

ORDINANCE NO. 2025-01
SUPPLEMENTING
MASTER WATER AND WASTEWATER
BOND ORDINANCE NO. 2021-62

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ORDINANCE NO. 2025-01**CITY OF POMPANO BEACH
Broward County, Florida**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING THE ISSUANCE OF THE CITY OF POMPANO BEACH, FLORIDA, WATER AND WASTEWATER REVENUE BONDS, SERIES 2024 IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$90,000,000 (THE “SERIES 2024 BONDS”) UNDER ORDINANCE NO. 2021-62 ENACTED ON JUNE 22, 2021 (THE “BOND ORDINANCE”), FOR THE PURPOSE OF FINANCING (INCLUDING THROUGH REIMBURSEMENT) THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF ALL OR A PORTION OF CERTAIN CAPITAL PROJECTS RELATED TO THE ISSUER’S WATER, SEWER, WASTEWATER AND REUSE SYSTEM, AS MORE FULLY DESCRIBED HEREIN, PAYING COSTS OF ISSUANCE OF THE SERIES 2024 BONDS AND FUNDING CAPITALIZED INTEREST ON THE SERIES 2024 BONDS AND/OR A RESERVE SUBACCOUNT FOR THE SERIES 2024 BONDS IF DETERMINED NECESSARY AND APPROPRIATE AS PROVIDED HEREIN; FIXING CERTAIN TERMS AND DETAILS OF THE SERIES 2024 BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE SERIES 2024 BONDS; AUTHORIZING THE PUBLIC SALE OF THE SERIES 2024 BONDS AND THE USE OF THE PRELIMINARY OFFICIAL STATEMENT, OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE IN CONNECTION THEREWITH; DELEGATING AUTHORITY TO THE CITY MANAGER OF THE ISSUER, IN CONSULTATION WITH THE ISSUER’S MUNICIPAL ADVISOR, TO ACCEPT, PURSUANT TO A COMPETITIVE PUBLIC SALE PROCESS, THE BID OR BIDS OF THE LOWEST QUALIFIED BIDDER OR BIDDERS FOR THE PURCHASE OF THE SERIES 2024 BONDS, SUBJECT TO CERTAIN PARAMETERS AND OTHER MATTERS SET FORTH HEREIN; DIRECTING THE APPLICATION OF THE PROCEEDS OF THE SERIES 2024 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CERTIFICATE DEEMING THE PRELIMINARY OFFICIAL STATEMENT

FINAL; APPROVING THE APPOINTMENT OF UMB BANK, N.A. AS THE PAYING AGENT AND REGISTRAR FOR THE SERIES 2024 BONDS; APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO THE SERIES 2024 BONDS; PROVIDING FOR THE APPOINTMENT OF A DISSEMINATION AGENT; PROVIDING FOR A MUNICIPAL BOND INSURANCE POLICY OPTION; PROVIDING FOR CERTAIN AMENDMENTS TO THE BOND ORDINANCE; AUTHORIZING OTHER REQUIRED ACTIONS; AUTHORIZING THE PROPER OFFICIALS OF THE ISSUER TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE MATTERS PROVIDED FOR HEREIN; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of its proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission has been held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had the opportunity to be and were, in fact, heard; now, therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS ORDINANCE; DEFINITIONS. This Ordinance (the "Series 2024 Ordinance") is enacted pursuant to the authority in the Constitution of the State of Florida, Chapter 166, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the City of Pompano Beach, Florida (the "City" or the "Issuer"), and other applicable provisions of law (collectively, the "Act"). This Series 2024 Ordinance is a Supplemental Resolution authorizing the issuance of Additional Parity Obligations within the meaning of the Bond Ordinance (hereinafter defined).

In consideration of the acceptance of the Series 2024 Bonds (hereinafter defined) by those who shall own the same from time to time, the Bond Ordinance and this Series 2024 Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Holders of the Series 2024 Bonds. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance, the Series 2024 Ordinance, or herein, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Ordinance is hereby incorporated herein by this reference.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. The Issuer currently owns, operates, and maintains the System and derives Gross Revenues from rates, fees, rentals, and other charges made and collected for the services of such System.

B. Pursuant to Ordinance No. 2021-62, as same may be amended from time to time (the “Bond Ordinance”) duly enacted by the City Commission of the Issuer (the “City Commission”) on June 22, 2021, the Issuer authorized the issuance of Bonds from time to time, in one or more Series, for the principal purpose of financing and refinancing the acquisition, construction and equipping of Projects related to the System.

C. The Issuer has previously issued its Water and Wastewater Revenue Bond, Series 2021, in the original principal amount of \$10,515,000 (the “Series 2021 Bond”), which is Outstanding under the Bond Ordinance, as supplemented in connection with the Series 2021 Bond and secured by a pledge of the Pledged Revenues. The Issuer has also incurred certain Subordinated Debt secured by a pledge of the Pledged Revenues.

D. The Bond Ordinance authorizes the issuance of Additional Parity Obligations thereunder, which Additional Parity Obligations shall be payable from, and secured by a pledge of, the Pledged Revenues on a parity with Bonds Outstanding under the Bond Ordinance.

E. The Issuer hereby determines that it is necessary, desirable, and in the best interests of the Issuer to finance (including through reimbursement) a Project consisting of the acquisition, construction, and equipping of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A hereto, subject to modification as permitted hereby (the “Series 2024 Project”).

F. In furtherance of the foregoing, and pursuant to the Bond Ordinance, subject to the requirements of Section 6 and Section 7 hereof, the Issuer deems it to be in its best interest to issue its Series 2024 Bonds in the original principal amount of not exceeding \$90,000,000 and to apply the proceeds of the Series 2024 Bonds to finance (including through reimbursement) all or a portion of the Series 2024 Project and for such other purposes as set forth herein.

G. All of the provisions, covenants, pledges, and conditions in the Bond Ordinance, as supplemented hereby, shall be applicable to the Series 2024 Bonds herein authorized, and such Series 2024 Bonds shall constitute “Bonds” and “Additional Parity Obligations” within the meaning of the Bond Ordinance. The Series 2024 Bonds shall not be secured by the Reserve Account or any subaccount therein except in the event a subaccount in the Reserve Account is established solely to secure the Series 2024 Bonds as provided for herein.

H. The Issuer hereby determines that it would be in the best interests of the Issuer that the Series 2024 Bonds be sold on a competitive basis pursuant to a public sale, subject to

certain Parameters (hereinafter defined) and other matters set forth herein. To facilitate such public sale, there have been prepared (i) a Preliminary Official Statement relating to the Series 2024 Bonds, a form of which is attached hereto as Exhibit B (the “Preliminary Official Statement”) and (ii) an Official Notice of Sale (“Official Notice of Sale”) and a Summary Notice of Sale (“Summary Notice of Sale”), forms of which are attached hereto as composite Exhibit C.

I. It is now appropriate to authorize the issuance of the Series 2024 Bonds and to determine, or provide for determining, the terms and details thereof.

J. The principal of, premium, if any, and interest on the Series 2024 Bonds herein authorized and all sinking fund, reserve, and other payments provided for in the Bond Ordinance shall be payable solely from the Pledged Revenues, and it will not be necessary nor has there been authorized the levy of taxes on any property in the Issuer to pay for same, and the Series 2024 Bonds shall not constitute a lien upon any of the properties of the Issuer, except the Pledged Revenues, nor shall the Series 2024 Bonds be secured by the credit or taxing power of the Issuer or the general funds of the Issuer not expressly pledged under the Bond Ordinance and hereunder.

K. No Event of Default has occurred and is continuing under the Bond Ordinance.

SECTION 3. APPROVAL AND AUTHORIZATION OF THE SERIES 2024 PROJECT AND THE SERIES 2024 BONDS.

A. The Issuer hereby approves and authorizes the Series 2024 Project. The Series 2024 Project may be modified, in consultation with the City Attorney and Bond Counsel, by a certificate of the City Manager to delete therefrom any component of the Series 2024 Project

and/or to include any public capital project relating to the System authorized under the Issuer's then-current and adopted five-year capital improvement plan for the System.

B. Subject to the provisions of Section 6 hereof and Section 7 hereof, the Issuer hereby authorizes and approves the issuance of a Series of Bonds as Additional Parity Obligations in the original principal amount of not exceeding \$90,000,000 to be known as the "City of Pompano Beach, Florida Water, and Wastewater Revenue Bonds, Series 2024" for the purpose of providing funds to finance (including through reimbursement) all or a portion of the cost of the Series 2024 Project and pay costs of issuance of the Series 2024 Bonds. Additionally, as provided in Section 7 hereof, proceeds of the Series 2024 Bonds may be applied to fund capitalized interest for the Series 2024 Bonds and/or fund a subaccount in the Reserve Account securing only the Series 2024 Bonds.

C. The Series 2024 Bonds shall be secured by a first lien on and pledge of the Pledged Revenues, on a parity with the Outstanding Series 2021 Bond and any Additional Parity Obligations hereafter issued and Outstanding under the Bond Ordinance. As a condition to the issuance of the Series 2024 Bonds, the applicable requirements of Section 20(Q) of the Bond Ordinance shall be met. The City affirms the tax covenants set forth in Section 31 of the Bond Ordinance with respect to the Series 2024 Bonds.

D. The Series 2024 Bonds shall be initially issued as a single fully registered bond for each maturity. The Series 2024 Bonds shall be dated as of their date of issuance or such other date as set forth in the Official Statement (hereinafter defined), shall be issued in denominations of \$5,000 or integral multiples thereof, and will bear interest payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2025, or such other date specified in the

Official Statement. Subject to Section 6 hereof, the Series 2024 Bonds shall mature not later than the date permitted by applicable law and shall bear interest at a rate per annum not exceeding the maximum rate permitted by applicable law.

E. The Series 2024 Bonds shall be held pursuant to a book-entry system of registration in accordance with Section 12 of the Bond Ordinance.

SECTION 4. REDEMPTION PROVISIONS. Subject to the requirements of Section 6 hereof, the Series 2024 Bonds shall be subject to mandatory sinking fund redemption, if issued as Term Bonds, shall be subject to optional redemption and may be subject to extraordinary redemption in such manner and at such times so as to produce the best market acceptance for the Series 2024 Bonds, all as shall be provided in the final Official Notice of Sale and the Series 2024 Bonds. The Series 2024 Bonds may be issued as Serial Bonds and/or Term Bonds, and any Term Bonds shall have such Amortization Installments as shall be set forth in the Official Statement.

SECTION 5. EXECUTION OF THE SERIES 2024 BONDS. The Mayor or his designee is hereby authorized and directed to execute, and/or to cause his facsimile signature to be placed on, and the City Clerk or his designee is hereby authorized to attest, by manual or facsimile signature, the Series 2024 Bonds and such officers are further authorized to cause the corporate seal of the Issuer to be imprinted or reproduced thereon and to deliver the Series 2024 Bonds to the Registrar for authentication and delivery. The Series 2024 Bonds shall be in substantially the form set forth in Exhibit F hereto. Execution of the Series 2024 Bonds by the Mayor or his designee shall constitute conclusive evidence of the approval thereof by the Issuer.

SECTION 6. SALE OF THE SERIES 2024 BONDS; OFFICIAL NOTICE OF SALE; SUMMARY NOTICE OF SALE.

A. The Official Notice of Sale and Summary Notice of Sale, in substantially the forms attached as composite Exhibit C, are hereby authorized and approved, with such changes, modifications, and deletions, consistent with the Parameters, as the City Manager, upon advice of the City Attorney, Bond Counsel and the Issuer's Municipal Advisor (the "Municipal Advisor"), shall deem necessary and appropriate. The use and distribution of the final Official Notice of Sale and Summary Notice of Sale in connection with the public sale of the Series 2024 Bonds is hereby approved and authorized. Notice of the public sale of the Series 2024 Bonds shall be published in summary form in the manner required by Section 218.385, Florida Statutes, at least one time at least 10 days prior to the date of sale in one or more newspapers or financial journals published within or outside the State of Florida in accordance with said Section 218.385.

B. The City Manager, in consultation with the Municipal Advisor, is hereby authorized and directed to make the initial determinations of the following with respect to the Series 2024 Bonds, subject to the applicable Parameters: (i) the maturity dates; (ii) the aggregate par amount; (iii) the dated date; (iv) the first Interest Payment Date; and (v) the redemption provisions. The City Manager, in consultation with the City Attorney, Bond Counsel, and the Municipal Advisor, is also authorized to determine the date of the public sale of the Series 2024 Bonds.

