior to providing services. During the year ended September 30, 2021, the Developer conveyed completed infrastructure to the District totaling approximately \$6.7 million.

During the fiscal year ended September 30, 2021, the District collected system development charges as a part of initial installation fees, which will be used to compensate TE II for costs of development and construction of the Utility Facilities. Such fees totaled approximately \$1.4 million in the fiscal year ended September 30, 2021. A total liability of \$1,926,135 is included in Due to related party on the Statement of Net Position and the Balance Sheet – Governmental Funds.

In October 2019, the District and TE II entered into a Utility Services Agreement ("USA"). In accordance with this agreement, TE II will provide management, operations, maintenance, customer service and billing services required to operate the District's water and wastewater system. The annual base fee for such services is approximately \$175,000. These fees are included in the total maintenance and operations expenditures on the Statement of Activities and the Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds. Upon expiration of the initial term of the agreement, this agreement shall automatically be renewed for an additional ten year term.

**Sunbridge Stewardship District  
Notes to Financial Statements**

**NOTE 7: SUBSEQUENT EVENTS**

The District is currently in the process of negotiating the accelerated sale of the retail water, wastewater, and reclaimed water systems to TOHO Water Authority. Under this agreement, all user customers will become TOHO customers subject to their rates, fees, and policies. The transition period following execution of a formal agreement is expected to be four to six months and is estimated to be completed during 2022.

**Required Supplemental Information  
(Other Than MD&A)**

**Sunbridge Stewardship District**  
**Budget to Actual Comparison Schedule – General Fund**

*For the year ended September 30,*

	<b>2021</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenue</b>				
Assessments	\$ 206,875	\$ 206,875	\$ 221,604	\$ 14,729
Developer contributions	-	-	5,381	5,381
Miscellaneous revenue	-	-	131	131
<b>Total revenue</b>	<b>206,875</b>	<b>206,875</b>	<b>227,116</b>	<b>20,241</b>
<b>Expenditures</b>				
General government	147,200	153,450	141,661	11,789
Maintenance and operations	59,675	53,425	54,698	(1,273)
<b>Total expenditures</b>	<b>206,875</b>	<b>206,875</b>	<b>196,359</b>	<b>10,516</b>
<b>Excess of revenue over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,757</b>	<b>\$ 30,757</b>

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

To the Board of Supervisors  
Sunbridge Stewardship District  
Osceola, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sunbridge Stewardship District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 28, 2022



**Carr, Riggs & Ingram, LLC**  
Certified Public Accountants  
500 Grand Boulevard  
Suite 210  
Miramar Beach, Florida 32550

## **MANAGEMENT LETTER**

(850) 837-3141  
(850) 654-4619 (fax)  
[CRlcpa.com](http://CRlcpa.com)

To the Board of Supervisors  
Sunbridge Stewardship District  
Osceola, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Sunbridge Stewardship District ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 28, 2022.

### **Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated June 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Sunbridge Stewardship District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 1.
- c. All compensation earned by or awarded to employees whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$176,521.
- e. The District does not have any construction projects with a total cost of at least \$65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$30,757.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Sunbridge Stewardship District reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the district as ranging from \$39 to \$33,349 per lot.

- b. The total amount of special assessments collected by or on behalf of the district as \$221,604.
- c. The total amount of outstanding bonds issued by the district as \$0.

#### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

#### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June 28, 2022



**Carr, Riggs & Ingram, LLC**  
Certified Public Accountants  
500 Grand Boulevard  
Suite 210  
Miramar Beach, Florida 32550

(850) 837-3141  
(850) 654-4619 (fax)  
[CRIcpa.com](http://CRIcpa.com)

## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors  
Sunbridge Stewardship District  
Osceola, Florida

We have examined Sunbridge Stewardship District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and performed the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June 28, 2022

# **Sunbridge Stewardship District**

**Right of Utilization Interlocal Agreement  
for Specialty Street Signs**  
*(provided under separate cover)*

# **Sunbridge Stewardship District**

**Addition of Excess Liability**  
*(provided under separate cover)*

# **Sunbridge Stewardship District**

**Resolution 2022-17,  
Directing and Authorizing the Sale to the Toho Water  
Authority of the Real and Personal Property Owned or  
Utilized by the District to Provide Water & Wastewater**

**RESOLUTION 2022-17**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT DIRECTING AND AUTHORIZING THE SALE TO THE TOHOPEKALIGA WATER AUTHORITY OF THE REAL AND PERSONAL PROPERTY OWNED OR UTILIZED BY THE DISTRICT TO PROVIDE WATER AND WASTEWATER SERVICES IN OSCEOLA COUNTY, FLORIDA, WITHIN THE SUNBRIDGE COMMUNITY; PROVIDING FOR FINDINGS OF PUBLIC PURPOSE AND NECESSITY; PROVIDING THAT THE SALE IS IN THE PUBLIC INTEREST IN CONFORMANCE WITH SECTION 189.054, FLORIDA STATUTES; PROVIDING AUTHORITY TO COMPLETE THE SALE; AND ADDRESSING CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Sunbridge Stewardship District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 2017-220, Laws of Florida, being situated entirely within Osceola County, Florida (“Act”); and

**WHEREAS**, the Act authorizes the District to construct, acquire, operate, maintain and sell public infrastructure improvements; and

**WHEREAS**, the District has adopted an improvement plan for the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities and services within and without the boundaries of the District, which plan is detailed in the *Engineer’s Report for Capital Improvements*, dated January 15, 2019 (the “Capital Improvement Plan”); and

**WHEREAS**, Tavistock East II, LLC (the “Utility”) has constructed a water and wastewater system within Osceola County (the “Utility Facilities”) and is in the process of constructing additional utility facilities for future conveyance to the District (“Future Utility Facilities”); and

**WHEREAS**, pursuant to the Wholesale Water, Wastewater and Reclaimed Water Services Agreement, including amendments thereto (the “Wholesale Agreement”) and the Water, Wastewater, Reclaimed Water and Non-Potable Water Franchise (the “Franchise Agreement”) executed between the District and Utility, the Utility has assigned certain rights to the District and acknowledged the District’s right to acquire from Utility the Utility Facilities and Future Utility Facilities, and the District so acquired the Utility Facilities on or about February 4, 2020; and

**WHEREAS**, the District has been approached by Utility and the Tohopekaliga Water Authority (“TOHO”) concerning the potential benefits and economies which would be available to residents and businesses within the Sunbridge Community if the Wholesale Agreement and the Franchise Agreement were terminated in favor of a sale of the District’s current Utility Facilities to TOHO, including the relinquishing of the District’s rights to acquire certain newly constructed Future Utility Facilities from TEII in favor of the conveyance directly by TEII to TOHO of such Future Utility Facilities; and

**WHEREAS**, the District and TOHO desire to enter into the Utility System Acquisition Agreement (the "Acquisition Agreement"), Addendum No. 2 to the Wholesale Water, Wastewater and Reclaimed Water Services Agreement ("Addendum 2"), and to provide for the termination of the Franchise by agreement with Utility through the execution of a Termination of Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Franchise Agreement (the "Franchise Termination Agreement"), which agreements (collectively, the "Utility Agreements") are attached hereto as **Exhibit A**; and

**WHEREAS**, pursuant to section 189.054, the District held a public hearing and in conformance with section 125.3401, Florida Statutes, considered the report from District staff addressing the following criteria mandated for consideration by the Board with respect to the sale of the Utility Facilities (the "Staff Report"):

- A. The most recently available income and expense statement of the Utility Facilities;
- B. The most recently available balance sheet for the Utility Facilities listing the assets and liabilities and showing the amount of contributions-in-aid-of construction and the accumulated depreciation thereon;
- C. A statement of the existing rate base of the Utility Facilities for regulatory purposes;
- D. The physical condition of the Utility Facilities;
- E. The reasonableness of the consideration to be provided to the District by TOHO and the terms of the Acquisition Agreement;
- F. The impacts of the contemplated acquisition on utility customers served by the Utility Facilities, both positive and negative;
- G. Any additional investment required and the ability and willingness of TOHO to make that investment;
- H. The alternatives to the contemplated sale and the potential impact on utility customers if the Utility Facilities are not sold;
- I. The ability of TOHO to provide and maintain high quality and cost-effective utility service; and
- J. A statement prepared by staff of the District showing that: (1) the sale of the Utility Facilities is in the public interest; and (2) TOHO has the financial ability to provide, now and in the future, high quality and cost-effective utility services in the Sunbridge Community.

**WHEREAS**, the Staff Report, attached hereto as **Exhibit B**, based upon an analysis of the required criteria, concludes with a recommendation that the Board find to be in the public interest (1) the sale of the Utility Facilities by the District to TOHO pursuant to the terms of the Acquisition Agreement, (2) the relinquishment to TOHO, by execution of Addendum 2, of rights currently possessed by the District pursuant to the Wholesale Agreement to receive conveyances from Utility of Future Utility Facilities, and (3) the termination of the Franchise upon closing of the sales to TOHO of the Utility Facilities by the District and the Future Utility Facilities by Utility; and

**WHEREAS**, the Board of Supervisors of the District (the "Board") finds the following actions to be in the public interest: (1) the sale of the Utility Facilities to TOHO pursuant to the terms of the Acquisition Agreement, (2) relinquishment of rights pertaining to Future Utility Facilities to TOHO pursuant to the terms of Addendum 2, and (3) the termination of the Franchise pursuant to the terms of the Termination of Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Franchise Agreement; thus allowing for the operation of the Utility Facilities and Future Utility Facilities hereafter by TOHO, and that the culmination of these actions constitute a public purpose and is in the best interests of the health, safety and welfare of the District, its landowners and residents; and

**WHEREAS**, the District desires to authorize the Chairperson, in connection with the recommendation of District Staff, to negotiate, finalize, and execute the Utility Agreements on the District's behalf.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT:**

**SECTION 1. FINDINGS.** The recitals as stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.

**SECTION 2. ACCEPTANCE OF STAFF REPORT.** The Staff Report attached hereto as **Exhibit B** is hereby accepted and made a part of the record of these proceedings.

**SECTION 3. APPROVAL OF UTILITY AGREEMENTS.** The Utility Agreements, attached hereto as **Exhibit A**, are hereby approved in substantial form, subject to any further revisions that may be made by the District's Chairperson, in consultation with District Staff.

**SECTION 4. EXECUTION OF UTILITY AGREEMENTS.** The Chairperson is authorized to execute the Acquisition Agreement, Addendum 2 and the Franchise Termination Agreement at the times to be determined by the Chairperson, in consultation with District Staff.

**SECTION 5. ADDITIONAL AUTHORIZATION.** The Board hereby authorizes the Chairperson, in consultation with District Staff, to make further revisions to the Utility Agreements and complete the sale of the Utility Facilities. The Vice Chair shall be authorized to undertake any action herein authorized to be taken by the Chairperson, in the absence or unavailability of the Chairperson, and any Assistant Secretary shall be authorized to undertake any action herein authorized to be taken by the Secretary, in the absence or unavailability of the Secretary.

**SECTION 6. CONFLICTS.** If any provision of this Resolution is held to be in conflict with another resolution of the District, the resolutions shall be read to be in harmony to the extent possible and, otherwise, the terms of this Resolution shall control with respect to the subject matters addressed herein.

**SECTION 7. SEVERABILITY.** If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

**SECTION 8. EFFECTIVE DATE.** This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

**PASSED AND ADOPTED** this 7th day of July, 2022.

WITNESS:

**SUNBRIDGE STEWARDSHIP  
DISTRICT**

---

Secretary/Assistant Secretary

---

Chairperson/Vice Chairperson

**Exhibit A:** Utility Agreements

**Exhibit B:** Staff Report

**Exhibit A:**  
Utility Agreements

**ADDENDUM NO. 2**

**TO**

**WHOLESALE WATER, WASTEWATER AND RECLAIMED WATER SERVICES**

**AGREEMENT**

**THIS ADDENDUM NO. 2 TO WHOLESALE WATER, WASTEWATER AND RECLAIMED WATER SERVICES AGREEMENT** (“ADDENDUM 2”) is made and entered into as of the date last executed by and among **Tavistock East II, LLC**, a Florida limited liability company (“**TEII**”), whose principal address is 6900 Tavistock Lakes Blvd., Suite 200, Orlando, Florida 32827, **Tavistock East Holdings, LLC**, a Florida limited liability company (“**TEH**”), whose principal address is 6900 Tavistock Lakes Blvd., Suite 200, Orlando, Florida 32827, **Sunbridge Stewardship District**, an independent special district (“Sunbridge”) whose principal address is 12051 Corporate Boulevard, Orlando, Florida 32817 and **Tohopekaliga Water Authority** (“**TWA**”), an independent special district created pursuant to Chapter 189, Laws of Florida, whose principal address is 951 Martin Luther King Blvd., Kissimmee, Florida 34741. For the purposes of this ADDENDUM 2, TEII, TES, Sunbridge and TWA individually may be referred to as a “Party,” and collectively they may be referred to as the “Parties.”