C. In addition to the foregoing, the City Manager, in consultation with the Municipal Advisor, is hereby authorized to determine:

(i) whether it is necessary and advisable to capitalize interest on the Series 2024 Bonds, and, if so, the period of time during which interest shall be capitalized (subject to the limitations of applicable law, the Code, and the Parameters) and to cause such information to be set forth in the Preliminary Official Statement. If a portion of the proceeds of the Series 2024 Bonds will be used to fund capitalized interest on the Series 2024 Bonds, the establishment of a subaccount in the Interest Account designated as the “Series 2024 Capitalized Interest Subaccount” is hereby authorized and approved. The amount of the proceeds of the Series 2024 Bonds representing capitalized interest on the Series 2024 Bonds, if any, shall be set forth in the City Manager Certificate (hereinafter defined) and is hereby deemed approved; and

(ii) whether it is necessary and advisable to fund a subaccount in the Reserve Account in connection with the Series 2024 Bonds in order to market the Series 2024 Bonds and, if the Series 2024 Bonds are to be secured by a subaccount in the Reserve Account, the applicable Reserve Requirement for such Series 2024 Bonds (subject to the requirements of the Bond Ordinance, the Code and the Parameters) (the “Series 2024 Reserve Requirement”). If a portion of the proceeds of the Series 2024 Bonds will be used to fund the Series 2024 Reserve Requirement, the establishment of a subaccount in the Reserve Account designated as the “Series 2024 Reserve Subaccount” and securing only the Series 2024 Bonds is hereby authorized and approved. The amount of the proceeds of the Series 2024 Bonds representing the Series 2024 Reserve Requirement, if any, shall be set forth in the Preliminary Official Statement and the City Manager Certificate and is hereby deemed approved.

D. There is hereby delegated to the City Manager, in consultation with the Municipal Advisor, the authority to sell the Series 2024 Bonds to the qualified bidder or bidders bidding the lowest annual interest cost rate per annum computed on a true interest cost (“TIC”) basis, subject

to the Parameters (referred to herein as the “Underwriter(s)”). The sale of the Series 2024 Bonds to the Underwriter(s) shall be evidenced by the execution by the City Manager or his designee of the award certificate substantially in the form attached hereto as Exhibit D (the “Award Certificate”).

E. For purposes of this Ordinance, the “Parameters” shall be as follows: (i) the original aggregate principal amount of the Series 2024 Bonds shall not exceed \$90,000,000 (without regard to original issue discount or original issue premium); (ii) the true interest cost rate per annum computed on a TIC basis shall not exceed 5.50%; (iii) the final maturity date of the Series 2024 Bonds shall not be later than September 1, 2054; (iv) the purchase price shall not be less than 98% of the original aggregate principal amount of the Series 2024 Bonds; (v) the Series 2024 Bonds shall be subject to mandatory sinking fund redemption, if issued as Term Bonds, shall be subject to optional redemption as provided in the final Official Notice of Sale, and may be subject to extraordinary redemption, in each case, in such manner and at such times so as to produce the best market acceptance for the Series 2024 Bonds, all as shall be provided in the final Official Notice of Sale; and (vi) the Series 2024 Bonds may be sold with original issue premium only if such sale with original issue premium shall meet the requirements of the Code with respect to the Series 2024 Bonds. The execution by the City Manager or his designee of the Award Certificate on behalf of the Issuer shall constitute conclusive evidence that the Parameters have been met.

SECTION 7. APPLICATION OF THE SERIES 2024 BONDS PROCEEDS.

A. The proceeds derived from the sale of the Series 2024 Bonds shall be applied simultaneously with the delivery thereof for the purposes stated in, and in a manner consistent

with, a certificate executed by the City Manager or his designee and delivered at the time of issuance of the Series 2024 Bonds (the “City Manager Certificate”). The specific amounts to be deposited into the Series 2024 Project Subaccount (hereinafter defined), the Series 2024 Bonds Cost of Issuance Subaccount (hereinafter defined), the Series 2024 Capitalized Interest Subaccount, if any is established, and the Series 2024 Reserve Subaccount, if any is established, shall be set forth in the City Manager Certificate. Proceeds of the Series 2024 Bonds on deposit in the Series 2024 Project Subaccount, the Series 2024 Bonds Cost of Issuance Subaccount, the Series 2024 Capitalized Interest Subaccount, if any, and the Series 2024 Reserve Subaccount, if any, together with investment earnings thereon, shall be applied as provided in the Bond Ordinance.

B. The portion of the proceeds of the Series 2024 Bonds to be used to pay the Costs of the Series 2024 Project shall be deposited or credited on the date of issuance of the Series 2024 Bonds to a separate subaccount in the Project Account, which subaccount is hereby created and designated as the “Series 2024 Project Subaccount.” To the extent any such proceeds are used to reimburse the Issuer for Costs of the Series 2024 Project incurred prior to the date of issuance of the Series 2024 Bonds, such reimbursement will be reflected in the City Manager Certificate.

C. If any portion of the proceeds of the Series 2024 Bonds represents capitalized interest, as reflected in the City Manager Certificate, such amount of proceeds shall be deposited or credited on the date of issuance of the Series 2024 Bonds to the Series 2024 Capitalized Interest Subaccount and applied solely to pay the interest next coming due on the Series 2024 Bonds after the date of issuance of the Series 2024 Bonds, until all such funds have been expended.

D. If any portion of the proceeds of the Series 2024 Bonds represents the Series 2024 Reserve Requirement to be deposited to the Series 2024 Reserve Subaccount, as reflected in the City Manager Certificate, such amount of proceeds shall be deposited or credited on the date of issuance of the Series 2024 Bonds to the Series 2024 Reserve Subaccount and applied in accordance with the Bond Ordinance.

E. The balance of the proceeds of the Series 2024 Bonds shall be used to pay the costs of issuance of the Series 2024 Bonds and shall be deposited on the date of issuance of the Series 2024 Bonds to a separate subaccount in the Project Account, which subaccount is hereby created and designated as the “Series 2024 Cost of Issuance Subaccount.” Any amounts remaining on deposit in the Series 2024 Bonds Cost of Issuance Subaccount on the date which is 180 days from the date of issuance of the Series 2024 Bonds shall be transferred to the Series 2024 Project Subaccount.

SECTION 8. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The Preliminary Official Statement relating to the Series 2024 Bonds in substantially the form attached hereto as Exhibit B (the “Preliminary Official Statement”), with such insertions, deletions, modifications, and changes as may be approved by the City Manager, in consultation with the City Attorney, Bond Counsel, Disclosure Counsel to the Issuer and the Municipal Advisor, is hereby approved with respect to the information therein contained. The distribution and use of the Preliminary Official Statement in connection with the public offering for sale of the Series 2024 Bonds is hereby authorized. The execution by the City Manager or his designee of a certificate deeming the Preliminary Official Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 is hereby authorized. The City Manager or his designee is hereby authorized and directed to execute, and the City Clerk or his designee is

hereby authorized and directed to attest a final Official Statement to be dated the date of the award of the Series 2024 Bonds to the Underwriter(s) (the “Official Statement”), and, upon such execution, to deliver the same to the Underwriter(s) for use in connection with the sale and distribution of the Series 2024 Bonds. The Official Statement shall, among other matters, contain such information as necessary to confirm the details of the Series 2024 Bonds. The execution and delivery of the Official Statement by the City Manager or his designee shall constitute conclusive evidence of the approval thereof. The Issuer hereby authorizes the Official Statement and the information contained therein to be used in connection with the offering and sale of the Series 2024 Bonds. The inclusion in the Preliminary Official Statement and the Official Statement of the reports of the Issuer’s consulting engineer and feasibility consultant prepared in connection with the Series 2024 Bonds and separately presented to the City are hereby authorized and approved.

SECTION 9. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Based on the recommendation of the City’s Municipal Advisor after a proposal process, UMB Bank, N.A. is hereby appointed to serve as the initial Paying Agent and Registrar for the Series 2024 Bonds.

SECTION 10. INSURANCE MATTERS. The City Manager, in consultation with the Issuer’s Municipal Advisor, shall determine whether to permit bidders to have the option to provide a Bond Insurance Policy insuring all or any maturities of the Series 2024 Bonds, which determination shall be set forth in the final Official Notice of Sale. In the event a Bond Insurance Policy is obtained for the Series 2024 Bonds, the applicable Insurer shall have the rights set forth in the Bond Ordinance with respect to the Series 2024 Bonds subject to the Bond

Insurance Policy, including, without limitation, the consent rights set forth in Section 23 of the Bond Ordinance.

SECTION 11. CONTINUING DISCLOSURE. The Continuing Disclosure Certificate relating to the Series 2024 Bonds, substantially in the form attached as Exhibit E, is hereby authorized and approved, with such insertions, modifications, and deletions as are approved by the City Manager, upon advice of the City Attorney, Bond Counsel and the Issuer's Municipal Advisor. The City Manager or his designee is hereby authorized and directed to execute, and the City Clerk or his designee is hereby authorized and directed to attest, without further act of the Issuer, the Continuing Disclosure Certificate. The execution and delivery of the Continuing Disclosure Certificate by the City Manager or his designee shall constitute conclusive evidence of the approval thereof. The Obligated Person with respect to the Continuing Disclosure Certificate is the Issuer. The City Manager is hereby authorized to appoint a firm to serve as initial dissemination agent under the Continuing Disclosure Certificate and execution of the Continuing Disclosure Certificate by the City Manager shall be conclusive evidence of such appointment.

SECTION 12. AMENDMENTS TO BOND ORDINANCE. The following amendments are made to the Bond Ordinance as permitted by Section 22 of the Bond Ordinance to correct scrivener's errors as follows: (i) any references to "Additional Parity Bonds" in section 20(Q) of the Bond Ordinance are hereby replaced with references to "Additional Parity Obligations" and (ii) the reference to "two preceding paragraphs" in the second paragraph of Section 20(E) is replaced with a reference to "the preceding paragraph."

SECTION 13. GENERAL AUTHORITY. The Mayor, City Manager, Finance Director, Utility Director, City Clerk and any other proper officials of the Issuer are hereby authorized to do all acts and things required of them by this Series 2024 Ordinance, the Bond Ordinance, the Official Statement, the Series 2024 Bonds, the Official Notice of Sale, the Continuing Disclosure Certificate, the book-entry only system of registration of the Series 2024 Bonds, or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing, including seeking an investment grade rating on the Series 2024 Bonds from one or more nationally recognized rating agencies, entering into a customary agreement with a financial institution selected to serve as the Paying Agent and Registrar for the Series 2024 Bonds, and entering into a customary dissemination agent agreement with any dissemination agent selected as provided for herein, and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 14. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof or of the Series 2024 Bonds.

SECTION 15. BOND ORDINANCE TO CONTINUE IN FORCE. Except as herein expressly amended and as expressly provided as to the Series 2024 Bonds, the Bond Ordinance and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 16. EFFECTIVE DATE. This Ordinance shall become effective upon passage.

PASSED FIRST READING this 8th day of October, 2024.

PASSED SECOND READING this 22nd day of October, 2024.

Signed by:
Rex Hardin
502CB780EB3F480...

REX HARDIN, MAYOR

ATTEST:

DocuSigned by:
Kerwin Alfred
D1C913A8ED334CA...

KERWIN ALFRED, CITY CLERK



EXHIBIT A

SERIES 2024 PROJECT

The Series 2024 Project is estimated to have a total cost of \$85,825,334 and is subject to modification as provided in the Bond Ordinance, as supplemented by the Series 2024 Ordinance.

- **Water Treatment Plant Electrical System:** This project is for the renovation of all old electrical infrastructure within the water treatment plant for reliability, efficiency and an additional 25-year life cycle. This will include all new 5KV power distribution switchgear, new 2 KW generator with synchronization switchgear with existing generators, and new power distribution feeders around the plant.
- **Emerging Contaminants:** This project involves the implementation of the Facility Plan for expanding and improving processes to comply with emerging contaminants regulations. The project will involve phased upgrades to the water treatment plant. The initial phase is included in the Series 2024 Project and will focus on meeting near-term water demands by expanding the City's existing NF facility to increase its capacity from 10 mgd to a total of 20 mgd, and the addition of a new deep well for membrane concentrate disposal.
- **Monitoring Well:** This project involves the replacement of the lower zone monitoring well (DZMW-1R). In 2022, a study evaluated repair or replacement alternatives. As a result of that evaluation, the City has opted to replace the dual-zone monitoring well in advance of failure.
- **Water Meter Testing and Replacement Program:** This project will update aged/obsolete meter infrastructure by replacing all meters and migrating data collection to prioritize first responder cellular services.
- **Reuse Distribution System Expansion:** This annual project continues with the installation of the reuse distribution system in Service Areas 1 through 4, as detailed in the Reuse Water Master Plan, which represents service to over 1,000 acres. The Issuer has an interlocal agreement with the City of Lighthouse Point to construct a transmission line and piping in order to provide reuse water to City of Pompano Beach water customers in the City of Lighthouse Point (about 500 connections).
- **Force Main Replacement:** This project involves comprehensive force main replacement, assessment, and design.
- **Lift Station Rehabilitation:** This project allows for upgrading and rehabilitating wastewater lift stations as prioritized by the Utilities Department. A lift station rehab consists of replacement of all major components, including plumbing, mechanical, and electrical.
- **Wastewater Collection Lines Relining:** This project allows for relining sanitary sewer gravity mains throughout the City of Pompano Beach to minimize infiltration of groundwater. Wherever possible, this is accomplished through trenchless methods. However, from time to time, open cut-point repairs are appropriate.