**RECITALS**

WHEREAS, the Parties have previously entered into an agreement entitled the “Wholesale Water, Wastewater and Reclaimed Water Services Agreement” dated October 31, 2017 (the “Wholesale Agreement”, including subsequent amendment); and

WHEREAS, TES, TEII, and Sunbridge, together with East Central Florida Services, Inc. (“ECFS”), entered an Assignment and Assumption of Wholesale Water, Wastewater and Reclaimed Water Services Agreement dated October 21, 2019, by which, in part, TES and ECFS assigned all or some of their respective rights and obligations under the Wholesale Agreement to Sunbridge and TEII; and

WHEREAS, the Parties amended the Wholesale Agreement on January 22, 2020, to clarify the terms of water, wastewater, and reclaimed water services to be provided by TWA; and

WHEREAS, the Wholesale Agreement provides for TEII to convey to the District certain utility facilities when ~~they~~facilities are constructed by TEII and are ready to be placed into service. By this amendment, the Parties ~~hereby~~ agree that TEII shall not convey to the District the water treatment plant or wastewater treatment plant (including associated components and the land upon which such plants are located) nor any utility facilities which have not been completed and placed into service as of the date hereof, but rather may convey all or part of such facilities upon being placed into service directly to TWA, on the sole condition that TWA and TEII enter an acquisition agreement with mutually acceptable terms providing for such conveyance; and

WHEREAS, it is the intention of the Parties that any terms of the Wholesale Agreement in conflict with this ADDENDUM 2 shall be deemed amended hereby; and

WHEREAS, Sunbridge and TEII have entered a Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Utility Franchise ("Franchise") pursuant to which TEII is obligated to construct and convey to the District wholesale and retail utility facilities; and

WHEREAS, Sunbridge, TEII and TWA ~~are in agreement~~agree that the Franchise should be terminated upon completion of the conveyances of utility facilities by Sunbridge and TEII to TWA pursuant to the terms of certain acquisition agreements to be agreed upon by TEII and TWA, and Sunbridge and TWA, respectively, which agreements are currently being negotiated; and

WHEREAS, TWA and Sunbridge find the expenditure of funds in the achievement of the objectives of the Wholesale Agreement, as amended by this ADDENDUM 2, to be in the public interest.

**ACCORDINGLY**, for and in consideration of the Recitals which form a material part of this ADDENDUM 2, the mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration the receipt and sufficiency of which are acknowledged by the Parties, the Parties hereby covenant and agree as follows:

**SECTION 1. RECITALS INCORPORATED.**

All of the recitals set forth above are true and correct, and are incorporated in and made a part of this ADDENDUM 2 by this reference.

**SECTION 2. AMENDMENT TO SECTION 26.**

Section 26 of the Wholesale Agreement is amended to add the following new Sections 26(a) and 26(b):

Section 26(a). Notwithstanding any terms found elsewhere to the contrary in this Agreement, the First Amendment to this Agreement, the Assignment of this Agreement, the Franchise, or the Utility Services Agreement, the Water Treatment Plant and Wastewater Treatment Plant, upon completion and when they are ready to be placed into service shall not be conveyed by TEII to Sunbridge but shall be retained by TE II until a TEII/TWA Acquisition Agreement has been executed and the WTP and WWTP, together with associated facilities necessary for the provision of water and wastewater services, can be conveyed by TEII directly to TWA pursuant to the terms of such Acquisition Agreement.

Section 26(b). Notwithstanding any terms found elsewhere in this Agreement to the contrary, the Parties acknowledge and agree that TEII and/or TES shall hereafter cooperate with Sunbridge in the coordination of necessary water, wastewater and reclaimed water infrastructure, particularly main lines for transmission of water and collection of wastewater and associated facilities (collectively, the "Distribution/Collection Facilities") to serve future developments within Sunbridge's political boundaries. TEII and/or TES shall design, plan and fund construction of such

facilities, subject to TWA's rights of review, approval and inspection as provided for herein and in an acquisition agreement among TEII, TES and TWA, and TEII and/or TES shall convey such Distribution/Collection Facilities to Sunbridge within thirty (30) days of receipt of approval from the Florida Department of Environmental Protection to place such facilities into service. Sunbridge shall reimburse TEII and/or TES for capital expenditures incurred to construct the Distribution/Collection Facilities, through the issuance of appropriate financial instruments evidencing the Sunbridge indebtedness and funded by Sunbridge through assessments to be levied by Sunbridge according to standard practice in the industry. Further, according to standard practice in the industry, Sunbridge shall then convey such Distribution/Collection Facilities to TWA within five (5) days after accepting ownership of such facilities from TEII and/or TES.

**SECTION 3. AMENDMENT TO SECTION 31.** Section 31 of the Wholesale Agreement is amended to add the following new Section 31(a):

Section 31(a). Notwithstanding any terms found elsewhere in this Agreement to the contrary, the Parties acknowledge and agree that this Agreement shall terminate upon the conveyance to TWA by Sunbridge and TEII or TEII affiliates of all water and wastewater facilities identified in the respective acquisition agreements to be entered between such Parties. Termination of this Agreement shall be acknowledged by a certificate of termination establishing the effective date of termination signed by all the Parties to this Agreement.

**SECTION 4. AMENDMENT TO SECTION 34.** Section 34 of the Wholesale Agreement is amended to add the following new Section 34(F).

Section 34(F). The Parties acknowledge and agree that Sunbridge issued a Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Franchise Agreement to TEII which, among other things, provides for the conveyance of TWA's

Facilities and USER's Facilities in a manner inconsistent with the ADDENDUM 2. The Parties agree that the Franchise shall be terminated pursuant to the terms of a Termination of Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Franchise Agreement, which shall provide for such termination upon the closing of the conveyances by Sunbridge and TEII to TWA of the water, wastewater and reclaimed/irrigation water facilities identified in the respective acquisition agreements between the parties, as discussed in this ADDENDUM 2. The parties to the Franchise shall execute a certificate of termination acknowledging the effective date of termination of the Franchise. A original of the certificate of termination shall be provided to TWA.

**SECTION 6. WHOLESALE AGREEMENT IN FULL FORCE.** Except as expressly modified in this ADDENDUM 2, the remaining terms of the Wholesale Agreement remain unchanged and in full force and effect until the Wholesale Agreement is terminated pursuant to Section 3 hereof.

**SECTION 6. SEVERABILITY.** If any provision of this ADDENDUM 2 or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this ADDENDUM 2 that can be given effect without the invalid provisions or applications and to this end the provisions of this ADDENDUM 2 are declared to be severable.

[SIGNATURES ON FOLLOWING PAGES;  
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Parties hereto have caused these presents to be executed as of the dates indicated below.

WITNESSES:

**TAVISTOCK EAST II, LLC,**  
a Florida limited liability company

---

Print Name: \_\_\_\_\_

---

Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: President

Date: \_\_\_\_\_

**STATE OF FLORIDA**  
**COUNTY OF** \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_, as President of **TAVISTOCK EAST II, LLC**, a Florida limited liability company, who [ ] is personally known to me or [ ] has produced \_\_\_\_\_ as identification, on behalf of said Florida limited liability company.

(NOTARY SEAL)

---

Notary Public Signature

(Name typed, printed or stamped)  
Notary Public, State of \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

WITNESSES:

**TAVISTOCK EAST HOLDINGS, LLC,**  
a Florida limited liability company

---

Print Name: \_\_\_\_\_

---

Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: President

Date: \_\_\_\_\_

**STATE OF FLORIDA**

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_, as \_\_\_\_\_ of **TAVISTOCK EAST HOLDINGS, LLC**, a Florida limited liability company, who [ ] is personally known to me or [ ] has produced \_\_\_\_\_ as identification, on behalf of said Florida limited liability company.

(NOTARY SEAL)

---

Notary Public Signature

---

(Name typed, printed or stamped)

Notary Public, State of \_\_\_\_\_

Commission No.: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

ATTEST:

**TOHOWAPEKALIGA** WATER  
AUTHORITY,  
an independent special district  
established and created pursuant to  
Chapter 189, Florida Statutes, by special  
act of the Florida Legislature

William Land, Secretary  
Board of Supervisors

By: \_\_\_\_\_  
Clarence L. ThackerHector Lizasuain,  
Chairman  
Board of Supervisors

Date: \_\_\_\_\_  
(SEAL)

**STATE OF FLORIDA  
COUNTY OF OSCEOLA**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Clarence L. ThackerHector Lizasuain, as Chairman of **TOHOWAPEKALIGA WATER AUTHORITY**, an independent special district established and created pursuant to Chapter 189, Florida Statutes, by special act of the Florida Legislature, who [ ] is personally known to me or [ ] has produced \_\_\_\_\_ as identification, on behalf of said Florida limited liability company.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
(Name typed, printed or stamped)  
Notary Public, State of \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Board of Supervisors  
, Secretary

**SUNBRIDGE STEWARDSHIP DISTRICT,  
an independent special district  
established and created pursuant to  
Chapter 189, Florida Statutes, by special  
act of the Florida Legislature**

By: \_\_\_\_\_  
Board of Supervisors  
, Chairman

Date: \_\_\_\_\_  
(SEAL)

**STATE OF FLORIDA  
COUNTY OF OSCEOLA**

The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
\_\_\_\_\_, 2022, by \_\_\_\_\_, as Chairman of the Sunbridge  
Stewardship District, an independent special district established and created pursuant to  
Chapter 189, Florida Statutes, by special act of the Florida Legislature, who [ ] is  
personally known to me or [ ] has produced \_\_\_\_\_ as  
identification, on behalf of said Florida limited liability company.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
(Name typed, printed or stamped)  
Notary Public, State of \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**Prepared By Or Under The Direction Of,**

**And Return to:**

Anthony Cotter, General Counsel  
Tohopekaliga Water Authority  
951 Martin Luther King Boulevard  
Kissimmee, Florida 34741

## **TRANSFER, ASSIGNMENT AND ASSUMPTION AGREEMENT**

**THIS TRANSFER, ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Assignment”), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Sunbridge Stewardship District, an independent special district created by special law, Chapter 2017-220, Laws of Florida (“Assignor”) and Tohopekaliga Water Authority, an independent special district established and created pursuant to Chapter 189, Florida Statutes, by Special Act of the Florida Legislature (“Assignee”).

### **WITNESSETH:**

**WHEREAS**, Assignor and Assignee have, as of this date, entered a Utility System Acquisition Agreement (the “Acquisition Agreement”), pursuant to which Assignor have agreed to convey to Assignee certain water and wastewater facilities described in the Acquisition Agreement, located in Osceola County, as more particularly set forth therein; and

**WHEREAS**, the water and wastewater facilities and rights attendant thereto owned by Assignor and intended to be conveyed to Assignee include the following:

- a. Easements and intangible rights of Assignor under all agreements including those certain agreements listed in **Appendix A**, hereto;
- b. rights and obligations of Assignor under existing third-party warranties which are listed in **Appendix B**, hereto;
- c. rights and obligations under active permits, permit applications or other documents, collectively referred to in the Acquisition Agreement as “Permits” which are listed in **Appendix C**, hereto; and
- d. rights and obligations of Assignor under all operating and vendor contracts which are listed in **Appendix D**, hereto; and
- e. rights and obligations of Assignor under all other agreements, including agreements with developers, which are listed in **Appendix E**.

**WHEREAS**, Assignor and Assignee wish to provide for the assignment by Assignor to Assignee of the rights and duties identified in **Appendices A, B, C, D and E**, hereto.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, representations and agreements contained herein, together with \$10.00, and other good and valuable consideration exchanged between the parties, the parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows:

1. The foregoing recitals are true and correct and are incorporated herein. On and after the Effective Date of this Assignment, Assignee will assume, in accordance with the terms of the Acquisition Agreement and this Assignment, the obligation and responsibility to provide water and wastewater service as a governmentally owned and controlled service provider within the areas identified in the Acquisition Agreement.

2. Assignor hereby transfers, assigns and conveys to Assignee all of its rights, remedies, powers, title or interest in the utility facilities identified in the Acquisition Agreement; and all of Assignor's rights, privileges, easements, licenses, prescriptive rights, rights of way, rights to use of public and private roads, highways, streets, railroads, or other areas owned or used by Assignor in connection with the construction, reconstruction, installation, expansion, maintenance and operation of the utility facilities, as listed in **Appendices A, B, C, D and E**, hereto and as otherwise described in the Acquisition Agreement.

3. Assignor hereby transfers, assigns and conveys to Assignee all current customer records and supplier lists, as-built surveys, record drawings, water and wastewater plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records and all other information controlled by or in possession of the District that relates to the description and operation of the District Retail Utility Facilities; and all other claims or causes of action arising out of the District's ownership and operation of the District Retail Utility Facilities, reserving to the District the right to subsequently prosecute any claims against parties that relate to damages or expenses sustained by the District that are independent of damages or expenses sustained by TOHO.

4.. Assignor hereby conveys and assigns unto Assignee all right, title and interest of Assignor in the contracts, agreements, permits and other agreements, together with all related recorded or unrecorded rights, privileges, agreements, development credits, if any, and any other rights in connection with the construction, reconstruction, expansion, and development of the water and wastewater facilities identified in the Acquisition Agreement.

5.. Assignee hereby accepts the transfer and assignment of the rights, remedies, powers, title and interests as set forth in this assignment agreement and as listed in **Appendices A, B, C, D and E, hereto, and section 3 hereof**, and assumes the performance, obligations, and duties under all contracts, agreements, permits and other agreements ~~as of the date hereof on the~~ FTLDOCS 6897156 5

| date established in accordance with the Acquisition Agreement (the “Effective Date”)). Assignor shall have no liability or obligation with respect to the contracts, agreements, permits and other agreements listed in **Appendices A, B, C, D and E, or with respect to records and relationships identified in section 3** after the date Effective Date hereof, other than that attributable to the period prior to the date of this Assignment.

6. Assignor covenants and agrees to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, any and all such further acts, instruments, papers and documents, as may be reasonably necessary, proper or convenient to carry out and effectuate the intent and purposes of this Assignment.

7.. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

8.. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of Florida applicable to contracts made and to be performed within such state. Nothing herein shall be construed to waive any defense of sovereign immunity that Assignor or Assignee may be lawfully entitled to assert under applicable Florida law.

9. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

10. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Assignment.

11. In the event of any conflict or inconsistency between the Acquisition Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Acquisition Agreement shall supersede and prevail.

**(SIGNATURE PAGES FOLLOW)**

**IN WITNESS WHEREOF**, Assignor and Assignee have caused this Assignment to be duly executed and entered into on the date first above written.

**ASSIGNOR:**

**WITNESS:**

**Sunbridge Stewardship District, an independent special district**

Print Name: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
, Chair

Print Name: \_\_\_\_\_

**ASSIGNEE:**  
**Tohopekaliga Water Authority, an independent special distict**

By: \_\_\_\_\_  
\_\_\_\_\_  
, Chair

STATE OF FLORIDA  
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by , as President of Tavistock East II, LLC, a Florida limited liability company, on behalf of the company, who \_\_\_\_\_ is personally known to me or \_\_\_\_\_ produced \_\_\_\_\_ as identification and who acknowledged to and before me that he executed the same freely and voluntarily for the purposes therein expressed.

My Commission Expires:

---

Notary Public

STATE OF FLORIDA  
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by , as Chairman of the Board of Supervisors of the Tohopekaliga Water Authority, a political subdivision of the State of Florida corporation, on behalf of the District, who \_\_\_\_\_ is personally known to me or \_\_\_\_\_ produced \_\_\_\_\_ as identification and who acknowledged to and before me that he executed the same freely and voluntarily for the purposes therein expressed.

My Commission Expires:

---

Notary Public

**TERMINATION OF WATER, WASTEWATER, RECLAIMED WATER AND NON-POTABLE IRRIGATION WATER  
FRANCHISE AGREEMENT**

BY THIS AGREEMENT, the Board of Supervisors of Sunbridge Stewardship District ("District") and Tavistock East II, LLC, its successors and assigns (referred to hereafter as "Utility"), agree as follows:

WHEREAS, District granted Utility an exclusive franchise to erect and maintain a water supply, treatment and distribution system to supply potable water; a wastewater system to collect, treat and dispose of domestic wastewater; a reclaimed water distribution system; and a non-potable water irrigation system, for and on behalf of the public within the District's lawful boundaries lying in Osceola County, Florida (the "Franchise"); and

WHEREAS, Utility accepted the Franchise and District ratified the Franchise after such acceptance by Utility; and

WHEREAS, District and Utility have been negotiating with the Tohopekaliga Water Authority ("TWA") regarding the sale to TWA of both the District's utility rights and assets and Utility's rights and assets under this Franchise; and

WHEREAS, the District and Utility are prepared to sell their respective rights and assets to TWA pursuant to the terms of acquisition agreements negotiated by each party with TWA; and

WHEREAS, the respective acquisition agreements with TWA provide for the conveyance by Utility directly to TWA of Utility assets constructed by Utility hereafter, in contravention of the terms of the Franchise and the existing Utility Services Agreement between Utility and the District which otherwise obligate Utility to convey such assets to the District; and

WHEREAS, the District and Utility acknowledge and agree hereby that the terms of TWA purchase reflected in each of their respective acquisition agreements with TWA shall serve the public interest and the District and Utility hereby commit to each other to take such reasonable steps as shall facilitate the TWA purchases contemplated thereby.

NOW, THEREFORE, the District hereby finds and determines as follows:

1. That, having held a public hearing required by Florida law to consider the sale of District assets and rights to TWA, the District has found that it is in the public interest that the Franchise be terminated upon the completion of the sale to TWA of the respective rights and assets of the District and Utility to own and operate their respective utility systems in the District.
2. That termination of the Franchise is hereby conditioned upon the completion of such sales by both the District and Utility to, and purchase by, TWA of the rights, assets and obligations of the District and Utility.
3. That District staff and experts shall cooperate and coordinate all actions and documents necessary to facilitate the smooth transition of District and Utility assets, rights and operations to TWA.
4. That immediately upon completion of the conveyance of the assets, rights and operations of the District and Utility, whichever conveyance occurs last, this Franchise shall be terminated and

thereafter all rights, obligations and interests for the provision of water, wastewater, reclaimed water and irrigation water services within the District shall rest in TWA.

IN WITNESS WHEREOF, the DISTRICT and Utility have executed this Termination of Franchise.

Sunbridge Stewardship District

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

Tavistock East II, LLC

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

**UTILITY SYSTEM ACQUISITION AGREEMENT**

**BY AND BETWEEN**

**THE SUNBRIDGE STEWARDSHIP DISTRICT**

**AND**

**THE TOHOPEKALIGA WATER AUTHORITY**

## **TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b>DEFINITIONS AND CONSTRUCTION</b>
SECTION 1.01.	DEFINITIONS
SECTION 1.02	CONSTRUCTION AND INTERPRETATION
SECTION 1.03	SECTION HEADINGS
<b>ARTICLE II</b>	<b>REPRESENTATIONS</b>
SECTION 2.01	REPRESENTATIONS OF TOHO
SECTION 2.02	REPRESENTATIONS OF DISTRICT
<b>ARTICLE III</b>	<b>CONVEYANCE OF THE UTILITY FACILITIES</b>
SECTION 3.01	AGREEMENT TO ACQUIRE
SECTION 3.02	TRANSFER, ASSIGNMENT AND ASSUMPTION
SECTION 3.03	STATUS OF TITLE
SECTION 3.04	CLOSING DATE
SECTION 3.05	REGULATORY COMPLIANCE
SECTION 3.06	TRANSFER OF PERMITS
SECTION 3.07	RISK OF LOSS
SECTION 3.08	FURTHER ASSURANCES
<b>ARTICLE IV</b>	<b>GENERAL PROVISIONS</b>
SECTION 4.01	TERM OF AGREEMENT
SECTION 4.02	AMENDMENTS AND WAIVERS
SECTION 4.03	NOTICES
SECTION 4.04	SEVERABILITY
SECTION 4.05	EXECUTION IN COUNTERPARTS
SECTION 4.06	APPLICABLE LAW AND VENUE
SECTION 4.07	THIRD PARTIES
SECTION 4.08	ENTIRE AGREEMENT
SECTION 4.09	SURVIVING TERMS

- APPENDIX "A" – REAL PROPERTY, EASEMENTS AND INTANGIBLE RIGHTS
- APPENDIX "B" – WARRANTIES
- APPENDIX "C" – PERMITS
- APPENDIX "D" – OPERATING AND VENDOR CONTRACTS
- APPENDIX "E" – OTHER AGREEMENTS
- APPENDIX "F" – INSURANCE POLICIES

## ACQUISITION AGREEMENT

This Acquisition Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the Sunbridge Stewardship District (“District”), an independent special district created by special law, Chapter 2017-220, Laws of Florida (the “Sunbridge Law”), and the Tohopekaliga Water Authority (“TOHO”), an independent special district established and created pursuant to Chapter 189, Florida Statutes, by Special Act of the Florida Legislature. The District and TOHO may be referred to hereafter as the “Parties” or individually as a “Party.”

**WHEREAS**, pursuant to the Sunbridge Law and Chapter 189, Florida Statutes, the Board of Supervisors of the District (“District Board”) has all the powers to carry out the purposes of the District including the authority to purchase, own, operate and sell water, wastewater and reclaimed water facilities and systems, including those water and wastewater facilities currently owned by the District (the “District Retail Utility Facilities”); and

**WHEREAS**, in order to obtain sufficient land necessary to build, operate, and manage required water, wastewater and reclaimed water supply, treatment and disposal facilities, including raw water supply, to serve expected development within the District’s boundaries, the District has entered certain agreements described later in this Agreement through which the principal owner of the land within the District is willing to convey to the District title and access to property, and certain rights related thereto, to permit the construction, ownership, operation, maintenance, and management of such facilities; and

**WHEREAS**, certain areas within the District have been approved for development and approvals for additional development from appropriate government authorities are being pursued; and

**WHEREAS**, the planned and orderly development of the lands within District boundaries will require potable water treatment and supply service and domestic wastewater treatment, transmission and disposal service; and

**WHEREAS**, it is the common desire of the Parties that timely initiatives for the provision of water production and treatment capacity and wastewater treatment and disposal capacity be continued so that there is always present within the District sufficient water production and treatment capacity (“Water Service”) and wastewater treatment and disposal capacity (“Wastewater Service”) to permit new connections for water and wastewater services to occur in conformance with applicable ordinances, laws and regulations; and

**WHEREAS**, the planned and orderly development of the lands within the District will also require the provision of irrigation water service (hereinafter, "Irrigation Water Service"); and

**WHEREAS**, the District is an assignee of rights and obligations contained in a certain Wholesale Water, Wastewater and Reclaimed Water Services Agreement dated October 31, 2017, which was amended on January 22, 2020 and which had been assigned, in part, to the District on

October 21, 2019 (as amended and assigned, hereafter known as the “Wholesale Agreement”) pursuant to which TOHO is obligated to provide the District wholesale water, wastewater and reclaimed water services; and

**WHEREAS**, the District, TOHO and other parties to the Wholesale Agreement have provided for water and wastewater services by the District to lands within the District currently being developed by Pulte Home Company, LLC (“PULTE”), which services have been initiated by the District using alternative utility facilities made available by TOHO in lieu of, and for the period prior to, the completion of construction of the water and wastewater treatment plants and systems contemplated in the Wholesale Agreement, which otherwise would have been necessary to provide such services; and

**WHEREAS**, the District has issued and ratified a Water, Wastewater, Reclaimed Water and Non-Potable Water Franchise (“Franchise”) to Tavistock East II, LLC (“TEII”) and also entered into a certain Utility Services Agreement with TEII (“USA”) which agreements, together, authorize TEII to construct water, wastewater, reclaimed water and non-potable irrigation water systems, convey such systems to the District (except for the irrigation system) and subsequently operate such systems to provide retail water and wastewater services on the District’s behalf; and

**WHEREAS**, consistent with the terms of the Franchise and the Wholesale Agreement, the District and TEII entered into a certain Utility System Acquisition Agreement dated October 17, 2019 (the “District/TEII Acquisition Agreement”), pursuant to which the District acquired ownership from TEII of the District Retail Utility Facilities through which the District has been providing water and wastewater services to customers located in the area being developed by Pulte within the District’s boundaries; and

**WHEREAS**, both the Franchise and the Wholesale Agreement require the District to convey to TOHO any water supply and treatment and wastewater treatment and disposal systems as may be constructed by TEII and conveyed to the District now or in the future, together with all rights, permits, obligations and ownership interests appertaining thereto (the “Wholesale Utility Facilities”), upon completion of such Wholesale Utility Facilities and the determination that they lawfully may be placed into service; and