- **Wellfield Relocation:** This project involves relocating and drilling a new well in the eastern wellfield of the city. A preliminary study has been conducted. Design, permitting, construction, and construction management services are required for each new well.
- **Water Treatment Plant Storage Building:** This project involves a storage building needed to replace an existing storage building to allow for water treatment plant expansion.
- **Boom Truck:** The purchase of the boom truck will significantly improve the efficiency, safety, and reliability of lift station maintenance operations within our utility network. The crane can lift, lower, or move pumps both horizontally and vertically, allowing for the safe and efficient removal and installation of the lift station equipment. Pompano Beach Utilities currently operates and maintains a robust network of 82 lift stations, each equipped with at least two pumps that are essential for wastewater management. Timely and effective maintenance of these lift stations is crucial to prevent environmental hazards and ensure uninterrupted service to the System's service area.

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

Draft #3**PRELIMINARY OFFICIAL STATEMENT DATED [NOVEMBER 4], 2024****NEW ISSUE - Book-Entry-Only****See “RATINGS” herein**

In the opinion of Holland & Knight LLP, Bond Counsel, as more fully described herein, under existing law and assuming continuing compliance by the Issuer (hereinafter defined) with certain tax covenants, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. See “TAX MATTERS” herein.

CITY OF POMPANO BEACH, FLORIDA**[\$90,000,000]*****Water and Wastewater Revenue Bonds, Series 2024****Dated: Date of Delivery****Due: September 1, as shown
on the inside cover**

The City of Pompano Beach, Florida (the “City” or the “Issuer”) is issuing its Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) only in fully registered form, without coupons, in denominations of \$5,000 or integral multiples thereof. The Series 2024 Bonds will bear interest at the fixed rates set forth on the inside cover, payable semi-annually on each March 1 and September 1, commencing March 1, 2025. The Series 2024 Bonds, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2024 Bonds. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry-only form and purchasers will not receive physical delivery of the Series 2024 Bonds. Accordingly, principal of and interest on the Series 2024 Bonds will be paid from the sources described below by UMB Bank, N.A., as Paying Agent, directly to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of Series 2024 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2024 Bonds. See “DESCRIPTION OF THE SERIES 2024 BONDS—Book-Entry-Only System” herein.

The Series 2024 Bonds are being issued by the City pursuant to the authority of the Constitution of the State of Florida, Chapter 166, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the City, and other applicable provisions of law (collectively, the “Act”) and Ordinance No. 2021-62 (the “Bond Ordinance”) enacted by the City Commission of the Issuer (the “City Commission”) on June 22, 2021 as amended from time to time (the “Bond

Ordinance”), and particularly as amended and supplemented by Ordinance No. 2025-01 (the “Series Ordinance”) enacted by the City Commission on October 22, 2024 (the Series Ordinance and the Bond Ordinance being referred to collectively as the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance. See “APPENDIX C—Copy of the Ordinance.”

The City owns and operates the System, which is comprised of the Water System and the Wastewater System, all as more fully described herein under “THE SYSTEM,” “THE WATER SYSTEM,” and “THE WASTEWATER SYSTEM” and as defined in the Ordinance. Proceeds of the Series 2024 Bonds will be used to (i) finance (including through reimbursement) a Project consisting of the acquisition, construction and equipping of all or a portion of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A to the Series Ordinance, subject to modification as permitted by the Series Ordinance; and (ii) pay costs of issuance of the Series 2024 Bonds. See “PURPOSE OF THE SERIES 2024 BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Series 2024 Bonds are special limited obligations of the City, payable, both as to principal and interest, solely from, and secured by a first lien on and a pledge of, the Pledged Revenues, which consist of the Net Revenues derived from the operation of the System and monies on deposit in certain funds and accounts held under the Ordinance and pledged to the Series 2024 Bonds, to the extent and manner provided in the Ordinance. As of the date hereof, the City has issued under the Bond Ordinance its Water and Wastewater Revenue Bond, Series 2021 in the original aggregate principal amount of \$10,515,000, of which \$9,150,000 in principal amount is currently Outstanding (the “Series 2021 Bond”). The Series 2024 Bonds are being issued on a parity with the Outstanding Series 2021 Bond with respect to the pledge of the Pledged Revenues, as more fully described herein. Additional Parity Obligations may be issued by the City in the future on a parity with the Outstanding Series 2024 Bonds and the Outstanding Series 2021 Bond, upon the conditions and within the limitations and in the manner provided in the Ordinance. In addition, the City has incurred, and may in the future incur, Subordinated Debt, upon the conditions and within the limitations and in the manner provided in the Ordinance. See “SECURITY FOR THE SERIES 2024 BONDS—’Outstanding Bonds and Existing Subordinated Debt’ and ‘Additional Parity Obligations and Subordinated Debt’.”

The Series 2024 Bonds are subject to redemption prior to maturity as described herein under “DESCRIPTION OF THE SERIES 2024 BONDS—Redemption Provisions.” See the inside cover page hereof for maturities, principal amounts, interest rates, yields and prices.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS SOLELY FROM THE PLEDGED REVENUES, AS DESCRIBED IN THE ORDINANCE. THE SERIES 2024 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON

THE SERIES 2024 BONDS. THE ISSUANCE OF THE SERIES 2024 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS, EXCEPT AS PROVIDED IN THE ORDINANCE.

This cover page contains certain information for quick reference only. It is **not** a summary of the Series 2024 Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered for delivery in book-entry-only form, when, as and if issued by the City and accepted by the Underwriter (hereinafter defined), subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Holland & Knight LLP, Fort Lauderdale, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. Holland & Knight LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel to the City. Mark E. Berman, Esq. is the City Attorney to the City. PFM Financial Advisors LLC, Coral Gables, Florida is serving as Municipal Advisor to the City. It is expected that the Series 2024 Bonds will be delivered in book-entry-only form through the facilities of DTC, New York, New York on or about December [3], 2024.

ELECTRONIC BIDS FOR THE SERIES 2024 BONDS PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE (HEREINAFTER DEFINED) WILL BE RECEIVED BY THE CITY THROUGH THE IHS MARKIT'S PARITY/BIDCOMP ELECTRONIC COMPETITIVE BIDDING SYSTEM VIA SEPARATE BIDS BETWEEN 9:30 A.M. AND 10:00 A.M. EASTERN TIME ON [NOVEMBER 12], 2024. AS SET FORTH IN THE OFFICIAL NOTICE OF SALE, BIDDERS MAY ELECT, AT THEIR EXPENSE, TO HAVE ALL OR A PORTION OF THE SERIES 2024 BONDS INSURED BY A MUNICIPAL BOND INSURANCE POLICY. BIDDERS SHOULD REVIEW THE OFFICIAL NOTICE OF SALE IN ITS ENTIRETY.

Dated: [November 12], 2024

* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2024 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

CITY OF POMPANO BEACH, FLORIDA

WATER AND WASTEWATER REVENUE BONDS, SERIES 2024

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

<u>Maturity (September 1)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.***</u>
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035**					
2036**					
2037**					
2038**					
2039**					
2040**					
2041**					
2042**					
2043**					
2044**					
2045**					
2046**					
2047**					
2048**					
2049**					
2050**					
2051**					
2052**					
2053**					
2054**					

* Preliminary, subject to change.

**Subject to the Term Bond Option as described in the Official Notice of Sale (hereinafter defined).

*** Copyright, American Bankers Association (ABA). CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and neither the City nor the Underwriter (as such terms are hereinafter defined) takes any responsibility for the use of CUSIP numbers or the accuracy thereof. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP numbers are included solely for the convenience of the readers of this Official Statement. CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

CITY OF POMPANO BEACH, FLORIDA

CITY COMMISSION*

Rex Hardin, Mayor
Andrea McGee, Vice Mayor
Rhonda Sigerson-Eaton
Allison Fournier
Beverly Perkins
Barry Moss

*See "DESCRIPTION OF THE CITY" for information on the upcoming November 5, 2024 election.

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>
Greg Harrison	City Manager
Mark E. Berman, Esq.	City Attorney
Kervin Alfred	City Clerk
Allison Feurtado	Finance Director
Randolph Brown	Utilities Department Director

CONSULTANTS AND ADVISORS

Bond Counsel and Disclosure Counsel

Holland & Knight LLP
Fort Lauderdale, Florida

Municipal Advisor

PFM Financial Advisors LLC
Coral Gables, Florida

No dealer, broker, salesperson, or other person has been authorized by the City of Pompano Beach, Florida (the “City” or the “Issuer”) or the Underwriter (hereinafter defined) purchasing the Series 2024 Bonds (hereinafter defined) pursuant to the terms of the Official Notice of Sale dated [November 4], 2024 (the “Official Notice of Sale”) to give any information or make any representations with respect to the Series 2024 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall be no offer, solicitation, or sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from public documents, records and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2024 Bonds have not been registered under the Securities Act of 1933, nor has the Ordinance (hereinafter defined) been qualified under the Trust Indenture Act of 1939. The registration or qualification of the Series 2024 Bonds under the securities laws of any jurisdiction in which they may have been registered or qualified, if any, shall not be regarded as a recommendation thereof. None of the Securities and Exchange Commission or the State of Florida, Broward County, Florida or any of their agencies has passed upon the merits of the Series 2024 Bonds. None of the Securities and Exchange Commission or the State of Florida, Broward County, Florida or any of their agencies has passed upon the accuracy or completeness of this Official Statement.

See “OTHER INFORMATION—Forward-Looking Statements Disclaimer” herein for certain information regarding statements contained herein that are not purely historical and are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions or strategies regarding the future.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE [www.MuniOS.com]. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York (“DTC”). The City has not provided information in this Official Statement with respect to DTC and does not certify as to the accuracy or sufficiency of the

disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2024 BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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OFFICIAL STATEMENT

RELATING TO

CITY OF POMPANO BEACH, FLORIDA

[\$90,000,000]*

WATER AND WASTEWATER REVENUE BONDS, SERIES 2024

INTRODUCTION

This Official Statement, which includes the cover page, the inside cover page, and the Appendices hereto, provides certain information regarding the issuance by the City of Pompano Beach, Florida (the “City” or the “Issuer”) of its Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). This Official Statement speaks only as of its date and the information contained herein is subject to change.

The Series 2024 Bonds are being issued by the City pursuant to the authority of the Constitution of the State of Florida (the “State” or “Florida”), Chapter 166, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the City, and other applicable provisions of law (collectively, the “Act”) and Ordinance No. 2021-62 (the “Bond Ordinance”) enacted by the City Commission of the Issuer (the “City Commission”) on June 22, 2021 as amended from time to time (the “Bond Ordinance”), and particularly as amended and as supplemented by Ordinance No. 2025-01 (the “Series Ordinance”) enacted by the City Commission on October 22, 2024 (the Series Ordinance and the Bond Ordinance being referred to collectively as the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance. See “APPENDIX C—Copy of the Ordinance.”

The City owns and operates the System, which is comprised of the Water System and the Wastewater System, all as more fully described herein under “THE SYSTEM,” “THE WATER SYSTEM” and “THE WASTEWATER SYSTEM” and as defined in the Ordinance. The Series 2024 Bonds are special limited obligations of the City, payable, both as to principal and interest, solely from, and secured by a first lien on and a pledge of, the Pledged Revenues, which consist of the Net Revenues derived from the operation of the System and monies on deposit in certain funds and accounts held under the Ordinance and pledged to the Series 2024 Bonds, to the extent and manner provided in the Ordinance. As of the date hereof, the City has issued under the Bond Ordinance its Water and Wastewater Revenue Bond, Series 2021 in the original aggregate principal amount of \$10,515,000, of which \$9,150,000 in principal amount is currently Outstanding (the “Series 2021 Bond”). The Series 2024 Bonds are being issued on a parity with the Outstanding Series 2021 Bond with respect to the pledge of the Pledged Revenues, as more fully described herein. Additional Parity Obligations may be issued by the City in the future, subject to the terms and conditions of the Ordinance. See “SECURITY FOR THE SERIES 2024 BONDS—Additional Parity Obligations and Subordinated Debt.”

The Series 2024 Bonds are subject to redemption prior to maturity as described herein under “DESCRIPTION OF THE SERIES 2024 BONDS—Redemption Provisions.”

* Preliminary, subject to change.

The Series 2024 Bonds will **not** be secured by the Reserve Account or any subaccount therein and the Reserve Account Requirement for the Series 2024 Bonds is \$0.00.

UMB Bank, N.A., Kansas City, Missouri, has been designated under the Ordinance as initial Paying Agent and Registrar for the Series 2024 Bonds.

Brief descriptions of the Ordinance, the Series 2024 Bonds and the security for the Series 2024 Bonds are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. See APPENDIX C hereto for a copy of the Ordinance.

Information about the System is also included herein. Such information does not purport to be comprehensive or definitive. Reference is made the Consulting Engineer's Report and the Financial Feasibility Report (as such capitalized terms are hereinafter defined) attached hereto as APPENDIX E and APPENDIX F, respectively, for more information about the System, which should be read in their entireties.

DESCRIPTION OF THE CITY

The City is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter, adopted in 1957. The City was incorporated in 1947 and is located in northeastern portion of Broward County, Florida (the "County" or "Broward County"), north of the City of Fort Lauderdale, and includes approximately three miles of beachfront. The City covers approximately 24.59 square miles. In addition to general governmental services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. The City's parking system, water and sewer, stormwater, sanitation, and airpark operations are reported as enterprise funds.