**WHEREAS**, TEII is in various stages of constructing water, wastewater, reclaimed/irrigation water, and associated utility infrastructure (predominantly water, wastewater, and reclaimed/irrigation water mains, lines and associated infrastructure) necessary to serve the Property and the NED referred to hereafter as the “Developer Utility Facilities”. Hereafter, those Developer Utility Facilities that are owned by the District shall be referred to as “District Retail Utility Facilities,” those Developer Utility Facilities that have been completed prior to the Effective Date and are owned by TEII or its affiliates shall be referred to as “TEII Developer Utility Facilities”, and those Developer Utility Facilities that are in progress or not yet started shall be referred to as “Future Developer Utility Facilities”; and

**WHEREAS**, the Parties to the Wholesale Agreement, together with the District as

assignee of the Wholesale Agreement, anticipate terminating the Wholesale Agreement, and TOHO anticipates entering into a separate agreement with TEII (hereafter the “Water, Wastewater and Reclaimed Water Acquisition Agreement”) pursuant to which the conveyance of the TEII Developer Utility Facilities, as described herein, shall be made by TEII directly to TOHO, not the District;; and

**WHEREAS**, the Parties understand and agree that subsequent to Closing of the acquisition contemplated in this Agreement, Future Developer Utility Facilities may continue to be constructed by TEII or TEII affiliates in public roads, thoroughfares, easements and within new developments within District boundaries, and whenever such Future Developer Utility Facilities are constructed by TEII or its affiliates, such infrastructure shall be initially conveyed to and accepted by the District and subsequently conveyed by the District to TOHO pursuant to the terms of this Agreement; and

**WHEREAS**, within five (5) days of the Effective Date, as defined later in this Agreement, the Parties agree to form a transition team to prepare a schedule to implement a plan to transfer the District Retail Utility Facilities and the Future Utility Facilities, including the District’s customers, to Toho; and

**WHEREAS**, the District Board has held a public hearing as prescribed by section 189.054, Florida Statutes, at which the District Board considered and addressed, among other things, the following: (i) the sale by the District of the District Retail Utility Facilities to TOHO; (ii) the conveyance by the District to TOHO of all District rights to acquire the TEII Developer Utility Facilities and Wholesale Utility Facilities directly from TEII, but not the Future Developer Utility Facilities as defined herein, and to provide retail utility services within the District in the future; (iii) the termination of the Franchise upon sale of the District Retail Utility Facilities to TOHO; and (iv) the assignment to, and assumption by, TOHO of all District obligations and liabilities associated with the provision of water, wastewater and reclaimed water services upon the terms provided in this Agreement; and

**WHEREAS**, having considered and addressed these potential acts and the factors required by Florida law to be considered when contemplating the sale of District utility assets, and having found District authorization of each of these acts to be in the public interest, the District Board, by Resolution \_\_\_\_\_, authorized the signing of this Agreement on the District Board’s behalf; and

**WHEREAS**, pursuant to Chapter 189, Florida Statutes, the Board of Supervisors of TOHO (“TOHO Board”) has all the powers to carry out the purposes of TOHO including the authority to purchase, own, and operate water, wastewater and reclaimed/irrigation water facilities and systems, including the District Retail Utility Facilities currently owned by the District; and

**WHEREAS**, the TOHO Board has held a public hearing as prescribed by section 189.054, Florida Statutes, at which the TOHO Board considered the factors required by Florida law for the purchase of utility assets; and

**WHEREAS**, having held such hearing, the TOHO Board found, among other things, that the purchase by TOHO of the Retail Utility Facilities and the assumption by TOHO of all District rights, liabilities and agreements pertaining to the provision of water, wastewater and reclaimed water services in the District, now and in the future, was in the public interest, and the TOHO Board thus, by Resolution \_\_\_\_\_, authorized the signing of this Agreement on the TOHO Board's behalf; and

**WHEREAS**, District has incurred certain indebtedness to TEII and costs relating to the District Retail Utility Facilities, which debt and costs remain unsatisfied as of the date of this Agreement, and which debt and costs are explicitly described in this Agreement, and the Parties intend that such debt to be satisfied by TOHO pursuant to the terms provided herein; and

**WHEREAS**, the District and TOHO desire to enter this Agreement to provide for conveyance of the District Retail Utility Facilities and Future Developer Utility Facilities from the District to TOHO together with all existing District water and wastewater assets and liabilities, tangible and intangible (including, but not limited to, all rights and responsibilities of District pursuant to the Wholesale Agreement), as well as District rights and obligations with respect to the TEII Developer Utility Facilities and Treatment Plant Facilities that are underway or to be constructed in the future by TEII or its affiliates or designees (the "Treatment Plant Facilities"), both of which the District hereby authorizes to be conveyed in their entirety directly by TEII to TOHO, notwithstanding any terms to the contrary indicated in the Wholesale Agreement or the Franchise; and

**WHEREAS**, the Franchise provides that upon conveyance by the District to TOHO of the District Retail Utility Facilities and the Future Developer Utility Facilities (identified as the "Water System and Wastewater System" in section 1 of the Franchise), the Franchise shall thereupon terminate and shall become null and void, and the Parties desire such termination of the Franchise upon closing of the acquisition of the District Retail Utility Facilities by TOHO contemplated in this Agreement; and

**WHEREAS**, upon the closing on the Closing Date, the District's retail customers will become Toho customers subject to Toho's rates, fees, and policies.

**NOW, THEREFORE**, for and in consideration of the mutual premises set forth above and the covenants, obligations, duties and benefits herein set forth, the District and TOHO agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND CONSTRUCTION**

**SECTION 1.01.     DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings as defined herein unless the context requires otherwise:

"Closing Date" means the date upon which ownership and responsibility for operation of the District Retail Utility Facilities shall be conveyed by the District to TOHO. The Closing Date

shall be established by agreement of the Parties within thirty (30) days after the last Party has executed this Agreement.

“District Debt” means the compensation, if any, due and owing to TEII pursuant to the District/TEII Acquisition Agreement and such other debt as may exist.

“District Utility Resolution” means such resolution or resolutions, collectively, as may be issued by the District Board related to the transfer of the District Retail Utility Facilities from the District to TOHO.

“Irrigation Water Service” means the application of reclaimed water, stormwater, other non-potable water sources, and supplemental groundwater water to the landscape and fields. For the purposes of this agreement, the term “irrigation” also includes the application of reclaimed water and other non-potable water to other uses of non-potable water, such as cooling water, fire control and suppression systems, dust suppression, street cleaning, and other industrial and commercial uses.

“Prudent Utility Practice” means practices, methods and acts applied or taken with due regard for, among other things, manufacturer’s warranties and the requirements and limitations of governmental agencies of competent jurisdiction and the requirements of this Agreement. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others that could have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety, and expedition. The Parties expressly intend that the concept of Prudent Utility Practice shall take due consideration of the events of force majeure typically recognized in the industry while also recognizing that the provision of Water Service, Wastewater Service and Irrigation Water Services is highly regulated and, while obligated to use its commercially reasonable efforts to secure Permits and other governmental approvals required to render such services, TOHO cannot guaranty such Permits or governmental approvals can be obtained in every instance.

“Reclaimed Water” means treated domestic wastewater, which is intended for reuse, as such term is defined in Florida Statutes and the Code.

“TOHO Utility Resolution” means such resolution or resolutions, collectively, as may be issued by the TOHO Board related to the acquisition by TOHO of the District Retail Utility Facilities from the District.

“Wholesale Agreement” means the Wholesale Water, Wastewater and Reclaimed Water Services Agreement, as assigned and as may be amended, as identified in the Recitals.

## **SECTION 1.02. CONSTRUCTION AND INTERPRETATION.**

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms, shall refer to this Agreement; the term “heretofore” shall mean before the date that this Agreement is executed; and the term “hereafter” shall mean after the date this Agreement is executed.

(B) Each recital, covenant, agreement, representation and warranty made by a Party shall be deemed to have been material and to have been relied on by the other Parties. All Parties have participated in the drafting and preparation of this Agreement, and the provisions hereof shall not be construed for or against either Party by reason of authorship.

**SECTION 1.03. SECTION HEADINGS.** Any headings preceding the texts of the several articles, sections or appendices in this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for the convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

## **ARTICLE II**

### **REPRESENTATIONS**

**SECTION 2.01. REPRESENTATIONS OF TOHO.** TOHO makes the following representations as the basis for the undertaking on the part of TOHO herein contained:

(A) TOHO is an independent special district organized and validly existing pursuant to the Chapter 189, Florida Statutes.

(B) TOHO has full power and authority to enter into the transactions contemplated by this Agreement, to issue debt in accordance with the TOHO Special Act, and to carry out its obligations hereunder and thereunder.

(C) TOHO is not in default under any provisions of the laws of the State of Florida material to the performance of its obligations under this Agreement.

(D) TOHO has duly authorized the execution and delivery of this Agreement, and assuming the due authorization, execution and delivery by the District, this Agreement constitutes a valid and legally binding obligation of TOHO, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(E) To TOHO's knowledge, the authorization, execution and delivery of this Agreement and compliance by TOHO with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State relating to TOHO or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which TOHO is subject or by which it is bound.

(F) To TOHO's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of TOHO, threatened against or affecting TOHO, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby.

**SECTION 2.02. REPRESENTATIONS OF THE DISTRICT.** The District makes the following representations as the basis for the undertakings on the part of the District herein contained:

(A) District is an independent special district organized and validly existing pursuant to the Sunbridge Law.

(B) The District has full power and Authority to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder and thereunder.

(C) The District is not in default under any provisions of the laws of the State of Florida material to the performance of its obligations under this Agreement.

(D) The District has duly authorized the execution and delivery of this Agreement, and assuming the due authorization, execution and delivery of this Agreement by TOHO, this Agreement constitutes a valid and legally binding obligation of the District, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(E) To the District's knowledge, the authorization, execution and delivery of this Agreement and compliance by the District with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State relating to the District or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which the District is subject or by which it is bound.

(F) To the District's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the District's knowledge, threatened against or affecting the District, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby.

(G) Appendix "A", attached hereto, is a schedule identifying the District Retail Utility Facilities to be conveyed pursuant to this Agreement which schedule includes all water, wastewater and reclaimed water facilities of any kind or nature as well as real property, easements and other intangible rights currently owned by the District relating to the District Retail Utility Facilities, which shall be conveyed to TOHO on the Closing Date.

(H) Appendix "B", attached hereto, is a schedule of all existing third-party warranties, if any, that relate to completed or in-process construction relating to the District Retail Utility Facilities, which shall be transferred or assigned to Toho on the Closing Date.

(I) Appendix "C", attached hereto, is a schedule of all active permits, permit applications or other documents (collectively, "Permits") which authorize or seek authorization to operate the District Retail Utility Facilities from applicable governmental authorities, which shall be transferred or assigned to Toho on or after the Closing Date.

(J) Appendix "D", attached hereto, is a schedule of all operating and vendor contracts affecting the District Retail Utility Facilities. The Parties acknowledge and agree that District has entered a Utility Services Agreement (the "USA") with TEII and that TEII has entered subcontracts with US Water Services Corporation ("US Water"), together with related compensation agreements. On or after the Effective Date of this Agreement the District shall not alter, amend, modify, or revise the USA or any related compensation agreement without the prior written approval of TOHO. TOHO shall accept assignment of these agreements as of the Closing Date and shall be responsible for any amendment to the terms of such agreements, including compensation terms, as TOHO shall desire to address with US Water prior to, on or subsequent to the Closing Date.

(K) Appendix "E", attached hereto, is a schedule of any and all other agreements entered into between District and third parties including, but not limited to agreements with developers and service agreements, which would reasonably be considered to be an encumbrance upon the District Retail Utility Facilities, including without limitation, any leasehold agreements or oral agreements, if any.

(L) Appendix "F", attached hereto, is a schedule of any and all insurance policies currently enforceable that covers the District as they may relate to the District Retail Utility Facilities specifying the name and address of each carrier, the policy number and the type of coverage provided.

(M) The District has been neither cited nor notified, and is not, after due inquiry, aware of any violation of any governmental rule, regulations, permitting condition, or other governmental requirement of any type or nature applicable to the ownership, maintenance, construction or operation of the District Retail Utility Facilities, nor is the District aware of any conditions which by reason of the passing of time or the giving of notice by the appropriate governmental agency would constitute such a violation.

(O) To the best of the District's knowledge and belief, and except as identified in this Agreement or otherwise disclosed to TOHO, the real property and easements to be conveyed to TOHO hereunder are in compliance with, and the District has not violated, in connection with its ownership, use, maintenance, or operation of the District Retail Utility Facilities, applicable federal, state, district, or local environmental laws relating to pollution or protection of the environment, including but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and the Resource Conservation and Recovery Act.