The City is home to approximately 113,691 residents. During peak season (September through March) this number increases to nearly 150,000. The City is also home to over 28 million square feet of industrial/warehouse/distribution space. The City provides access to both the Florida Turnpike and Interstate 95 and is in close proximity to the Fort Lauderdale International Airport. The Pompano Beach Air Park is also home to the Goodyear Blimp. Since 2010, the City, in conjunction with its Community Redevelopment Agency (the "CRA"), has been implementing a plan to revitalize the City's beachfront area into a pedestrian-friendly area to attract residents and visitors to dine, shop and enjoy recreational activities. In addition, the City, in conjunction with the CRA, is implementing a master development plan approved by the City Commission on June 20, 2024 to revitalize the City's downtown area with a variety of mixed-use private and public projects, in partnership with a master developer.

The City operates under a Commission/City Manager form of government pursuant to which the Mayor and City Commission hire the City Manager. The City Commission is comprised of six members, each elected for a two-year term, with the exception of the Mayor, who is elected for a four-year term. One member of the City Commission is elected as Mayor by the electors of the City and chairs the City Commission. The City Commission is responsible for legislative duties and the City Manager is responsible for enacting the policies and actions approved by the Commission and overseeing the daily operations of the City. Five seats on the City Commission,

including that of the Mayor, are up for election in the regularly scheduled November 5, 2024 general election and one seat on the City Commission is uncontested in that election. The final Official Statement relating to the Series 2024 Bonds will reflect the results of that election.

See “APPENDIX A—Annual Comprehensive Financial Report for Year Ended September 30, 2023” for certain statistical and financial information regarding the City. See also “SELECTED INVESTMENT CONSIDERATIONS.”

PURPOSE OF THE SERIES 2024 BONDS

Proceeds of the Series 2024 Bonds will be used to (i) finance (including through reimbursement) a Project consisting of the acquisition, construction and equipping of all or a portion of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A to the Series Ordinance, subject to modification as permitted by the Series Ordinance (the “Series 2024 Project”); and (ii) pay costs of issuance of the Series 2024 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “CAPITAL IMPROVEMENTS PROGRAM.” The City does not currently anticipate using proceeds of the Series 2024 Bonds for reimbursement of costs of the Series 2024 Project incurred prior to the date of issuance of the Series 2024 Bonds.

DESCRIPTION OF THE SERIES 2024 BONDS

Authorized Denominations; Interest Payment Dates

The Series 2024 Bonds are issuable only in fully registered form in denominations of \$5,000 or integral multiples thereof, will be dated their date of delivery and will bear interest payable on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Date”) at the interest rates (calculated on the basis of a 360-day year consisting of twelve 30-day months), and will mature on the dates, and in the amounts, set forth on the inside cover page of this Official Statement.

Transfer, Exchange and Registration

The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. See “DESCRIPTION OF THE SERIES 2024 BONDS—Book-Entry-Only System” herein. In the event the book-entry only system should be discontinued, the Series 2024 Bonds may be transferred and exchanged on the registration books of the Registrar only upon presentation and surrender thereof to the Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. The Issuer and the Registrar shall not be required to transfer or exchange any Series 2024 Bond: (A) during the fifteen days immediately preceding the date of mailing of notice of the redemption of such Series 2024 Bond; or (B) after such Series 2024 Bond has been selected for redemption or has matured.

Book-Entry-Only System

The information in this caption concerning DTC and DTC's book-entry-only system has been obtained from DTC and neither the City nor the Underwriter make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, or each interest rate of each maturity of each Series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their

ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry-only system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent and Registrar (when other than the City) on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the City, or the Paying Agent and Registrar (when other than the City), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any and interest

payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to the Holders as provided in the Ordinance.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the Series 2024 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the Series 2024 Bonds.

The City can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the Series 2024 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption premium, if any, or interest on the Series 2024 Bonds or redemption notices to the Beneficial Owners of such Series 2024 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The City is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect of the Series 2024 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Series 2024 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Series 2024 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2024 Bonds with their legal advisors.

NEITHER THE CITY NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION TO THE BENEFICIAL OWNERS, DIRECT OR INDIRECT PARTICIPANTS, OR THE PERSONS FROM WHOM DIRECT OR INDIRECT PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2024 BONDS FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO OR ANY DIRECT OR INDIRECT PARTICIPANT WITH RESPECT TO THE SERIES 2024 BONDS OR THE SELECTION OF SERIES 2024 BONDS FOR REDEMPTION.

Redemption Provisions

Optional Redemption

The Series 2024 Bonds maturing on or prior to September 1, 2034 are not subject to redemption at the option of the Issuer prior to their respective dates of maturity. The Series 2024 Bonds maturing on or after September 1, 2035 are subject to redemption at the option of the Issuer

prior to their respective dates of maturity on or after September 1, 2034, in whole or in part at any time, and if in part, in accordance with the procedures described in this section below under “Partial Redemption,” at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2024 Bonds or portion of the Series 2024 Bonds to be redeemed, together with accrued interest from the most recent interest payment date as of which interest has been paid to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2024 Bonds maturing on September 1, 20[___] are Term Bonds subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Redemption Account established under the Ordinance in satisfaction of applicable Amortization Installments at the redemption price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on September 1 of the years and in the principal amounts set forth below:

<u>Redemption Date</u>	<u>Amortization Installment</u>
	\$

*

*Final Maturity.

Partial Redemption

If less than all of the Series 2024 Bonds shall be called for redemption, the particular maturity or maturities of Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall be selected by the Issuer and the particular Series 2024 Bonds of like maturity to be redeemed shall be selected by the Registrar by such method as the Registrar in its sole discretion deems fair and appropriate. So long as the Series 2024 Bonds are in book-entry-only form held by DTC, the Registrar shall select such Series 2024 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided that so long as such Series 2024 Bonds are held in book-entry-only form, the selection for redemption of such Series 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 2024 Bonds shall be selected for redemption within each such maturity in such manner as the Registrar shall determine and in accordance with DTC procedures. In any event, the portion of the Series 2024 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the Issuer’s intent that redemption allocations made by DTC, its Participants or such other intermediaries that may exist between the Issuer and the Beneficial Owners be made pro rata. However, the Issuer can provide no assurance that DTC, its Participants or any other intermediaries will allocate redemptions of Series 2024 Bonds on a pro rata basis.

In the event that the obligations of DTC under the Letter of Representations are terminated because the Issuer shall determine that it is in the best interests of the beneficial owners of the

Series 2024 Bonds that the Series 2024 Bonds no longer be held in book-entry only form and that they obtain certificated Series 2024 Bonds, the Issuer shall notify DTC of the availability through DTC of Series 2024 Bond certificates and the Issuer shall request from DTC that the Series 2024 Bonds shall no longer be restricted to being registered on the registration books in the name of Cede & Co., as nominee of DTC. If DTC grants a withdrawal request, the Issuer may determine that the Series 2024 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2024 Bonds may be registered in whatever name or names Registered Owners of Series 2024 Bonds transferring or changing Series 2024 Bonds designate, in accordance with the provisions of the Ordinance.

Notice of Redemption

If less than all of the Series 2024 Bonds or of any one maturity of Series 2024 Bonds shall be called for redemption, the particular Series 2024 Bonds to be redeemed shall be selected by lot (by DTC or other applicable securities depository in accordance with its then current procedures, when the Series 2024 Bonds are held in book-entry only form).

Notice of such redemption shall, at least twenty (20) days prior to the redemption date, be filed with the Registrar, and mailed by the Registrar on behalf of the Issuer, first class mail, postage prepaid, to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for on the Record Date, but failure to mail such notice to one or more Holders of such Bonds, or any defect therein, shall not affect the validity of the proceedings for such redemption with respect to Holders of Bonds to which notice was duly mailed hereunder and no defect occurred. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of such Series 2024 Bonds of one maturity are to be called, the distinctive numbers of such Series 2024 Bonds to be redeemed and, in the case of Series 2024 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Any notice of optional redemption given pursuant to the Ordinance may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Holders of such Series 2024 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Notwithstanding any other provision of the Ordinance to the contrary, so long as any Series 2024 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2024 Bond and all notices with respect to such Series 2024 Bond shall be made and given, respectively, in the manner provided in the Letter of Representations. Accordingly, as long as a book-entry-only system is used for determining beneficial ownership of Series 2024 Bonds, notice of redemption will be sent only to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC

Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2024 Bonds.

See “APPENDIX C—Copy of the Ordinance” herein.

Effect of Redemption

Official notice of redemption having been given as aforesaid or provided for as contemplated by Section 24(A) and (B) of the Bond Ordinance, such Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2024 Bonds or portions of Series 2024 Bonds shall cease to bear interest. Upon surrender of such Series 2024 Bonds for redemption in accordance with said notice, such Series 2024 Bonds shall be paid by the Registrar at the redemption price. Each check or other transfer of funds issued by the Registrar for the purpose of the payment of the redemption price of Series 2024 Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, such Series 2024 Bonds being redeemed with the proceeds of such check or other transfer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any such Series 2024 Bond, there shall be prepared for the Holder a new Series 2024 Bond or Series 2024 Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Series 2024 Bond. All such Series 2024 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

See “APPENDIX C—Copy of the Ordinance” herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The table below presents the estimated sources and uses of funds in connection with the Series 2024 Bonds:

Sources of Funds:

Principal Amount of Series 2024 Bonds	\$
Plus: Original Issue Premium	
Less: Original Issue Discount	_____
 Total Sources of Funds	 \$ _____

Uses of Funds:

Deposit to Series 2024 Project Subaccount	\$
Deposit to Costs of Issuance Subaccount ⁽¹⁾	_____
 Total Uses of Funds	 \$ _____

(1) Includes Underwriter’s discount, the fees of Bond Counsel, Disclosure Counsel and the Municipal Advisor, ratings, printing and other related costs of issuance.

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COMBINED DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements on the City's Outstanding Series 2021 Bond and the Series 2024 Bonds as of the date hereof.⁽¹⁾

Fiscal Year Ending 9/30	<u>Outstanding Series 2021 Bond</u>			<u>Series 2024 Bonds</u>			Total Aggregate Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$455,000	\$232,263.75	\$687,263.75	\$	\$	\$	\$
2026	465,000	220,506.00	685,506.00				
2027	475,000	208,491.25	683,491.25				
2028	490,000	196,219.50	686,219.50				
2029	495,000	183,562.25	678,562.25				
2030	510,000	170,712.25	680,712.25				
2031	535,000	157,476.75	692,476.75				
2032	535,000	143,727.25	678,727.25				
2033	555,000	129,849.25	684,849.25				
2034	565,000	115,521.50	680,521.50				
2035	585,000	100,872.50	685,872.50				
2036	595,000	85,773.75	680,773.75				
2037	615,000	70,353.75	685,353.75				
2038	630,000	54,484.00	684,484.00				
2039	650,000	38,164.50	688,164.50				
2040	660,000	21,395.25	681,395.25				
2041	335,000	4,304.75	339,304.75				
2042	--	--	--				
2043	--	--	--				
2044	--	--	--				
2045	--	--	--				
2046	--	--	--				
2047	--	--	--				
2048	--	--	--				
2049	--	--	--				
2050	--	--	--				
2051	--	--	--				
2052	--	--	--				
2053	--	--	--				
2054	--	--	--				
TOTAL	<u>\$10,515,000</u>	<u>\$2,947,069.33</u>	<u>\$13,462,069.33</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Totals may not foot due to rounding.
Source: City of Pompano Beach, Florida

SECURITY FOR THE SERIES 2024 BONDS

General

The Ordinance provides that the Series 2024 Bonds are special limited obligations of the City, payable, both as to principal and interest, solely from and secured by a lien on the Pledged Revenues, which consist of the Net Revenues derived from the operation of the System, and, to the extent provided in the Ordinance, from the monies on deposit from time to time in certain of the funds and accounts created under the Ordinance and pledged to the Series 2024 Bonds.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS SOLELY FROM THE PLEDGED REVENUES, AS DESCRIBED IN THE ORDINANCE. THE SERIES 2024 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS. THE ISSUANCE OF THE SERIES 2024 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS, EXCEPT AS PROVIDED IN THE ORDINANCE.

The Ordinance does not create a lien or mortgage on the System.

The Series 2024 Bonds are **not** secured by the Reserve Account or any subaccount therein and the Reserve Requirement for the Series 2024 Bonds is \$0.00.

The Outstanding Series 2021 Bond is not secured by the Reserve Account or any subaccount therein. It should be noted that any Series Reserve Subaccount hereafter established under the Bond Ordinance, as supplemented, will not secure the Series 2024 Bonds.

The Series 2024 Bonds are being issued as Additional Parity Obligations. As a condition to the issuance of the Series 2024 Bonds, the applicable requirements of the Bond Ordinance relating to the issuance of Additional Parity Obligations will be met.