(P) The District has not authorized the placing or depositing of hazardous substances on the real property and easements to be conveyed to TOHO except, if at all, in accordance with applicable law, and the District has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on the real property and easements except in a lawful manner.

(Q) There are no facts actually known to the District materially affecting the physical condition or operation of the District Retail Utility Facilities which are not readily observable, or

which have not been disclosed or provided by the District to Toho in connection with this transaction or otherwise.

## ARTICLE III

### CONVEYANCES

#### **SECTION 3.01      AGREEMENT TO ACQUIRE.**

(A) Conveyance of the District Retail Utility Facilities and, subsequently the Future Developer Utility Facilities, to TOHO is expressly conditioned upon performance of the following acts and the provision of the following documents:

a. A certified copy of the TOHO resolution authorizing and approving the acquisition of the District Retail Utility Facilities and the Future Developer Utility Facilities by TOHO from the District and including acts necessary and proper to such acquisition.

b. Execution by TOHO of a transfer, assignment and assumption agreement providing, at minimum, for the assignment to and acceptance of assignment by TOHO of any agreements identified in Appendices D and E.

d. Execution by District and TOHO of such documents as are acceptable to counsel for TOHO and the District transferring to TOHO title to the assets, personal property and rights associated with the District Retail Utility Facilities and the Future Developer Utility Facilities identified in this Agreement by deed, easement and/or bill of sale, as appropriate and as is consistent with documents customarily used in utility acquisitions such as the acquisition contemplated herein.

e. A certificate signed by authorized representatives of both the District and TOHO acknowledging and attesting to the accuracy of the representations made by each Party, respectively, in sections 2.01 and 2.02 as of the Closing Date.

f. (1) Signing of the Water, Wastewater and Reclaimed Water Acquisition Agreement by each party thereto and TOHO's satisfaction of statutory hearing requirements related thereto; and (2) signing of the second amendment to the Wholesale Agreement by each of the parties thereto (identified by such parties as "Addendum 2").

(B) Within five (5) days following the Effective Date, the Parties shall meet to form a transition team for the purposes of developing a transition schedule of no more than six months in duration, and a transition plan (the "Transition Plan"). The key elements of the transition plan include:

- a. Support contract transition;
- b. Customer transition;
- c. Management of existing capacity commitments;

- d. Update of development projections;
- e. Additional plant expansion property needs;
- f. Inspection and conveyance of the water and reclaimed water distribution systems and the wastewater collection system; and
- g. Inspection and conveyance of easements, right-of-way permits, and other property interests.

(C) As of closing on the Closing Date, and subject to TOHO compliance with District rules, policies and procedures relating to the occupation and use of District property, the District shall forever grant to TOHO the non-exclusive right and privilege to erect, construct, maintain, own and operate, in, under, upon, over and across the present and future District streets, alleys, bridges, canals, waterways, easements, rights of way, parks and other public places located within District boundaries, a water system, wastewater system, reclaimed water system and irrigation system, for the purpose of (i) obtaining potable water and conveying such water to Toho's customers whether inside or outside the District, (ii) collecting and transporting wastewater to the Treatment Plant Facilities or other similar facilities available to TOHO, (iii) obtaining and supplying reclaimed water and irrigation water supplies from various sources as permitted by law to be used throughout the District for irrigation service and other lawful uses; all in accordance with Prudent Utility Practice, provided such uses do not unduly interfere with public use of District roads and public places. In the event any such public place under or upon which TOHO shall have located its facilities shall be closed, abandoned, vacated or discontinued by District, District may terminate such easement or license of TOHO to such place, and District shall pay the reasonable cost and expense of TOHO to relocate its facilities to a place mutually agreed upon by District and TOHO.

(D) In accordance with Prudent Utility Practice, TOHO shall provide adequate Water Service, Wastewater Service and Irrigation Water Service as contemplated in this Agreement with the aim that the orderly and planned development of the lands within the District may proceed without material delay, hindrance or interruption from any extended lack of adequate potable water, reclaimed water or domestic wastewater services or collection and disposal, treatment or plant capacities for which TOHO shall be responsible from and after the Closing Date.

(E) Pursuant to the Water, Wastewater and Reclaimed Water Acquisition Agreement, within thirty (30) days of completion of construction and approval from the Florida Department of Environmental Protection to place Future Developer Utility Facilities into service, TEII is obligated to convey such Future Developer Utility Facilities to the District. The District shall convey any and all Future Developer Utility Facilities so conveyed to the Distict by TEII to TOHO within five (5) days after the the District's acceptance of such conveyance.

(F) This Agreement shall not be enforceable against TOHO unless and until TOHO acquires legal title to the District Retail Utility Facilities.

## **SECTION 3.02. TRANSFER, ASSIGNMENT AND ASSUMPTION.**

(A) On the Closing Date, District shall transfer, assign and convey to TOHO: (1) all of its rights, remedies, powers, title or interest in the District Retail Utility Facilities; (2) all rights and warranties which the District possesses against any parties who provided construction or construction related services related to the District Retail Utility Facilities; (3) all of the District's rights, privileges, easements, licenses, prescriptive rights, rights of way, rights of use of public and private roads, highways, streets, railroad, or other areas owned or used by the District in connection with the construction, installation, expansion, maintenance and operation of the District Retail Utility Facilities; (4) all current customer records and supplier lists, as-built surveys, record drawings, water and wastewater plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records and all other information controlled by or in possession of the District and TEII that relates to the description and operation of the District Retail Utility Facilities; and (5) all other claims or causes of action arising out of the District's ownership and operation of the District Retail Utility Facilities, reserving to the District the right to subsequently prosecute any claims against parties that relate to damages or expenses sustained by the District that are independent of damages or expenses sustained by TOHO.

(B) Following the Closing Date: (1) The District's obligation or responsibility to act or serve as a provider of water or wastewater services, as owner of the District Retail Utility Facilities, will terminate and TOHO will assume the obligation and responsibility to provide water, wastewater, and irrigation services as a governmentally owned and controlled service provider within the political boundaries of the District. (2) District will not engage nor grant a franchise authorizing any third party to engage directly or indirectly in the business of distributing or selling water, reclaimed water, irrigation water or collecting wastewater within the District in competition with TOHO, its successors or assigns. (3) District shall enact such resolutions, ordinances, rules and regulations as shall prohibit inhabitants of property within the District from installing wells for potable or irrigation purposes, except as authorized subject to TOHO's policies and approval authority; and such resolutions, ordinances, rules and regulations shall require connection of all property within the District to the District Retail Utility Facilities and the Future Developer Utility Facilities, including such water system, wastewater system, reclaimed water system and irrigation system as TOHO may construct, cause to be constructed, or allow to be constructed for conveyance to TOHO on such terms as TOHO may require consistent with industry practices and standards as may exist, and in the same manner as applied to TOHO's customers located outside of the District.

(C) Following the Closing Date: (1) TOHO shall accept assignment from the District and assume responsibility for the obligations and responsibilities of the District under the Wholesale Agreement, as amended and as may be amended, and any agreement identified in Appendices D and E (in whole or in part as may relate to the District Retail Utility Facilities) in addition to any permits or agreements as may be identified in Appendix C, hereto. (2) TOHO shall operate and maintain the District Retail Utility Facilities and Future Utility Facilities in accordance with all requirements and regulations as may be imposed by the District and any state and local

regulatory authorities and agencies having jurisdiction thereof. (3) Potable water, reclaimed water and irrigation water delivered by TOHO shall meet all applicable standards as to quality and pressure as required by state or local law, ordinance or rule, provided that temporary cessation of delivery of water, or drop in water pressure at any time caused by an Act of God, fires, strikes, droughts, accidents, necessary maintenance work, damage to machinery or lines, civil or military authority, or by riot or other cause beyond control of TOHO shall not constitute a breach of the provisions hereof or impose liability upon TOHO. (4) TOHO shall be obligated to extend, cause to be extended, or allow to be extended mains, lines, appurtenances, and facilities to all parts of the District based upon phases and capital planning agreed to by District and TOHO. Prior to any extension on behalf of the District, TOHO may require a capital contribution, cash deposit, bond or other assurance from prospective consumers, developers or other prospective inhabitants of the District applying for or to be served by such extension, in the manner consistent with TOHO policies and charges applied to other TOHO customers located outside of the District's boundaries. (5) In the event District shall determine it is necessary or expedient for the welfare of the community that fire hydrants be installed anywhere within District boundaries, TOHO shall install such fire hydrants and make necessary connections to TOHO's water system. Prior to any installation of fire hydrants on behalf of the District, TOHO may require a capital contribution, cash deposit, bond or other assurance from the District or prospective consumers, developers or other prospective inhabitants of the District applying for or to be served by such fire hydrants, in the manner consistent with TOHO policies and charges applied to other TOHO customers located outside of the District's boundaries (6) TOHO shall treat customers within the District on an equal basis and apply the same TOHO policies and procedures, rates, fees, charges, taxes and assessments as any other TOHO customer of the same customer classification.

(D) On the Closing Date, the District shall execute and deliver to TOHO a special warranty deed to the real property described in Appendix "A", which property includes all real property acquired by the District on the date of its initial acquisition of the District Retail Utility Facilities from TEII and any other property subsequently acquired by the District for use in the operation of the District Retail Utility Facilities, together with a bill of sale, transfer assignment and assumption agreement, no-lien affidavit, and such other documents that are necessary for the transfer of the District Retail Utility Facilities and agreements related to the operation thereof.

### **SECTION 3.03. STATUS OF TITLE.**

(A) TOHO shall have the option to order a new or updated boundary survey of any or all real property being insured by a title insurance policy hereunder. Such new surveys shall be at TOHO's expense and shall meet the minimum Florida standards for boundary surveys. Any such surveys shall (1) be received not less than thirty (30) days prior to the Closing Date and updated thereafter as required by the title insurer; (2) be satisfactory and sufficient for the title insurer to delete the standard exceptions of title insurance coverage concerning encroachments, overlays, boundary line disputes or any other adverse matter which would be disclosed by an accurate survey; (3) be certified as of the then current date to the District, TOHO, TOHO's title company and lender, if one exists, or any other parties requested by TOHO; and (4) show the location of all improvements and easements. Regarding material adverse matters (i.e., matters that materially

interfere with the present use of the real property) disclosed by such surveys and disclosed to the District, District will use its reasonable best efforts to assist TOHO in resolving such matters and assist in removing exclusions to coverage on the title insurance commitment. Costs incurred by the District in providing such assistance shall be paid by the District.

(B) TOHO shall obtain, and deliver copies to the District of, title insurance commitments for the real property and other material easement interests as may be identified by TOHO under an ALTA form owner's title insurance policy from the title agent (the "Title Policy"). Prior to the Closing Date, the District will use its reasonable best efforts to assist TOHO in resolving any title defects that affect marketability or insurability of title to the interests in real property to be conveyed to TOHO. Costs incurred by the District in providing such assistance shall be paid by the District.

(C) The estate or interests to be insured by the Title Policy shall consist only of the real property and easements which are necessary for operation of the District Retail Utility Facilities and specifically identified by TOHO as requiring such insurance.

(D) All charges and costs for the issuance of the owner's title insurance commitments and policy(ies) shall be paid by TOHO.

**SECTION 3.04. CLOSING DATE.** The Closing Date shall be established by agreement of the Parties as part of the Transition Plan contemplated in Section 3.01(B) hereof.

**SECTION 3.05. REGULATORY COMPLIANCE.** The District affirms and TOHO acknowledges that there are no outstanding regulatory compliance issues related to the District Retail Utility Facilities as of the date this Agreement has been signed by the last party to sign in the space indicated below.

**SECTION 3.06. TRANSFER OF PERMITS.** Within thirty (30) days after the execution of this Agreement, the District and TOHO shall commence requisite action to notify the requisite governmental regulatory agencies of the impending transfer of the Permits identified in Appendix "C" from the District to TOHO. Both parties shall timely cooperate and provide all necessary assistance in the transfer of such Permits after conveyance of the District Retail Utility Facilities on the Closing Date. Upon the closing on the Closing Date, TOHO shall assume all obligations under the Permits necessary for the continued operation of the District Retail Utility Facilities.

**SECTION 3.07. RISK OF LOSS.** At all times prior to and through the Closing Date, the District shall maintain adequate fire and insurance coverage for the cost of any repairs to or replacement of the District Retail Utility Facilities that may be required by casualty damage. The risk of loss prior to the Closing Date shall remain with the District. The risk of loss shall pass to TOHO upon closing on the Closing Date.