Additional Parity Obligations on a parity with the Outstanding Series 2024 Bonds and the Outstanding Series 2021 Bond may be issued by the City in the future, upon the conditions and within the limitations and in the manner provided in the Ordinance. In addition, the City has incurred, and may in the future incur, Subordinated Debt, upon the conditions and within the limitations and in the manner provided in the Ordinance. See “SECURITY FOR THE SERIES 2024 BONDS—’Outstanding Bonds and Existing Subordinated Debt’ and ‘Additional Parity Obligations and Subordinated Debt’.”

Pledged Revenues

The Outstanding Series 2024 Bonds, the Outstanding Series 2021 Bond and any other Outstanding Additional Parity Obligations (collectively, the “Bonds”) are equally and ratably secured by a first lien upon the Pledged Revenues of the System.

For purposes of the Ordinance, the following terms have the following meanings as set forth in the Bond Ordinance:

“Pledged Revenues” mean the Net Revenues of the System, and until applied in accordance with the Bond Ordinance, the moneys on deposit in the various funds and accounts created pursuant to the Bond Ordinance, except to the extent moneys on deposit in a subaccount of the Reserve Account or the Project Account shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Bond Ordinance and a related Supplemental Resolution.

“Net Revenues” of the System mean the Gross Revenues or Revenues, after deduction of the Cost of Operation and Maintenance.

“Gross Revenues” or “Revenues” mean all income or earnings, including rates, fees and charges and the Meter Installation Fees, and all other moneys received by or accrued to the Issuer from the ownership, leasing, use or operation of the System and all parts thereof, including, without limitation, unencumbered, non-ad valorem special assessments not pledged for the repayment of, or as security for, any indebtedness of the Issuer, whether currently outstanding or hereafter issued, other than the Bonds and which are legally available to be used as contemplated under the Bond Ordinance, grant moneys received by the Issuer as a result of ownership, leasing, use or operation of the System, moneys received by the Issuer deposited into the Operating Fund (including without limitation receipts from interfund transfers) for any internal and external administrative services provided by the System, amounts transferred into the Operating Fund from the Rate Stabilization Account, investment income, if any, earned on any fund or account created pursuant to the Bond Ordinance, and any payment received by the Issuer as contemplated in Section 28 of the Bond Ordinance, all as calculated in accordance with generally accepted accounting principles, but “Gross Revenues” or “Revenues” shall not include (A) any direct subsidy payments received from the United States Treasury relating to Outstanding Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, (B) non-ad valorem special assessments which are pledged for the repayment of, or as security for, any indebtedness of the Issuer, whether currently outstanding or hereafter issued, other than the Bonds, (C) condemnation awards or proceeds of insurance received with respect to the System, (D) Contributions in Aid of Construction, (E) impact fees, (F) proceeds from the sale of the System or any part thereof, (G) unrealized gains or losses from investments, (H) moneys received by the Issuer relating to the System for capital projects from federal, state or local government grants or stipends, or (I) any “utility project charge” or the like as contemplated in Section 27 of the Bond Ordinance.

“Cost of Operation and Maintenance” of the System mean the Issuer’s current expenses, paid or accrued, of operation, maintenance and repair of the System, as calculated in accordance with generally accepted accounting principles, including, but not limited to, contractual services, repairs and maintenance, materials and supplies, engineering and other professional services,

Paying Agent, Registrar and other fiduciary fees, credit enhancement fees, arbitrage rebate payments and penalties, other fees, fines and penalties, insurance premiums and charges for the accumulation of appropriate reserves for self-insurance, required payments for pension, retirement, health and hospitalization funds, but shall not include (A) capital expenditures, (B) expenses not periodically occurring, such as extraordinary repairs or conditions, (C) any reserve for renewals and replacement, (D) any allowance for depreciation or amortization or similar charges, (E) any general administrative charges payable to the Issuer's general fund, (F) any Debt Service Requirement, (G) any debt service due on notes, bonds and similar obligations of the Issuer subordinate to the Bonds, including Subordinated Debt, (H) any costs of issuance associated with a Series of Bonds, (I) any payments or receipts relating to Qualified Agreements, or (J) any payments in lieu of taxes and/or franchise fees.

“System” or “Utility System” mean, collectively, the Water System and the Wastewater System of the Issuer. Upon compliance with the provisions of Section 26 of the Bond Ordinance, the term “System” may be deemed to include other utility functions added to the System, including, but not limited to a water, wastewater and/or reuse system, the acquisition, distribution and sale of natural gas, the providing of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are authorized from time to time pursuant to the Act. Notwithstanding the foregoing definition of the term System, subject to satisfaction of the requirements in Section 20(G) of the Bond Ordinance, such term shall not include any properties or interest in properties of the Issuer which the Issuer determines shall not constitute a part of the System for the purpose of the Bond Ordinance.

“Water System” shall mean the complete water system now owned, operated and maintained by the Issuer and which the Issuer is, or shall be responsible for maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

“Wastewater System” shall mean the complete sewer, wastewater and residential and commercial reuse system now owned, operated and maintained by the Issuer and which the Issuer is, or shall be responsible for maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith.

Outstanding Bonds and Existing Subordinated Debt

The City currently has issued and Outstanding under the Bond Ordinance the Series 2021 Bond. The Series 2021 Bond has a stated final maturity of March 1, 2041 (subject to earlier prepayment as permitted thereby). Principal and interest on the Series 2021 Bond are payable semi-annually on each March 1 and September 1. See “COMBINED DEBT SERVICE REQUIREMENTS.”

As noted above, the Series 2024 Bonds will be secured by a pledge of the Pledged Revenues on a parity with the Outstanding Series 2021 Bond and any Additional Parity Obligations issued by the City subsequent to the issuance of the Series 2024 Bonds, upon the conditions and within the limitations and in the manner provided in the Ordinance. See “SECURITY FOR THE SERIES 2024 BONDS—”Additional Parity Obligations and Subordinated Debt.”

The City has obtained three separate construction loans relating to the Water System from the State Department of Environmental Protection (“FDEP”) in the case of two of the loans, and from the Florida Water Pollution Control Financing Corporation (“FWPCFC”), with the approval of the FDEP, in the case of the third loan (collectively, the “Loan Agreements”). The City’s repayment obligations under the Loan Agreements are secured by a pledge of the Pledged Revenues, subject to satisfaction of all yearly payment obligations on account of “Senior Revenue Obligations,” which are defined in the Loan Agreements to mean the Outstanding Series 2021 Bond and the Outstanding Series 2024 Bonds (and refundings thereof). The FDEP and the FWPCFC, as applicable, have expressly recognized that all obligations of the City under the Loan Agreements are junior, inferior and subordinate in all respects to Senior Revenue Obligations. **[TO BE CONFIRMED]** The Loan Agreements also establish various covenants, including debt service coverage requirements. The following information is provided with respect to the Subordinated Debt subject to the Loan Agreements as of September 30, 2024:

- Drinking Water State Revolving Fund Construction Loan Agreement DWO62450, executed in April 2019 and maturing on February 15, 2043 is outstanding in the principal amount of \$261,905. (The project funded by this loan is complete);
- State of Florida Department of Environmental Protection and City of Pompano Beach, Florida Drinking Water Sate Revolving Fund Construction Loan Agreement DW062480, executed in October 2022 and maturing on February 14, 2044, is outstanding in the principal amount of \$9,215,999. (The project funded by this loan is complete); and
- Florida Water Pollution Control Financing Corporation and City of Pompano Beach, Florida Clean Water State Revolving Fund Construction Loan Agreement WW062470 executed in February 2024 has a maximum available principal amount of \$2,939,760. (The project funded by this loan has not been completed as of the date hereof. Upon project completion, a final amortization schedule and maturity date for this loan will be determined).

See “SECURITY FOR THE SERIES 2024 BONDS—Additional Parity Obligations and Subordinated Debt” for a description of the Bond Ordinance provisions relating to Subordinated Debt, including the Subordinated Debt evidenced by the Loan Agreements, and Subordinated Debt that may be incurred by the City in the future.

Additional Parity Obligations and Subordinated Debt

As noted earlier, the Series 2024 Bonds are being issued as Additional Parity Obligations. The City may, in the future, issue Additional Parity Obligations payable from the Pledged

Revenues which, together with all other outstanding Bonds (including the Outstanding Series 2024 Bonds and the Outstanding Series 2021 Bond), shall be equally and ratably secured by a parity lien on and pledge of the Pledged Revenues of the System, subject, however, to complying with certain conditions in the Bond Ordinance.

Pursuant to Section 20(Q) of the Bond Ordinance, Additional Parity Obligations may be issued upon the conditions and in the manner hereinafter provided:

(1) There shall have been obtained and filed with the City Clerk a certificate of the Finance Director stating: (a) that the books and records of the Issuer relative to the System and the Net Revenues have been reviewed by the Finance Director; and (b) that the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations (the “Test Period”) adjusted as provided in paragraphs (2), (3), (4), (5) and/or (6) below, is equal to not less than one hundred twenty percent (120%) of the Maximum Debt Service Requirement becoming due in any Bond Year thereafter on (a) all Bonds issued under the Bond Ordinance, if any, then Outstanding, and (b) on the Additional Parity Obligations with respect to which such certificate is made.

(2) Upon recommendation of the Qualified Independent Consultant, the Net Revenues certified pursuant to clause (b) in the previous paragraph may be adjusted for purposes of this Section 20(Q) by including: (a) 100% of the additional Net Revenues which in the opinion of the Qualified Independent Consultant would have been derived by the Issuer from rate increases adopted before the Additional Parity Obligations are issued, if such rate increases had been in place throughout the Test Period, and (b) 100% of the additional Net Revenues estimated by the Qualified Independent Consultant to be derived during the first full twelve month period after the facilities of the System are extended, enlarged, improved or added to with the proceeds of the Additional Parity Obligations with respect to which such certificate is made.

(3) Upon recommendation of the Qualified Independent Consultant, if the Additional Parity Obligations are to be issued for the purpose of acquiring an existing water system and/or wastewater system and/or any other utility system in accordance with Section 26 of the Bond Ordinance, the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be adjusted by including: 100% of the additional estimated Net Revenues which in the written opinion of the Qualified Independent Consultant will be derived from the acquired facilities during the first full 12-month period after the issuance of such Additional Parity Obligations (the Qualified Independent Consultant’s report shall be based on the actual operating revenues of the acquired utility for a recent 12-month period adjusted to reflect the Issuer’s ownership and the Issuer’s rate structure in effect with respect to the System at the time of the issuance of the Additional Parity Obligations).

(4) Upon recommendation of the Qualified Independent Consultant, if the number of connections as of the first day of the month in which the proposed Additional Parity Obligations are to be issued exceeds the average number of such connections during such twelve (12) consecutive month period, then the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be adjusted to include the Net Revenues which would have been received in such twelve (12)

consecutive months if those additional connections had also been connected to the System during all of such twelve (12) consecutive months.

(5) Upon recommendation of the Qualified Independent Consultant, if the Issuer shall have entered into a contract, which contract shall be for a duration of not less than the final maturity of the proposed Additional Parity Obligations, with any public body, whereby the Issuer shall have agreed to furnish services for the collection, treatment or disposal of water or wastewater or agreed to furnish services in connection with any water, wastewater and/or reuse system or any other utility system, then the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be increased (to the extent such amounts were not reflected in such Net Revenues) by the minimum amount which the public body shall guarantee to pay in any one year for the furnishing of services by the Issuer, after deducting from such payment the estimated Cost of Operation and Maintenance attributable in such year to such services.

(6) Upon recommendations of the Qualified Independent Consultant, if there is an estimated increase in Net Revenues to be received by the Issuer as a result of additions, extensions or improvements to the System during the period of three (3) years following the completion of such additions, extensions or improvements financed with the proceeds of Bonds or Additional Parity Obligations, then the Net Revenues derived from the System certified pursuant to Section 20(Q)(1)(b) may be increased by fifty percent (50%) of the average annual additional Net Revenues calculated for such three year period.

(7) The Issuer need not comply with the provisions of paragraph (1) of this Section 20(Q) if and to the extent the Additional Parity Obligations are to be issued for refunding purposes, if the Issuer shall cause to be delivered a certificate of the Finance Director of the Issuer evidencing that the Maximum Debt Service Requirement for all Bonds issued hereunder that will be Outstanding after issuance of such Additional Parity Obligations is not greater than the Maximum Debt Service Requirement for all Bonds issued hereunder that were Outstanding prior to the issuance of such Additional Parity Obligations (excluding any Bonds or Subordinated Debt being paid in full at the time of issuance of such Additional Parity Obligations or defeased by proceeds of such Additional Parity Obligations).

(8) The Issuer need not comply with the provisions of paragraph (1) of this Section 20(Q) if and to the extent the Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System ("Completion Bonds") if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the Issuer need not comply with the provision of such paragraph (1) of this Section 20(Q) may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the initial Series of Bonds to finance such improvements.

Additionally, the Finance Director of the Issuer must certify that the Issuer is not in default in the carrying out of any of the obligations assumed under the Bond Ordinance and no Event of Default shall have occurred under the Bond Ordinance and shall be continuing, and all payments required by the Bond Ordinance to be made into the funds and accounts established under the Bond Ordinance shall have been made to the full extent required (unless such default or Event of Default will be cured upon or as a result of the issuance of such Additional Parity Obligations or

Completion Bonds). Notwithstanding anything in the Bond Ordinance to the contrary, no Additional Parity Obligations shall be issued if an Event of Default would continue beyond such issuance.