**SECTION 3.08. FURTHER ASSURANCES.** The District and TOHO shall, after the Closing Date, and upon reasonable request of the other party, execute, assign, acknowledge and deliver, or cause to be executed, assigned, acknowledged and delivered, all such further documents, deeds, easements, assignments, transfers, powers of attorney and assurances that are

in the ownership or control of such party to make and deliver, and as may be reasonably required to perform any of the obligations set forth in this Agreement. Verifiable costs incurred in fulfilling such request(s) shall be paid by the party making the request.

## **ARTICLE IV**

### **GENERAL PROVISIONS**

**SECTION 4.01. TERM OF AGREEMENT.** The term of this Agreement shall commence upon execution by the parties and shall terminate upon conveyance of the District Retail Utility Facilities to TOHO on the Closing Date, except as specified in this Agreement as to specific terms which shall survive closing on the Closing Date.

**SECTION 4.02. AMENDMENTS AND WAIVERS.** No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided by such waiver.

**SECTION 4.03. NOTICES.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

**TOHO:**

Todd Swingle, Executive Director  
951 Martin Luther King Blvd.  
Kissimmee, FL 34741  
[tswingle@tohowater.com](mailto:tswingle@tohowater.com)

With a copy to:  
General Counsel  
Tohopekaliga Water Authority  
951 Martin Luther King Blvd.  
Kissimmee, FL 34741  
[acotter@tohowater.com](mailto:acotter@tohowater.com)

**DISTRICT:**

Sunbridge Stewardship District  
Attn: Hank Fishkind, District Manager  
12051 Corporate Boulevard  
Orlando, Florida 32817  
[FishkindH@pfm.com](mailto:FishkindH@pfm.com)

Sunbridge Stewardship District Counsel  
Jonathan Johnson, Esq.  
Kutak Rock LLP  
107 W. College Avenue  
Tallahassee, Florida 32301  
[Jonathan.Johnson@KutakRock.com](mailto:Jonathan.Johnson@KutakRock.com)

Either of the Parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand, electronic mail or facsimile transmission, or three days after the date mailed.

At any time either Party desires to give notice or is required to respond to any written notice given pursuant to this Section 4.03, such response shall be made in the manner prescribed by this Section 4.03 and be given within 10 business days after receipt of the notice unless otherwise provided in this Agreement.

**SECTION 4.04 SEVERABILITY.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 4.05. EXECUTION IN COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 4.06. APPLICABLE LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue for any action or proceeding to construe or enforce the provisions of this Agreement shall be in the Circuit Court in and for Osceola County, Florida.

**SECTION 4.07. THIRD PARTIES.** Nothing in this Agreement is intended to inure to the benefit of any third party.

**SECTION 4.08. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the Parties, whether oral or written, and there are no warranties, representations or other agreements among the Parties in connection with the subject matter hereof, except as specifically set forth herein.

**SECTION 4.09. SURVIVING TERMS.** The Parties agree that the following sections of this Agreement shall survive the closing and shall remain enforceable as provided

herein and in full force and effect so long as TOHO is providing water, wastewater and reclaimed water services in the District: sections 3.01 and 3.02 as they relate to subsequent conveyances of Future Developer Utility Facilities by the District to TOHO.

**SECTION 4.10. FORCE MAJEURE.** In case either Party should be interrupted, delayed in, or prevented from, performing or carrying out any of the agreements, covenants, and obligations made by and imposed upon such Party by this Agreement, by reason of or through any breach, failure , or default by the other Party, changes in law, the negligence, misconduct, or fault of the other Party or its contractors, agents and representatives, or strike, stoppage in labor, failure of contractors, vendors, logistics service providers, suppliers of materials, chemicals, hazardous substances, electricity and fuel, riot, pandemic, epidemic, pestilences, natural disasters, contamination, hurricanes, tornadoes, climate change, fire, flood, ice, ground movement, invasion, civil war, terrorism, commotion, insurrection, military usurped power, order of any court granted in a bona fide adverse legal proceeding or action, order of any civil or military authority (either de facto or de jure), explosion, act of God, or the public enemies or any cause reasonably beyond its control and not proximately attributable to its neglect; then and in such case or cases, both Parties shall be relieved of performance under this Agreement except for any required payments herein, for the duration of the period for which performance is interrupted, delay, or prevented, and shall not be liable to the other Party for or on account of any loss, damage, claim, demand, fine, penalty, injury, cost or expense resulting from or arising out of such delay or performance interruption; provided, however, that the Party suffering such delay or interruption shall use due and practicable diligence to remove the cause or causes thereof and resume full performance of the affected obligations; and provided, further, that neither Party shall be required by the foregoing provisions to settle a strike except when, according to its own best judgment, such a settlement is deemed advisable.

*(Signatures on following pages)*

**IN WITNESS WHEREOF**, the Board of Supervisors of the Sunbridge Stewardship District and the Board of Supervisors of the Tohopekaliga Water Authority have caused this Agreement to be executed and delivered on the dates indicated below.

**BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT**

**By:** \_\_\_\_\_  
\_\_\_\_\_, Chairman

**Date:**

**ATTEST:**  
\_\_\_\_\_, Clerk

**BOARD OF SUPERVISORS OF THE TOHOPEKALIGA WATER AUTHORITY**

**By:**  
\_\_\_\_\_, Chairman  
**Date:**

**ATTEST:**  
\_\_\_\_\_, Clerk

**Exhibit B:**  
Staff Report

STAFF REPORT PURSUANT TO  
SECTION 189.054, FLORIDA STATUTES

TO: Board of Supervisors  
Sunbridge Stewardship District

FROM:

DATE: April , 2022

RE: Public Hearing and Resolution Considering the Sale of the Water and Wastewater Utility Assets of the Sunbridge Stewardship District

RECOMMENDATION:

Staff of the Sunbridge Stewardship District ("District") hereby presents the Board of Supervisors ("Board") with this report addressing a proposed Utility System Purchase and Sale Agreement ("Agreement") with the Tohopekaliga Water Authority ("Toho"). The Agreement contains the proposed terms of the conveyance to Toho of the water and wastewater utility facilities currently owned by the District (the "District Utility System"). If the Board desires to proceed with this transaction under the presented terms, the Board must adopt Resolution No. 2022-\_\_ which (a) approves the terms of the Agreement and related transfer documents being presented with this Report (collectively, the Agreement and transfer documents will hereafter be referred to as the "Transfer Documents"), (b) directs and authorizes the transition into Toho of the real and personal property described in the Agreement, and (c) establishes the new water and wastewater rates and charges as the same rates and charges applied by Toho to its existing customers.

BRIEF HISTORY OF THE DISTRICT WATER AND WASTEWATER SYSTEM AND TOHO TRANSITION EFFORTS

The District has been contemplating the transition of the District Utility System into Toho since first establishing the existing relationship with Toho whereby Toho performs wholesale water and wastewater services on the District's behalf, thus enabling the District to provide retail services within District boundaries. Events since this wholesale/retail relationship was founded have identified the potential benefits from the consolidation by Toho of not only the District Utility System but also other existing utility systems in the area of the District, including the utility system of the City of St. Cloud. The District assumed ownership of the District Utility System, as it currently exists, in 2020 pursuant to an acquisition agreement with Tavistock East II, LLC, and others. The acquisition occurred pursuant to the terms of a franchise between the District and TEII (the "Franchise") as well as a certain Wholesale Water, Wastewater and Reclaimed Water Agreement among the District, TEII, Toho and others (the "Wholesale Agreement"). Since the Franchise and Wholesale Agreement were signed, Toho has

embarked on the consolidation of area utility systems which, when examined from the viewpoint of the District and the customers of the District Utility System, both current and those to be served in the future, confirms that many benefits are to be enjoyed by not only Toho, but also the District and its customers. The current financial status and other information pertinent to the Board's decision whether to pursue the sale of the District Utility System to Toho at this time is provided later in this Report and in the appendices hereto.

On January 6, 2022, the Board considered an offer from Toho to acquire the District Utility System. Staff presented, and the Board approved, the consideration of a plan presented by Toho addressing the potential strategic consolidation of the Sunbridge water and wastewater utility systems into Toho, and potential terms of a Toho acquisition. Transition of the District Utility System into Toho is another important step, in addition to the recent consolidation activities of Toho in relation to the City of St. Cloud utility system, that it is anticipated will provide significant benefits to the District, its customers and future residents. As Staff has informed the Board in the past, the proliferation of small water and wastewater systems may not be conducive to the most cost effective and efficient provision of water and wastewater service. Where efficient and effective service is not available, the utility owner, customers, and the environment may suffer. Recognizing the benefits and efficiencies of economies of scale as a utility system grows as well as other benefits from Toho ownership of utility systems in Osceola County, and more specifically in and around the District, District Staff has proceeded to conduct the negotiation and due diligence processes relating to the Toho Utility System and recommends District Board approval of the Agreement to permit the District and District utility customers to achieve benefits now which the District could only offer years into the future.

District staff has worked with District financial, legal and engineering experts skilled in the utility acquisition and sale process to assist the District in the sale and transition process. The Transfer Documents provide the terms of the conveyance of the District Utility System to Toho in the manner and timeframes contemplated in such documents.

### **Requirements of Florida Law**

#### **Public Hearing Requirement**

Pursuant to Chapter 189.054, Florida Statutes, the District has the power to acquire, operate, construct, own, and manage water and/or wastewater utility facilities as well as to sell such facilities. In accordance with these and similar powers, District Staff has negotiated the terms of the proposed Agreement and Transfer Documents which provide for the transition of the District Utility System into the Toho System.

To provide for the public interest and welfare, section 189.054, Florida Statutes requires the Board to address and balance numerous factors, listed below, when considering the proposed sale and transition of the District Utility into the Toho System. The District and Toho acquisition teams have spent many hours in the investigation of this potential sale and transition, conducting due diligence and negotiating terms to ensure the seamless transition of the District Utility System and customers into the Toho System. The following financial and engineering information is provided for the Board's consideration in determining if the recommended sale of the District Utility System to Toho is in the public interest:

- (1) The most recent available income and expense statement for the utility. This information is provided in the attached Appendix A.
- (2) The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon. This information is provided in the attached Appendix B.
- (3) A statement of the existing rate base of the utility for regulatory purposes. As a governmental authority, the District does not maintain "rate base" information. Rate base is a ratemaking financial concept which applies only to private or "investor-owned" utilities. Rate base considers such concepts as "used and useful" plant in service which do not apply to utility systems owned and operated by government-owned utilities such as the District and Toho. The District Utility System thus does not have a recorded "rate base" and has not recorded rate base information.
- (4) The physical condition of the utility facilities being purchased, sold or subject to a wastewater facility privatization contract. Toho's experts have conducted a regulatory compliance review of the District Utility System operations, which District staff and experts have reviewed and continue to follow up on. The District Utility System, consisting entirely of water distribution and wastewater collection related assets is new and in good condition, having been only recently constructed and inspected during construction by the District's designated experts, often joined by Toho representatives. The District Utility System has been experiencing problems with water pressure due to the limited number of customers and the current configuration of the water supply system. Should the sale of the District Utility System be approved by the Board, and with the imminent completion of the water treatment plant and final approval of such plant into service, District Staff anticipates that operation of the system and treatment plant in the future by Toho will assist in achieving numerous financial and practical benefits as the District Utility System is incorporated directly into the Toho System. The proposed sale will permit Toho a virtually unrestricted ability to interconnect the current District Utility System with the Toho System, very likely saving the District from the expenditure of significant capital expenditures as could be necessary to address the water pressure issues which have been present since retail waster service was initiated by the District. In fact, District staff recommends that an interconnect of the District Utility System with the Toho System be completed as soon as possible after the sale to Toho to remedy these issues.

Representatives of the District and Toho also periodically have performed on-site visits to inspect the District Utility System. Toho will need to incorporate the District Utility System into its geographical information system ("G.I.S.") should the Board approved the proposed sale. The Agreement, if approved, together with the existing Wholesale Agreement, provide Toho and its representatives continued access to the District Utility System prior to the date title to the District Utility System is to be sold to Toho. Toho, with the cooperation of District representatives, shall utilize the period between the Board's approval of the Agreement and the day that ownership of the District Utility System is sold to Toho to continue to analyze and monitor system operations and familiarize Toho personnel and

representatives with specific operations protocols to insure smooth transition of the District Utility System operations to Toho. The Agreement further provides Toho the ability to continue utilization of District contracts or contractors subsequent to the sale should Toho so desire.

Finally, both the District and Toho provide representations in the Agreement confirming substantial compliance of the District Utility System with applicable local, state and federal laws, rules and permits and the financial, engineering and operations competence of Toho to own, maintain and operate the former District Utility System after the sale is completed.