The Series 2024 Bonds will meet the requirements of Section 20(Q)(1), without the adjustments to permitted by Section 20(Q)(2), on their date of issuance. See “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—Additional Parity Obligations Test.”

Any obligations of the Issuer, other than Bonds, which are payable from the Pledged Revenues, including Subordinated Debt, shall contain an express statement or have other evidence to the effect that such obligations are junior and subordinate in all respects to the Bonds as to lien on and source and security for payment from such Pledged Revenues.

See “APPENDIX C—Copy of the Ordinance.” See also “SECURITY FOR THE SERIES 2024 BONDS—Rate Covenant” below.

Authorized But Unissued Parity Bonds

The City has no authorized but unissued Additional Parity Obligations other than the Series 2024 Bonds.

Anticipated Issuance of Additional Parity Obligations

The City will continuously review and evaluate the timing of issuance of Additional Parity Obligations pursuant to the Bond Ordinance in connection with funding of the System’s five-year capital improvements program adopted from time to time, subject to meeting the tests of the Bond Ordinance pertaining to the issuance of Additional Parity Obligations. The current System five-year capital improvements program (the “CIP”) contemplates the issuance of Additional Parity Obligations in 2026 and 2028, as more fully described below under “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—Funding Sources for the CIP, Including the Series 2024 Project.”

Rate Covenant

The City has covenanted in Section 20(E) of the Bond Ordinance that it will fix, establish, revise from time to time whenever necessary, maintain and always collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues in each Fiscal Year (sometimes referred to herein as “FY”) sufficient to pay one hundred twenty percent (120%) of the Debt Service Requirement on all Outstanding Bonds in the applicable Fiscal Year. In addition, such Net Revenues in each Fiscal Year shall also be sufficient to provide one hundred percent (100%) of any amounts required by the terms of the Bond Ordinance or any Supplemental Resolution to be deposited into the Reserve Account (including any subaccount therein) or with any Credit Facility Issuer as a result of a withdrawal from the Reserve Account (including any subaccount therein), the Renewal and Replacement Account and debt service on other obligations payable from the Revenues of the System (including, but not limited to Subordinated Debt), and other payments, and all allocations and

applications of Revenues in the Bond Ordinance and/or any Supplemental Resolution required in such Fiscal Year.

The Issuer will, from time to time, as it deems necessary and appropriate, request a Qualified Independent Consultant to make recommendations as to a revisions of such fees, rates, rentals and other charges for the use of the products, services and facilities of the System and upon receiving such recommendations will make such revisions as may be necessary or proper to enable the Issuer to comply with the requirements of the preceding paragraph. Notwithstanding anything to the contrary in the Bond Ordinance, the failure to meet the covenant contained in the preceding paragraph will not constitute a default or an “Event of Default” under the Bond Ordinance if the Issuer complies as nearly as practicable with the recommendations of the Qualified Independent Consultant in respect of rates, fees, rentals and other charges and Net Revenues are sufficient to pay the principal of, redemption premium, if any, and interest on Bonds issued under the Bond Ordinance that are payable in such Fiscal Year; provided, however, notwithstanding the foregoing, a failure to provide Net Revenues sufficient to pay one hundred twenty percent (120%) of the Debt Service Requirement on all Outstanding Bonds in two consecutive Fiscal Years shall constitute an Event of Default under the Bond Ordinance without a further opportunity to cure.

For purposes of determining compliance with the rate covenant in Section 20(E), any Pledged Revenues that were deposited into the Rate Stabilization Account and thereafter transferred to the Operating Fund to pay the Cost of Operation and Maintenance shall be deemed to be Gross Revenues, when so used.

Net Revenues shall not be reduced so as to render them insufficient to provide Revenues for the purposes provided therefor by the Bond Ordinance.

See “APPENDIX C—Copy of the Ordinance”

Permitted Investments

The Bond Ordinance provides that moneys in any fund or account created thereunder may be invested and reinvested in Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. All income on such investments, except as otherwise provided in the Bond Ordinance, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount is on deposit therein or, with respect to a subaccount in the Project Account, the amount required to acquire, construct and equip the Project for which the subaccount is established is on deposit therein, and thereafter shall be deposited in the Operating Fund.

In determining the amount of any of the payments required to be made pursuant to Section 20(C) of the Bond Ordinance, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

In computing the amount in any fund or account, obligations purchased as an investment of moneys therein shall be valued at least annually at the market price thereof pursuant to generally accepted accounting principles.

State law requires municipalities to adopt an investment policy with respect to public funds in excess of the amounts needed to meet current expenses or for which no other investment requirements are in place. The investment policy adopted must be structured to place the highest priority on the safety of principal and liquidity of funds, with the optimization of investment returns being secondary to such safety and liquidity goals. The City has adopted an investment policy as required by law.

See “APPENDIX C—Copy of the Ordinance”

Funds and Accounts

The Bond Ordinance creates and establishes the following funds and accounts, which funds and accounts are trust funds held by the Issuer or in an Authorized Depository designated by the City Manager or the Finance Director for the purposes provided in the Bond Ordinance and used only in the manner provided in the Bond Ordinance:

(A) The “City of Pompano Beach Water and Wastewater Operating Fund” (hereinafter sometimes called the “Operating Fund”) to be held by the Issuer and to the credit of which deposits of Gross Revenues shall be made as required by Section 20(A) of the Bond Ordinance.

(B) The “City of Pompano Beach Water and Wastewater Debt Service Fund” (hereinafter sometimes called the “Debt Service Fund”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(2) of the Bond Ordinance. In such fund there shall be maintained the following accounts: the Principal Account, the Interest Account, the Parity Contract Obligation Account and the Redemption Account. In such Fund, there may be established subaccounts pursuant to Supplemental Resolution.

(C) The “City of Pompano Beach Water and Wastewater Reserve Account” (hereinafter sometimes called the “Reserve Account”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(3) of the Bond Ordinance. In such account, there may be established subaccounts pursuant to Supplemental Resolution.

(D) The “City of Pompano Beach Water and Wastewater Subordinated Debt Service Account” (hereinafter sometimes called the “Subordinated Debt Service Account”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(4) of the Bond Ordinance. In such account, there may be established subaccounts pursuant to Supplemental Resolution.

(E) The “City of Pompano Beach Water and Wastewater Renewal and Replacement Account” (hereinafter sometimes called the “Renewal and Replacement Account”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(5) of the Bond Ordinance.

(F) The “City of Pompano Beach Water and Wastewater Project Account” (hereinafter sometimes called the “Project Account”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 18 of the Bond Ordinance. Within such

account there shall be created, established and maintained separate subaccounts for each Series of Bonds.

(G) The “City of Pompano Beach Water and Wastewater Rate Stabilization Account” (hereinafter sometimes called the “Rate Stabilization Account”) to be held by the Issuer and to the credit of which deposits may be made as required by Section 20(R) of the Bond Ordinance.

(H) The “City of Pompano Beach Water and Wastewater Surplus Account” (hereinafter sometimes called the “Surplus Account”) to be held by the Issuer and to the credit of which deposits may be made as required by Section 20(B)(6) of the Bond Ordinance.

The Operating Fund, the Debt Service Fund (including the accounts therein), the Reserve Account (including any subaccounts therein), the Renewal and Replacement Account, the Project Account (including any subaccounts therein), the Rate Stabilization Account, the Surplus Account and any other special funds herein established and created shall be deemed to be held in trust for the purposes provided in the Bond Ordinance and in a related Supplemental Resolution for such funds and shall not be subject to lien or attachment by any creditor of the Issuer except as otherwise provided in the Bond Ordinance. The money in all such funds shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State.

Notwithstanding anything in the Bond Ordinance to the contrary, the cash required to be accounted for in each of the funds and accounts described in the Bond Ordinance may be deposited in a single bank account with an Authorized Depository, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein and therein provided. The designation and establishment of the various funds in and by the Bond Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

In connection with the Series 2024 Bonds the Series 2024 Project Subaccount and the Series 2024 Cost of Issuance Subaccount in the Project Account.

See “APPENDIX C—Copy of the Ordinance”

Flow of Funds

The Bond Ordinance provides that for so long as any of the principal of and interest on any of the Bonds shall be Outstanding and unpaid or amounts shall be owed by the Issuer under any Qualified Agreement or until the Issuer has made provision for payment of principal, interest and redemption premiums, if any, with respect to the Bonds Outstanding, as provided in the Bond Ordinance, and any Subordinated Debt issued thereunder pursuant to a Supplemental Resolution, the Issuer covenants with the Holders of any and all Bonds Outstanding and any Qualified Agreement Provider and the holders of such Subordinate Debt as follows:

(A) **OPERATING FUND.** All Gross Revenues of the System and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government to the Issuer shall, upon receipt thereof, be deposited in the Operating Fund. All deposits into such Operating Fund shall be deemed to be held in trust for the purposes provided in the Bond Ordinance and used only for the purposes and in the manner provided in the Bond Ordinance.

(B) **DISPOSITION OF REVENUES.** All amounts on deposit in the Operating Fund shall be disposed of monthly, but not later than the twenty-fifth (25th) day of each month commencing in the month immediately following the delivery of the first Series of Bonds issued under the Bond Ordinance Series 2024 Cost of Issuance Subaccount Series 2024 Cost of Issuance Subaccount, only in the following manner and the following order of priority:

(1) The Issuer shall first fund the Cost of Operation and Maintenance for the next month.

(2) The Issuer shall next deposit into the Debt Service Fund and credit to the following accounts, in the following order (except that payments into the Interest Account and the Parity Contract Obligations Account shall be on parity with each other, and the payments into the Principal Account and the Redemption Account shall be on a parity with each other), the following identified sums:

(a) **Interest Account:** Taking into account actual and anticipated earnings in the Interest Account of the Debt Service Fund within the current Bond Year, such sum as will be sufficient to pay one-sixth (1/6th) of all interest coming due on all Outstanding Bonds on the next interest payment date (except as to Capital Appreciation Bonds and Capital Appreciation Income Bonds prior to their applicable Interest Commencement Date); provided, however, that monthly deposits of interest, or portions thereof, shall not be required to be made to the extent that money on deposit within such Interest Account is sufficient for such purpose. In the event the Issuer has issued Variable Rate Bonds pursuant to the provisions hereof, amounts transferred from the Operating Fund shall be deposited at such other or additional times and amounts as necessary to pay any interest coming due on such Variable Rate Bonds on the next interest payment date, all in the manner provided in a Supplemental Resolution of the Issuer. Any monthly payment from such amounts to be deposited as set forth above, for the purpose of meeting interest payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of interest payment dates applicable to such Series. Moneys in the Interest Account may be used only for the purposes set forth in this paragraph (a). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay interest next becoming due and payable after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund or account. Any direct subsidy payments received by the Issuer from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government shall be used to pay interest on Bonds issued as Direct Subsidy Bonds. If the Issuer establishes separate subaccounts for any Series, deposits into each subaccount pursuant to this paragraph (a) shall be made on a pro rata and parity basis. Amounts representing capitalized interest with respect to a Series of Bonds on deposit in the Interest Account may only be applied to pay interest coming due on such Series of Bonds.

(b) Parity Contract Obligations Account: Taking into account the actual and anticipated earnings in the Parity Contract Obligations Account in the Debt Service Fund within the current Bond Year, a pro rata estimated amount necessary to build up over time the amount of any Parity Contract Obligation which will next be due and payable or reasonably expected to be due and payable under any Qualified Agreement on the next payment date thereunder; provided, however, that the monthly amount to be so deposited may be adjusted, as appropriate, to reflect the frequency of payment dates thereunder (e.g., if such Parity Contract Obligations are required to be paid semi-annually, the Issuer shall be required to deposit monthly an amount which is estimated to equal one-sixth (1/6th) of the next such payment). Moneys in the Parity Contract Obligations Account may be used only for the purposes set forth in this paragraph (b). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay Parity Contract Obligations next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account. If the Issuer establishes separate subaccounts for any Series, deposits into each subaccount pursuant to this paragraph (b) shall be made on a pro rata and parity basis.

(c) Principal Account: Taking into account actual and anticipated earnings in the Principal Account of the Debt Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of the principal portion of the Debt Service Requirement of the Outstanding Bonds which will mature and become due on such annual maturity dates beginning the month which is twelve (12) months prior to the first principal maturity date (including the Accreted Value and Appreciated Value of any Serial Capital Appreciation Bonds and Capital Appreciation Income Bonds, respectively, coming due on such maturity date); provided, however, that monthly deposits for principal, or portions thereof, shall not be required to be made to the extent that money on deposit within such Principal Account is sufficient for such purpose. Any monthly payment from amounts transferred from the Operating Fund to be deposited as set forth above, for the purpose of meeting principal payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of principal payment dates applicable to such Series. Moneys in the Principal Account may be used only for the purposes set forth in this paragraph (c). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay principal next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account. If the Issuer establishes separate subaccounts for any Series, deposits into each subaccount pursuant to this paragraph (c) shall be made on a pro rata and parity basis.

(d) Redemption Account: Taking into account actual and anticipated earnings in the Redemption Account of the Debt Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of any Amortization Installment established for the mandatory redemption of Outstanding Bonds on such annual maturity date beginning the month which is twelve (12) months prior to the first Amortization Installment date (including the Accreted Value and Appreciated Value of any Term Capital Appreciation Bonds and Term Capital Appreciation Income Bonds, respectively, which are required to be redeemed during such Bond Year); provided, however, that monthly deposits into the Redemption Account, or portions thereof, shall not be required to be made to the extent that money on deposit in the Redemption Account is sufficient for such purpose. Any monthly payment from amounts transferred from the Operating Fund to be deposited as set forth above, for the purpose of meeting Amortization Installments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of dates established

for Amortization Installments applicable to such Series. The moneys in the Redemption Account shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The Issuer may at any time purchase any of said Term Bonds at prices not greater than the then redemption price of said Term Bonds. If the Term Bonds are not then redeemable prior to maturity, the Issuer may purchase said Term Bonds at prices not greater than the redemption price of such Term Bonds on the next ensuing redemption date. If Term Bonds are so purchased by the Issuer, the Issuer shall credit the account of such purchased Term Bonds against any current Amortization Installment to be paid by the Issuer. If the Issuer shall purchase or call for redemption in any year Term Bonds in excess of the Amortization Installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall be credited in such manner and at such times as the Issuer shall determine. Moneys in the Redemption Account in the Debt Service Fund may be used only for the purposes set forth in this paragraph (d). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay Amortization Installments next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account. If the Issuer establishes separate subaccounts for any Series, deposits into each subaccount pursuant to this paragraph (d) shall be made on a pro rata and parity basis. The expenses in connection with the purchase or redemption of any Bonds shall be paid from any legally available funds of the Issuer, including amounts on deposit in the Surplus Fund, but excluding amounts on deposit in the other funds and accounts created by the Bond Ordinance.

(3) To the extent that the amounts on deposit in the Reserve Account (or any subaccount therein) are less than the applicable Reserve Requirement, if any, the Issuer shall next make deposits into the Reserve Account (or any subaccount therein) in the manner described below from moneys remaining in the Operating Fund. Any withdrawals from the Reserve Account (or any subaccount therein) shall be subsequently restored from the first moneys available in the Operating Fund, after all required current payments for Cost of Operation and Maintenance as set forth above and all current applications and allocations to the Debt Service Fund, including all deficiencies for prior payments have been made in full. Notwithstanding the foregoing, in case of withdrawal from the Reserve Account (or any subaccount therein), in no event shall the Issuer be required to deposit into the Reserve Account (or any subaccount therein) an amount greater than that amount necessary to ensure that the difference between the applicable Reserve Requirement and the amounts on deposit in the Reserve Account (or any subaccount therein) on the date of calculation shall be restored not later than seventy two (72) months after the date of such deficiency (assuming equal monthly payments into the Reserve Account (or any subaccount therein) for such seventy two (72) month period starting in the 13th month with no required deposits during the first twelve (12) month period).

Notwithstanding anything in the Bond Ordinance to the contrary, the Issuer may (a) provide that a Series of Bonds is not secured by the Reserve Account or a subaccount therein or (b) establish a separate subaccount in the Reserve Account for any Series of Bonds and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account or any other subaccount therein. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish

the Reserve Requirement relating to such separate subaccount of the Reserve Account at such level as the Issuer deems appropriate. Moneys shall be deposited in the separate subaccounts in the Reserve Account on a pro rata and parity basis.

Moneys in the Reserve Account and subaccounts therein shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Outstanding Bonds secured thereby when the other moneys allocated to the Debt Service Fund are insufficient therefor, and for no other purpose.

If at any time the moneys held for the Reserve Account or a subaccount therein is in excess of the applicable Reserve Requirement, such excess shall be withdrawn and deposited, at the written direction of the Issuer, to the credit of the Principal Account or Redemption Account. In the event of the refunding of any Series of Bonds, the Issuer may withdraw from the Reserve Account or subaccount securing such Series, all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts as required by the Supplemental Resolution authorizing the refunding of such Series of Bonds; provided that such withdrawal shall not be made unless (i) immediately thereafter, the Bonds being refunded shall be deemed to have been paid or defeased pursuant to the provisions hereof, and (ii) the amount remaining in the Reserve Account (or any subaccount therein) after giving effect to the issuance of such refunding obligations and the disposition of the proceeds thereof shall not be less than the applicable Reserve Requirement for any Bonds then Outstanding which are secured thereby.

Moneys on deposit in the Reserve Account (or any subaccount therein) may be used to pay the principal of and interest on the Series of Bonds Outstanding and secured thereby upon the final maturity or earlier redemption in full of such Series of Bonds.

Notwithstanding the foregoing, unless otherwise provided in a Supplemental Resolution relating to a Series of Bonds, in lieu of or in substitution for the required deposits into the Reserve Account (or any subaccount therein), the Issuer may cause to be deposited into the Reserve Account (or any subaccount therein) a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit in an amount equal to the difference between the applicable Reserve Requirement and the sums then on deposit in the Reserve Account (or any subaccount therein) plus the amounts to be deposited therein pursuant to the preceding paragraph, all as more fully provided in the Bond Ordinance.

If any Reserve Account Insurance Policy or Reserve Account Letter of Credit shall terminate prior to the stated expiration date thereof, the Issuer agrees that it shall fund the Reserve Account (or subaccount therein) in the same manner and over the same time period as provided for above in the case of a withdrawal from the Reserve Account (or subaccount therein) in order that the amount on deposit in such account at the end of such period shall be equal to the applicable Reserve Account Requirement; provided the Issuer may, with the prior written consent of any Credit Facility Issuer affected, if any, obtain a new Reserve Account Insurance Policy or Reserve Account Letter of Credit in lieu of making the payments required by this paragraph.

The Series 2021 Bond is **not** secured by the Reserve Account or any subaccount therein. The Series 2024 Bonds are not secured by the Reserve Account or any subaccount therein and the Reserve Requirement for the Series 2024 Bonds is \$0.00.

(4) From the moneys remaining in the Operating Fund, the Issuer shall next deposit into the Subordinated Debt Service Account an amount required to be paid as provided in the resolution, ordinance or agreement of the Issuer authorizing such Subordinated Debt, but for no other purposes. If the Issuer establishes separate subaccounts for Subordinated Debt, deposits into each subaccount pursuant to this paragraph (4) shall be made on a pro rata and parity basis.

(5) The Issuer shall next apply and deposit monthly from the moneys remaining on deposit in the Operating Fund into the Renewal and Replacement Account, an amount at least equal to one-twelfth (1/12th) of five percent (5%) of the Gross Revenues received during the immediately preceding Fiscal Year. The moneys in the Renewal and Replacement Account shall be used only for the purpose of paying the cost of extraordinary repairs, extensions, enlargements or additions to, or the replacement of capital assets of the System or emergency repairs thereto and the cost of acquiring, installing or replacing equipment of the System and engineering, legal and administrative expenses relating to the foregoing and the cost of providing a local share of moneys required to entitle the Issuer to receive federal or state grants or participate in federal or state assistance programs related to the System. Funds on hand in the Renewal and Replacement Account may also be used to pay the current Cost of Operation and Maintenance to the extent moneys on deposit in the Operating Fund are insufficient for such purposes. The moneys on deposit in such fund may also be used to supplement the Reserve Account (or any subaccount therein), if necessary, in order to prevent a default in the payment of the principal and interest on the Bonds. No further deposits shall be required to be made into the Renewal and Replacement Account when there shall be on deposit therein an amount equal to or greater than \$500,000, or such other lesser or greater amount as may be determined from time to time by the Consulting Engineers or the Utilities Director.

(6) The balance of any moneys remaining in the Operating Fund after the above required payments have been made shall be deposited into the Surplus Account and may be used for any lawful purpose related to the System, including for deposit to the Rate Stabilization Account as contemplated by Section 20(R) of the Bond Ordinance and described below; provided, however, that none of such moneys shall be used for any purposes other than those above specified unless all current payments, including any deficiencies for prior payments, have been made in full and unless the Issuer shall have complied fully with all the covenants and provisions of the Bond Ordinance.

The Issuer retains the right to prepay amounts which would become due under the Bond Ordinance in any Bond Year. If the amount transferred in any month to the credit of any of the funds or accounts shall be less than the amount required to be transferred under the foregoing provisions of Section 20(B) of the Bond Ordinance, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be transferred in each month thereafter until such time as all such deficiencies have been made up.

Any moneys which shall have been withdrawn from the Debt Service Fund or that shall be deposited with the Paying Agent for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective owners of such Bonds.

The Issuer may transfer into the Rate Stabilization Account such moneys which are on deposit in the Surplus Account as it deems appropriate, and may transfer such amount of moneys from the Rate Stabilization Account to the Operating Fund as it deems appropriate to be applied to the payment of the Cost of Operation and Maintenance of the System prior to using other amounts in the Operating Fund to pay the Cost of Operation and Maintenance of the System; provided, however, that moneys on deposit in the Rate Stabilization Account shall be applied to make payments pursuant to Section 20(B)(2) of the Bond Ordinance when amounts on deposit in the Operating Fund, the Renewal and Replacement Account and/or the Surplus Account are insufficient.

Notwithstanding anything to the contrary in the Bond Ordinance, the Issuer shall transfer monies from the Operating Fund at the times and in the amounts required in order to comply with the rebate covenants made by the Issuer in connection with any Series of Bonds (other than Taxable Bonds) at the time of issuance thereof.

See “Appendix C—Copy Of the Ordinance” herein.

City Covenants

The City has covenanted in the Bond Ordinance that while the Series 2024 Bonds remain Outstanding, among other things: (i) unless otherwise provided by applicable law, and except in the case of an emergency or natural disaster or for health, safety or welfare reasons, it shall not furnish or supply the facilities, services and commodities of the System either free of charge or for a nominal charge to any Person, (ii) it will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof, (iii) so long as service is in fact available as reasonably determined by the Issuer, the Issuer will, to the extent consistent with and authorized by applicable law and public policy, require all lands, buildings and structures within the area being served by the System (other than the residential and commercial reuse system, unless otherwise required by the Issuer), to connect with and use such facilities within one year after notification, (iv) it will not sell, lease, exchange or otherwise dispose of any of the tangible property or ownership interest in tangible property comprising a part of the System except as permitted by the Bond Ordinance, (v) it will enforce collections, (vi) it will not grant a franchise for the operation of any competing utility system or systems within the area served by the System, except as permitted in the Bond Ordinance, (vii) it will maintain sufficient insurance on the System, (viii) it will duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental claims or charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the System or the Gross Revenues, as more fully described in the Bond Ordinance, and (ix) it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Series 2024 Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

Events of Default and Remedies

Events of Default

Except as provided below, if any of the following events occur, it is defined in the Bond Ordinance as and declared to be and to constitute an “Event of Default:”

(A) Default in the due and punctual payment of any interest on any Bonds (including the Series 2024 Bonds);

(B) Default in the due and punctual payment of the principal of and premium, if any, on any Bonds (including the Series 2024 Bonds), at the stated maturity thereof, or upon proceedings for redemption thereof;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Bond Ordinance or in the Bonds and the continuance thereof for a period of sixty (60) days after written notice to the Issuer given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Bonds then Outstanding; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; provided that the foregoing shall not apply to the rate covenant set forth in Section 20(E) of the Bond Ordinance, the provisions of which govern matters relating to the rate covenant and, provided further, that the foregoing may be modified by a Supplemental Resolution in connection with a Series of Bonds;

(D) Failure by the Issuer promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations under the Bond Ordinance;

(E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the Issuer under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors’ rights;

(F) Written notice shall have been received by the Issuer from a Credit Facility Issuer that an event of default has occurred under the agreement underlying a Credit Facility, to the extent said notice is established as an event of default under the terms of any Supplemental Resolution relating to a Series of Bonds; or

(G) any other Event of Default described in a Supplemental Resolution for any Series of Outstanding Bonds occurs.

The term “default” shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Bond Ordinance, any Supplemental Resolution or in the Bonds, exclusive of any period of grace required to constitute a default or an “Event of Default” as hereinabove provided.

Notwithstanding the foregoing, the occurrence of any default under a Qualified Agreement, including without limitation, failure on the part of the Issuer to pay a termination fee under a Qualified Agreement, shall not be construed as or deemed to constitute an “Event of Default” under the Bond Ordinance; rather, such occurrence shall be remedied pursuant to such Qualified Agreement and applicable legal and equitable principles taking into account the parity status as to lien on Pledged Revenues which the counterparty to such Qualified Agreement enjoys as to Parity Contract Obligations only, relative to that of the Bondholders and their rights to payments under the Bond Ordinance.

Notwithstanding any other provision of the Bond Ordinance, failure of the Issuer or the dissemination agent named therein to comply with any continuing disclosure undertaking relating to a Series of Bonds for purposes of Rule 15(c)2-12 of the Securities and Exchange Commission, or any successor law thereto, shall not be considered as a default or an “Event of Default” as hereinabove provided.