(5) The reasonableness of the contract price and terms. The proposed conveyance of the District Utility System and transition of the District Utility System into the Toho System is to be completed pursuant to the terms of the Agreement and Transfer Documents, and applicable District policies, with the purchase price payable by Toho equivalent to the assumption by Toho of the full amount of the District's outstanding debt and other contractual obligations to the District's current District Utility System operator, Tavistock East II, LLC ("TEII").

Toho has acquired other utility systems located in Osceola County. The proposed transition of the District Utility System into Toho would occur in a manner and upon such terms which are similar to the transitions of other utility systems to Toho in the past. Pursuant to the Agreement, Toho will assume ownership of all assets and associated rights of the District Utility System used to provide service in the District. Deeds, easements, a bill of sale and District records and documents pertaining to the District Utility System will be provided by the District to Toho to enable Toho to provide service to current customers as well as future customer growth in the District.

*Liabilities:* The District will convey to Toho all rights and ownership associated with the District Utility System, including all rights to revenue, and title to all property. Upon conveyance of the District Utility System to Toho, Toho shall be responsible for satisfying any liabilities associated with the District Utility System identified in the Agreement. System Development Charges previously collected by the District from existing customers shall be paid to TEII in partial satisfaction of the outstanding District debt to TEII resulting from the conveyance of assets by TEII to the District pursuant to the Utility System Acquisition Agreement executed by the District and TEII on October 17, 2019.

*Transfer Date:* As established in the Agreement

*Title Insurance:* The District shall provide Toho with any deeds or easements held by the District associated with the District Utility System. Existing easements in favor of the District shall be assigned to Toho and new deeds and easements may be granted to Toho by the District as may be required by Toho after the sale is completed so that Toho possesses rights of use and access to all assets used by the District to operate the District Utility System as of the date of sale to Toho. Toho will identify property and easements for which title insurance will be secured by Toho as well as the amount of title insurance required. Toho shall pay for any title insurance so secured by Toho.

To date, Toho due diligence and District disclosures have identified no known potential encumbrance or liability related to real and personal property to be conveyed to Toho by the District pursuant to the Agreement.

*Litigation and Regulatory Matters:* The District represents to Toho that there is no pending litigation or material regulatory matter relating to the District Utility System and that the District has no knowledge of facts which would suggest litigation or a regulatory matter of an enforcement nature may arise based upon any known act or omission of the District or its contractors.

(6) The impacts of the purchase and sale on utility customers, both positive and negative. It is expected that the impact and consequences of selling the District Utility System to Toho on both customers and landowners within the District will be positive in nature. The area served by the District Utility System is virtually surrounded by Toho's service area and facilities. To improve the quality of water and wastewater service from the level of service currently being provided by the District and generally to comport with the mission of the District to ensure safe, sufficient and economical water and wastewater utility service is available and provided within District boundaries, the following is proposed by District staff:

- (a) Approval of the sale of the District Utility System by the District pursuant to the terms of the Transfer Documents presented to the Board;
- (b) Upon the sale, TOHO shall charge former District customers the same rates, fees and charges currently authorized by the Toho Board to be charged to current and future customers of Toho.
- (c) Toho already has initiated the interconnection of water facilities within the existing District Utility System serving current District customers to Toho's water system. When further interconnects of the Toho System are completed, water pressure is anticipated to improve, and capital expenditures previously anticipated to be made by the District to expand its water facilities and improve the quality and pressure of water service it could provide will be eliminated. It also must be noted that the District has benefited previously from its relationship with Toho as the District worked with Toho to capitalize on Toho's contracts and relationships with third parties in such manner as to permit the District to initiate water and wastewater services to residents in the District in a timely manner. It is doubtful that the District would have been capable of accomplishing this feat without Toho's cooperation, assistance and willingness to use its contracts and relationships to the District's benefit.
- (d) Upon the sale, Toho will possess the financial ability to provide water and wastewater services to not only the areas currently served by the District, but to all areas within District boundaries which are not yet receiving central water and wastewater service from the District.
- (e) After the sale, Toho will continue to possess more than sufficient financial ability to meet all identified capital needs, renewal and replacement, operations, management and adequate contingencies for operating the former District Utility System.

(7) Any additional investment required and the ability and willingness of Toho to make that investment. The transition of the District Utility System into the Toho System represents another significant step forward in fulfilling the District's resource sustainability efforts. The Toho System currently serves approximately ---- water and ---- wastewater connections. Toho, together with its experts, have conducted extensive engineering and operations due diligence. The transition of the

District Utility System into the Toho System will advance Toho's ability to provide service in the District. Toho will be able to serve the District through existing and to be constructed facilities, as well as provide interconnections between the District Utility System and existing Toho in-ground infrastructure.

The District currently is contractually obligated to assume ownership from TEII of water and wastewater treatment facilities, and other utility assets either currently under construction or to be constructed in the future. The Agreement relieves the District of such obligations as those obligations are to be assumed by Toho. Any warranties associated with completed projects or projects in process on the date of sale shall be conveyed to Toho by the District.

The District also is contractually obligated to pay for the management and operations services currently provided on the District's behalf by a contractor, US Water Services Corporation ("US Water"). The Agreement provides specifically that Toho shall accept assignment of the contracts between the District and US Water, and Toho shall be responsible after the sale is completed for any further compensation to US Water. The District shall be relieved of such obligations.

(8) The alternatives to the purchase and the potential impact on utility customers if the purchase is not made. It is in the public interest that long-range planning, management, financing, maintenance, upkeep, and operations of water and wastewater utilities be coordinated by competent utility owners. The District assumed the obligation to provide retail water, wastewater and reclaimed water services in the District to ensure that such services would be provided competently and at economical cost and rates. District staff possesses experience which confirms that there are economies of scale and other benefits associated with knowledge of the industry and industry developments which are available to larger utilities and utility systems which it is difficult if not impossible for smaller utilities and utility systems to replicate. Toho is an experienced, large utility that has demonstrated its competence and skills in providing utility services at efficient cost and resulting reasonable rates. Moreover, Toho has adopted a plan and policy in favor of expanding the scope of its system to further spread the benefits of its experience and competencies. District Staff believes that the District and its customers, current and future, will enjoy significant benefits from the proposed sale of the District Utility System to Toho. District Staff believes that the sale to Toho will ensure the adequacy and availability of viable public facilities in the District.

District Staff is unable to identify any negative consequence on current or future customers of the District Utility System from the proposed sale. Customer rates will immediately change to TWA rates upon the completion of the sale. Future Toho rate increases should be expected to be lower than customers otherwise would have experienced under continued District ownership as Toho offers significant economies of scale, and the ability to manage costs and investments for the long term. Water quality and the efficiency of water system operations should improve soon after the sale to Toho upon completion of the interconnection of the District Utility System to the Toho System.

As to potential alternative purchasers of the District Utility System, it is not likely that a private utility would be interested in purchasing the District Utility System from the District as the Wholesale Agreement renders the District utility system a distribution and collection system only. The Florida Public Service Commission, which regulates the rates and service of private utilities, has policies and rules with respect to a private utility's obligation to permit developers to build, pay for and contribute

distribution and collections systems to the private utility, thus removing the significant investments in such assets from the rate base upon which private utilities rely to earn a profit. The sale of the District Utility System to a private utility would appear to be foreclosed; and it is doubtful that a private utility could bestow on current customers of the District Utility System the many benefits expected to be derived from the sale to Toho. Based on the foregoing, District customers will benefit from the proposed sale of the District Utility System to Toho, and no viable alternatives exist which could be anticipated to provide such benefits.

(9) The ability of Toho to provide and maintain high-quality and cost-effective utility service. As indicated previously in this Report, transition of the District Utility System into the Toho System actually will further the District's policies and goals to achieve sustainable communities within the District's boundaries. Upon the sale to Toho, Toho will achieve additional economies of scale and other efficiencies by operating and planning for the District Utility System in conjunction with Toho's existing utility operations. Toho's ability to provide and maintain high-quality and cost-effective utility service for in the District is best demonstrated in the AAA ratings currently bestowed by Fitch rating agency upon Toho's existing water and wastewater bonds, a testament to the sound utility policies and practices employed by Toho. Toho's decades of experience acquiring, operating, and improving water and wastewater systems is sufficient justification for customers of the District Utility System to be confident that they will be well served by Toho.

#### Determination of Public Interest

Upon consideration of the above factors, it is recommended that the Board of Supervisors find that the sale of the District Utility System to Toho pursuant to the terms of the Agreement and Transfer Documents presented with this Report is in the public interest; that the transfer of the water and wastewater assets of the District to Toho be approved as of right (as a sale to a governmental utility); and that the Wholesale Agreement and District agreements with US Water be assigned to and assumed by Toho pursuant to the Agreement's terms, with an expectation that such agreements may be terminated in the time and manner to be established by Toho, the District and pertinent other parties in the future.

# **Sunbridge Stewardship District**

**Payment Authorization  
Nos. 169-173**

# SUNBRIDGE STEWARDSHIP DISTRICT

Payment Authorization No. 169

5/27/2022

Item No.	Vendor	Invoice Number	General Fund
1	<b>Osceola News-Gazette</b> Legal Advertising on 05/26/2022 (Ad: 36993)	385771	\$ 63.81
2	<b>OUC</b> Services 04/25/2022 - 05/24/2022	Acct: 5981605831	\$ 2,558.12
3	<b>PFM Group Consulting</b> DM Fee: May 2022	DM-05-2022-44	\$ 5,833.33
4	<b>Poulos &amp; Bennett</b> Engineering Services Through 04/30/2022	18-203(38)	\$ 59.25
5	<b>Tribune 365 National Group</b> Legal Advertising on 05/15/2022 (Ad: 7197374)	OSC723262	\$ 700.40
			<b>TOTAL</b> \$ 9,214.91

Board Member

Sunbridge Stewardship District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 3:28 pm, May 27, 2022

# SUNBRIDGE STEWARDSHIP DISTRICT

## Payment Authorization No. 170

6/10/2022

Item No.	Vendor	Invoice Number	General Fund
1	<b>Carr Riggs &amp; Ingram</b> FY 2021 Audit	17373213	\$ 3,000.00
2	<b>PFM Group Consulting</b> Billable Expenses DM Fee: June 2022 April Reimbursables	120060 DM-06-2022-41 OE-EXP-05-047	\$ 1,001.12 \$ 5,833.33 \$ 134.09
		<b>TOTAL</b>	<b>\$ 9,968.54</b>
			
Board Member			

Sunbridge Stewardship District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 2:52 pm, Jun 14, 2022

# SUNBRIDGE STEWARDSHIP DISTRICT

**Payment Authorization No. 171**

6/17/2022

Item No.	Vendor	Invoice Number	General Fund
1	<b>Florida ULS Operating</b> June Monthly Landscaping	ULS-31559	\$ 4,600.00
<b>TOTAL</b>			<b>\$ 4,600.00</b>



Board Member

Sunbridge Stewardship District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

Received on Monday, June 20, 2022 - ALane

# SUNBRIDGE STEWARDSHIP DISTRICT

## Payment Authorization No. 172

6/24/2022

Item No.	Vendor	Invoice Number	General Fund
1	<b>Irrigation Systems</b> 6200 Even Cyril's Dr Irr ; Service 04/27/2022 - 05/27/2022	Acct: 54823862	\$ 5,481.76
2	<b>Orlando Sentinel</b> Legal Advertising on 06/11/2022 (Ad: 7230501)	OSC55543977	\$ 241.25
<b>TOTAL</b>			<b>\$ 5,723.01</b>



Board Member

Sunbridge Stewardship District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 10:37 am, Jun 25, 2022

# SUNBRIDGE STEWARDSHIP DISTRICT

Payment Authorization No. 173

7/1/2022

Item No.	Vendor	Invoice Number	General Fund
1	<b>Kutak Rock</b> General Counsel Through 05/31/2022	3067101	\$ 2,242.50
2	<b>OUC</b> Services 05/24/2022 - 06/24/2022	Acct: 5981605831	\$ 2,558.12
3	<b>Poulos &amp; Bennett</b> Engineering Services Through 05/31/2022	18-203(39)	\$ 168.75
<b>TOTAL</b>			<b>\$ 4,969.37</b>
			Board Member

Sunbridge Stewardship District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

Received Monday, July 4, 2022 - ALane

# **Sunbridge Stewardship District**

**District's Financial Position and  
Budget to Actual YTD**

**Sunbridge Stewardship District**

Statement of Financial Position

As of 6/30/2022

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Utility Fund</b>	<b>Long-Term Debt Fund</b>	<b>Total</b>
<b><u>Assets</u></b>						
<b><u>Current Assets</u></b>						
General Checking Account	\$189,792.78					\$189,792.78
Deposits	240.00					240.00
Series 2022 - Debt Service Reserve		\$479,150.00				479,150.00
Series 2022 - Capitalized Interest		257,830.21				257,830.21
Accounts Receivable - Due from Developer			\$2,176.25			2,176.25
Series 2022 - Acquisition/Construction			12,900,983.84			12,900,983.84
Series 2022 - Cost of Issuance			63,891.00			63,891.00
Utility Revenue				\$253,265.91		253,265.91
Utility Operating				153,801.41		153,801.41
Utility Revenue System Development				1,939,033.00		1,939,033.00
Accounts Receivable				71,804.97		71,804.97
<b>Total Current Assets</b>	<b>\$190,032.78</b>	<b>\$736,980.21</b>	<b>\$12,967,051.09</b>	<b>\$2,417,905.29</b>	<b>\$0.00</b>	<b>\$16,311,969.37</b>
<b><u>Investments</u></b>						
Amount Available in Debt Service Funds					\$736,980.21	\$736,980.21
Amount To Be Provided					13,393,019.79	13,393,019.79
<b>Total Investments</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,130,000.00</b>	<b>\$14,130,000.00</b>
<b>Total Assets</b>	<b>\$190,032.78</b>	<b>\$736,980.21</b>	<b>\$12,967,051.09</b>	<b>\$2,417,905.29</b>	<b>\$14,130,000.00</b>	<b>\$30,441,969.37</b>
<b><u>Liabilities and Net Assets</u></b>						
<b><u>Current Liabilities</u></b>						
Accounts Payable			\$2,176.25			\$2,176.25
Deferred Revenue			2,176.25			2,176.25
Accounts Payable				\$23,587.02		23,587.02
Due to Developer				150,000.00		150,000.00
Deposits				63,117.85		63,117.85
Accrued Expenses Payable				19,000.00		19,000.00
<b>Total Current Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,352.50</b>	<b>\$255,704.87</b>	<b>\$0.00</b>	<b>\$260,057.37</b>

**Sunbridge Stewardship District**

Statement of Financial Position

As of 6/30/2022

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Utility Fund</b>	<b>Long-Term Debt Fund</b>	<b>Total</b>
<b><u>Long Term Liabilities</u></b>						
System Dev. Charge - Water				\$1,507,650.00		\$1,507,650.00
System Dev. Charge - Wastewater				1,016,715.00		1,016,715.00
Revenue Bonds Payable - Long-Term					\$14,130,000.00	14,130,000.00
<b>Total Long Term Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,524,365.00</b>	<b>\$14,130,000.00</b>	<b>\$16,654,365.00</b>
<b>Total Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,352.50</b>	<b>\$2,780,069.87</b>	<b>\$14,130,000.00</b>	<b>\$16,914,422.37</b>
<b><u>Net Assets</u></b>						
Net Assets, Unrestricted	(\$44,385.70)					(\$44,385.70)
Current Year Net Assets, Unrestricted	(49,830.00)					(49,830.00)
Net Assets - General Government	59,792.33					59,792.33
Current Year Net Assets - General Government	224,456.15					224,456.15
						0.00
Current Year Net Assets, Unrestricted	736,980.21					736,980.21
Net Assets, Unrestricted		(\$10,668.00)				(\$10,668.00)
Current Year Net Assets, Unrestricted		12,973,366.59				12,973,366.59
Net Assets, 270			(\$233,727.55)			(\$233,727.55)
Current Year Net Assets, 270			(128,437.03)			(128,437.03)
<b>Total Net Assets</b>	<b>\$190,032.78</b>	<b>\$736,980.21</b>	<b>\$12,962,698.59</b>	<b>(\$362,164.58)</b>	<b>\$0.00</b>	<b>\$13,527,547.00</b>
<b>Total Liabilities and Net Assets</b>	<b>\$190,032.78</b>	<b>\$736,980.21</b>	<b>\$12,967,051.09</b>	<b>\$2,417,905.29</b>	<b>\$14,130,000.00</b>	<b>\$30,441,969.37</b>

**Sunbridge Stewardship District**

Statement of Activities

As of 6/30/2022

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Utility Fund</b>	<b>Long-Term Debt Fund</b>	<b>Total</b>
<b>Revenues</b>						
On-Roll Assessments	\$143,520.80					\$143,520.80
Off-Roll Assessments	269,063.22					269,063.22
Debt Proceeds		\$1,008,375.16				1,008,375.16
Developer Contributions			\$83,790.50			83,790.50
Debt Proceeds			13,121,624.84			13,121,624.84
Water - Residential Customers				\$40,919.62		40,919.62
Water - Commercial Customers				8,994.93		8,994.93
Wastewater - Residential Customers				71,206.54		71,206.54
Wastewater - Commercial Customers				273.54		273.54
Admin Late Fees				3,030.00		3,030.00
Inspection Fees				87,982.66		87,982.66
Plan Review Fees				7,571.00		7,571.00
Meter Installations Fees				30,175.00		30,175.00
Backflow Installation Fees				5,865.00		5,865.00
Wastewater Install/Connection				8,625.00		8,625.00
Initial Connection Fees				7,350.00		7,350.00
Total Revenues	\$412,584.02	\$1,008,375.16	\$13,205,415.34	\$271,993.29	\$0.00	\$14,898,367.81
<b>Expenses</b>						
D&O Insurance	\$2,506.00					\$2,506.00
Management	52,499.97					52,499.97
Engineering	2,605.00					2,605.00
Property Appraiser	454.76					454.76
District Counsel	10,946.50					10,946.50
Assessment Administration	7,500.00					7,500.00
Audit	4,000.00					4,000.00
Travel and Per Diem	72.19					72.19
Postage & Shipping	176.23					176.23
Legal Advertising	2,327.89					2,327.89
Office Supplies	245.00					245.00
Property Taxes	2.22					2.22
Web Site Maintenance	1,430.00					1,430.00
Dues, Licenses, and Fees	1,145.40					1,145.40
Electric	214.88					214.88
General Insurance	3,995.00					3,995.00
Irrigation	38,114.48					38,114.48

**Sunbridge Stewardship District**

Statement of Activities

As of 6/30/2022

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Utility Fund</b>	<b>Long-Term Debt Fund</b>	<b>Total</b>
Landscaping Maintenance & Material	41,400.00					41,400.00
UF Research Agreement	49,830.00					49,830.00
Streetlights	14,117.35					14,117.35
Personnel Leasing Agreement	4,375.00					4,375.00
Other Debt Service Costs		\$271,394.95				271,394.95
Management			\$10,000.00			10,000.00
Engineering			11,541.25			11,541.25
Dissemination Agent			1,000.00			1,000.00
District Counsel			90,557.50			90,557.50
Trustee Counsel			6,000.00			6,000.00
Bond Counsel			57,000.00			57,000.00
Contingency			55,950.00			55,950.00
Engineering			\$11,238.21			11,238.21
ContractServices - Accounting			8,962.55			8,962.55
Contractual Services			65,320.35			65,320.35
Miscellaneous			4,126.88			4,126.88
Water			24,385.51			24,385.51
Purchased Wastewater			23,444.64			23,444.64
Inspection Expense			106,695.45			106,695.45
Plan Review Expense			114,086.24			114,086.24
Meter Installation Expense			26,796.25			26,796.25
Backflow Installation Expense			5,214.75			5,214.75
Wastewater Connection Expense			7,437.50			7,437.50
Miscellaneous Customer Service Expense			2,721.99			2,721.99
<b>Total Expenses</b>	<b>\$237,957.87</b>	<b>\$271,394.95</b>	<b>\$232,048.75</b>	<b>\$400,430.32</b>	<b>\$0.00</b>	<b>\$1,141,831.89</b>

**Other Revenues (Expenses) & Gains (Losses)**

Total Other Revenues (Expenses) & Gains (Losses)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Change In Net Assets</b>	<b>\$174,626.15</b>	<b>\$736,980.21</b>	<b>\$12,973,366.59</b>	<b>(\$128,437.03)</b>	<b>\$0.00</b>	<b>\$13,756,535.92</b>
<b>Net Assets At Beginning Of Year</b>	<b>\$15,406.63</b>	<b>\$0.00</b>	<b>(\$10,668.00)</b>	<b>(\$233,727.55)</b>	<b>\$0.00</b>	<b>(\$228,988.92)</b>
<b>Net Assets At End Of Year</b>	<b>\$190,032.78</b>	<b>\$736,980.21</b>	<b>\$12,962,698.59</b>	<b>(\$362,164.58)</b>	<b>\$0.00</b>	<b>\$13,527,547.00</b>

**Sunbridge Stewardship District**  
 Budget to Actual  
 For the Month Ending 6/30/2022

	Year To Date					Percentage Used
	Actual	Budget	Variance	FY 2022 Adopted Budget		
<b><u>Revenues</u></b>						
On-Roll Assessments	\$ 143,520.80	\$ 312,007.50	\$ (168,486.70)	\$ 416,010.00		99.18%
Off-Roll Assessments	269,063.22	-	269,063.22			
<b>Net Revenues</b>	<b>\$ 412,584.02</b>	<b>\$ 312,007.50</b>	<b>\$ 100,576.52</b>	<b>\$ 416,010.00</b>		<b>99.18%</b>
<b><u>General &amp; Administrative Expenses</u></b>						
D&O Insurance	\$ 2,506.00	\$ 2,025.00	\$ 481.00	\$ 2,700.00		92.81%
Trustee Services	-	4,500.00	(4,500.00)	6,000.00		0.00%
Management	52,499.97	52,499.97	-	70,000.00		75.00%
Engineering	2,605.00	11,250.00	(8,645.00)	15,000.00		17.37%
Dissemination Agent	-	3,750.03	(3,750.03)	5,000.00		0.00%
Property Appraiser	454.76	-	454.76	-		
District Counsel	10,946.50	45,000.00	(34,053.50)	60,000.00		18.24%
Assessment Administration	7,500.00	5,625.00	1,875.00	7,500.00		100.00%
Reamortization Schedules	-	93.78	(93.78)	125.00		0.00%
Audit	4,000.00	9,375.03	(5,375.03)	12,500.00		32.00%
Travel and Per Diem	72.19	375.03	(302.84)	500.00		14.44%
Telephone	-	74.97	(74.97)	100.00		0.00%
Postage & Shipping	176.23	150.03	26.20	200.00		88.12%
Copies	-	225.00	(225.00)	300.00		0.00%
Legal Advertising	2,327.89	4,500.00	(2,172.11)	6,000.00		38.80%
Bank Fees	-	270.00	(270.00)	360.00		0.00%
Office Supplies	245.00	187.47	57.53	250.00		98.00%
Property Taxes	2.22	-	2.22	-		
Web Site Maintenance	1,430.00	1,800.00	(370.00)	2,400.00		59.58%
Dues, Licenses, and Fees	1,145.40	1,256.22	(110.82)	1,675.00		68.38%
Electric	214.88	225.00	(10.12)	300.00		71.63%
Infrastructure Capital Reserve	-	7,499.97	(7,499.97)	10,000.00		0.00%
General Insurance	3,995.00	2,400.03	1,594.97	3,200.00		124.84%
Irrigation	38,114.48	11,250.00	26,864.48	15,000.00		254.10%
Irrigation Parts	-	2,250.00	(2,250.00)	3,000.00		0.00%
Landscaping Maintenance & Material	41,400.00	46,500.03	(5,100.03)	62,000.00		66.77%
Landscape Improvements	-	1,500.03	(1,500.03)	2,000.00		0.00%
Contingency	-	7,499.97	(7,499.97)	10,000.00		0.00%
Signage & Amenities Repair	-	749.97	(749.97)	1,000.00		0.00%
UF Research Agreement	49,830.00	61,049.97	(11,219.97)	81,400.00		61.22%
Lighting	-	22,500.00	(22,500.00)	30,000.00		0.00%
Streetlights	14,117.35	-	14,117.35	-		
Personnel Leasing Agreement	4,375.00	5,625.00	(1,250.00)	7,500.00		58.33%
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 237,957.87</b>	<b>\$ 312,007.50</b>	<b>\$ (74,049.63)</b>	<b>\$ 416,010.00</b>		<b>57.20%</b>
<b>Total Expenses</b>	<b>\$ 237,957.87</b>	<b>\$ 312,007.50</b>	<b>\$ (74,049.63)</b>	<b>\$ 416,010.00</b>		<b>57.20%</b>
<b>Net Income (Loss)</b>	<b>\$ 174,626.15</b>	<b>\$ -</b>	<b>\$ 174,626.15</b>	<b>\$ -</b>		<b>57.20%</b>