For purposes of (A) and (B) above, no effect shall be given to any payments made under any Credit Facility.

Remedies

Nothing in the Bond Ordinance shall be construed to grant to any Holder of the Bonds any lien on any property of the Issuer, except the Pledged Revenues.

The foregoing notwithstanding:

(1) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(2) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(3) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(4) Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy under the Bond Ordinance in the case of an Event of Default.

(5) In case the time for the payment of interest on any Bond shall be extended by operation of law, whether or not such extension be by or with the consent of the Issuer, such interest so extended shall not be entitled in case of default or Event of Default under the Bond Ordinance to the benefit or security of the Bond Ordinance except subject to the prior payment in full of the principal of all Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

Upon the happening and continuance of any Event of Default specified in the Bond Ordinance, the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding may proceed to protect and enforce the rights of the Holders, under Florida law or under the Bond Ordinance, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as such Holders shall deem most effectual to protect and enforce such rights.

The Holder or Holders of Bonds in an aggregate principal amount of more than fifty percent (50%) in aggregate principal amount of Bonds then Outstanding may, by a duly executed certificate in writing, appoint a trustee for Holders of Bonds Outstanding, with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders. Such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under the Bond Ordinance, the Holders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and the funds and accounts created hereunder pending such proceedings, with such powers as the court making such appointment shall confer.

Notwithstanding any provision of the Bond Ordinance to the contrary, in the event that following an Event of Default, a Credit Facility Issuer honors its obligations to make payments on a Series of Bonds, said Credit Facility Issuer shall be deemed to be the Holder of the Bonds secured by the related Credit Facility for purposes of the provisions of the Bond Ordinance relating to Events of Default and remedies.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of the Bond Ordinance, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

In case any proceeding taken by any Holder(s) on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case, the Issuer and the Holder(s) shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Holders shall continue as though no such proceeding had been taken.

No Holder of any of the Bonds hereby secured shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Bond Ordinance, or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds.

The Bond Ordinance does not provide for a trustee to enforce the covenants and obligations of the City.

The remedies available to the owners of the Series 2024 Bonds upon an Event of Default under the Ordinance are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title II of the United States Code, the remedies specified by the Federal bankruptcy code, the Ordinance, and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

Insurance Policy Option

General

As described in the Official Notice of Sale, bidders may, at their option, obtain a municipal bond insurance policy guaranteeing payment of the principal of and interest on all or any designated maturities of the Series 2024 Bonds, which shall be a "Bond Insurance Policy" within the meaning of the Bond Ordinance. The related insurer shall be an "Insurer" within the meaning of the Bond Ordinance. The responsibility for obtaining such Bond Insurance Policy and payment of the premium for such Bond Insurance Policy shall rest with the successful bidder and the City will not be obligated to enter into any covenants or agreements with the Insurer. The determination whether to obtain the Bond Insurance Policy with respect to the Series 2024 Bonds or any maturities thereof (or none of them) will be made at the time of the competitive sale of the Series 2024 Bonds. The information in this section is provided in the event the Bond Insurance Policy is obtained for the Series 2024 Bonds or any maturities thereof. There is no assurance that Series 2024 Bonds, or any maturities thereof, will be secured by an Bond Insurance Policy.

Insurer's Rights

In the event the Bond Insurance Policy is obtained with respect to any maturities of the Series 2024 Bonds (the "Insured Series 2024 Bonds"), the Insurer shall have the rights set forth in the Bond Ordinance with respect to the Insured Series 2024 Bonds, including the consent rights set forth in Section 706 of the Bond Ordinance relating to an event of default with respect to the Insured Series 2024 Bonds. In connection with the foregoing, it is possible that the Insurer may represent a majority of the Holders of the Outstanding Series 2024 Bonds.

Selected Risks Related to the Bond Insurance Policy

In the event of default in the payment of principal or interest with respect to the Insured Series 2024 Bonds when all or some become due, any owner of the Insured Series 2024 Bonds shall have a claim under the Bond Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, if any, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Bond Insurance Policy does not insure against redemption premium, if any. The

payment of principal and interest in connection with mandatory or optional prepayment of the Insured Series 2024 Bonds by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Bond Insurance Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the City unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default in the payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. As noted above, the Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to the Bond Ordinance.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Bond Insurance Policy, the Insured Series 2024 Bonds are payable solely from the moneys received pursuant to the Bond Ordinance. In the event the Insurer becomes obligated to make payments with respect to the Insured Series 2024 Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Series 2024 Bonds or the marketability (liquidity) for the Insured Series 2024 Bonds and any of the other Series 2024 Bonds.

Certain of the long-term ratings on the Insured Series 2024 Bonds will be dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the insured ratings on the Insured Series 2024 Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Series 2024 Bonds or the marketability (liquidity) for the Insured Series 2024 Bonds and any of the other Series 2024 Bonds.

The obligations of the Insurer with respect to the Bond Insurance Policy will be contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state laws related to insolvency of insurance companies.

Neither the City nor the Underwriter has made, or will make, an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of such Insurer is or will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the Insured Series 2024 Bonds upon a claim under the Bond Insurance Policy for such payments and the claims paying ability of the Insurer with respect to the Bond Insurance Policy, particularly over the life of the investment.

CONSULTANTS' REPORTS

Consulting Engineer's Report

In connection with the Series 2024 Bonds, the City engaged Carollo Engineers, Inc. ("Carollo") as consulting engineer to the City (in such capacity, the "Consulting Engineer"), to prepare the Consulting Engineer's Report for Water and Wastewater Revenue Bonds, Series 2024 dated [____], 2024 (the "Consulting Engineer's Report") attached as APPENDIX E.

The references herein to Carollo Engineers as the Consulting Engineer has been approved by said firm. The Consulting Engineer's Report has been attached as APPENDIX E to this Official Statement in reliance upon the Consulting Engineer as an expert in the areas addressed by the Consulting Engineer's Report and with the consent of the Consulting Engineer.

Among other matters, the Consulting Engineer's Report makes certain assumptions and projections regarding future demand for the System's services and certain regulatory and permitting matters. Although considered reasonable by the City and the Consulting Engineer, any projections and forward looking statements in the Consulting Engineer's Report are inherently uncertain and subject to significant uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the City. As a result, there can be no assurance that projected future results will occur or be realized. See also "SELECTED INVESTMENT CONSIDERATIONS" later herein, including for selected investment considerations relating to the System.

The information herein under the captions "THE SYSTEM," "THE WATER SYSTEM," "THE WASTEWATER SYSTEM," "THE CAPITAL IMPROVEMENTS PROGRAM" and "CONSULTING ENGINEER'S CONCLUSIONS," respectively, represent summaries of certain information in the Consulting Engineer's Report. References to and excerpts herein from the Consulting Engineer's Report do not purport to be adequate summaries of such reports or to be complete in all respects. *The Consulting Engineer's Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.*

PROSPECTIVE INVESTORS MUST REVIEW THE CONSULTING ENGINEER'S REPORT IN ITS ENTIRETY PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SERIES 2024 BONDS.

Financial Feasibility Report

In connection with the Series 2024 Bonds, the City engaged Raftelis Financial Consultants, Inc. ("Raftelis") as financial feasibility consultant to the City (in such capacity, the "Feasibility Consultant"), to prepare the Financial Feasibility Report—City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 dated October [____], 2024 (the "Financial Feasibility Report") attached as APPENDIX F.

The references herein to Raftelis as the Feasibility Consultant has been approved by said firm. The Financial Feasibility Report has been attached as APPENDIX F to this Official Statement in reliance upon the Feasibility Consultant as expert in the areas addressed by the Financial Feasibility Report and with the consent of the Feasibility Consultant.

Among other matters, the Financial Feasibility Report presents historical operating results of the System for the fiscal years from the period ending September 30, 2019 through and including September 30, 2023 (the "Historical Period") and financial projections of operating results of the System and the anticipated ability of the System to meet the rate covenant requirements of the Bond Ordinance for the fiscal years from the period ending September 30, 2024 through and including September 30, 2029 (the "Forecast Period"). The Feasibility Report includes, among

other things, (i) a presentation of recent historical revenues, projected revenues and expenditures, and customer growth/usage statistics, (ii) the schedule of rates, fees and charges for solid waste disposal services, (iii) a summary of, and certain assumptions regarding, contract operations and principal agreements, and (iv) financial projections of the System's operations, rate increases (some of which have not been adopted) and projected debt service coverage. The forecast of operating results includes projections of the System's ability to meet the rate covenant requirements of the Bond Ordinance. Although considered reasonable by the City and the Feasibility Consultant, any projections and forward looking statements in the Financial Feasibility Report are inherently uncertain and subject to significant uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the City. As a result, there can be no assurance that projected future results will occur or be realized. See also "SELECTED INVESTMENT CONSIDERATIONS" later herein, including for selected investment considerations relating to the System.

The information herein under the caption "SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM" represent summaries of certain information set forth in the Financial Feasibility Report. References to and excerpts herein from the Financial Feasibility Report do not purport to be adequate summaries of such reports or to be complete in all respects. *The Financial Feasibility Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.*

PROSPECTIVE INVESTORS MUST REVIEW THE FINANCIAL FEASIBILITY REPORT IN ITS ENTIRETY, INCLUDING, WITHOUT LIMITATION, THE FINANCIAL FORECASTS RELATING TO THE SYSTEM INCLUDED IN THE FINANCIAL FEASIBILITY REPORT AND THE CONSIDERATIONS AND ASSUMPTIONS UPON WHICH THE PROJECTED OPERATING RESULTS OF THE SYSTEM ARE BASED, PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SERIES 2024 BONDS.

Certain Matters Relating to the Consulting Engineer's Report and the Financial Feasibility Report

The assumptions and projections relating to the future demand for the System made by the Consulting Engineer in the Consulting Engineer's Report, and the assumptions and projections relating to the future demand for the System made by the Financial Feasibility Consultant in the Financial Feasibility Report, differ in certain respects because of the different purposes of the respective reports.

Note that any Fiscal Year 2023 data shown under the captions "THE SYSTEM," "THE WATER SYSTEM," "THE WASTEWATER SYSTEM," and "SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM" derived from the City's Annual Comprehensive Financial Report for Year Ended September 30, 2023 (the "2023 ACFR") has not been updated for Fiscal Year 2024 (which ended on September 30, 2024) or Fiscal Year 2025 (which commenced on October 1, 2024).

THE SYSTEM

The information under this caption “THE SYSTEM” represents summaries of certain information in the Consulting Engineer’s Report. References to and excerpts herein from the Consulting Engineer’s Report do not purport to be adequate summaries of such reports or to be complete in all respects. *As noted above, the Consulting Engineer’s Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.* See “CONSULTANTS’ REPORTS—’Consulting Engineer’s Report’ and ‘Certain Matters Relating to the Consulting Engineer’s Report and the Financial Feasibility Report.”

Overview of the System

The City provides essential services including drinking water, wastewater, and reuse services through the System; however, the City does not have a wastewater treatment plant. The City manages a wastewater collection system that pumps directly into the Broward County North Regional Wastewater Treatment Plant (NRWWTP) for treatment, as more fully described in the Consulting Engineer’s Report and under the captions “THE WATER SYSTEM” and “THE WASTEWATER SYSTEM.”

As illustrated in the map below under “System Service Areas,” the City’s jurisdictional boundary differs from its System service areas, and therefore, population projections within the System service areas will also differ from each other and the City’s population. The table below presents the City and System service areas population for FY 2023 and provides estimated population projections in 5-year increments by calendar year through 2040. Sources for the population projections are identified in the notes section below the table. See “System Service Areas” below.

Population Projections

<u>Year</u>	<u>City Population Projections ⁽¹⁾</u>	<u>Water Service Area Population Projections ⁽²⁾</u>	<u>Wastewater Service Area Population Projections ⁽³⁾</u>
2023	113,691	97,495	94,426
2025	114,701	98,817	94,976
2030	117,989	102,122	100,721
2035	121,190	105,060	102,981
2040	123,480	107,300	105,370

Source: Consulting Engineer’s Report.

Notes:

- ⁽¹⁾ City population projections for 2023 are per the 2023 ACFR. Projected City populations for 2025 through 2040 are per the population projections in the WMP (Carollo, 2020).
- ⁽²⁾ Water service area population projections are per the Water Master Plan (WMP) (Carollo, 2020), with 2023 population linearly interpolated using 2020 and 2025 populations from the WMP.
- ⁽³⁾ Wastewater service area population projections are adjusted per the wastewater service boundary and consistent with City population projections and the WMP (Carollo, 2020) population projections.

Water Demand and Wastewater Flow Projections

The City updates its water demand and wastewater flow projections on a regular basis. The City updated its WMP in 2020 (Carollo, 2020) and has just started the process to issue a new update in 2025. The Wastewater Master Plan (WWMP) was last updated in 2022 (Chen Moore and Associates [CMA], 2022). As discussed in more detail in Chapter 3 of the Consulting Engineer’s Report, the wastewater flow projections were revised based on updated population projections, to be consistent with City population projections and population projections in the WMP (Carollo, 2020).

The City’s water demand and wastewater flow projections in 5-year increments (by calendar year) are provided in the table below.

Water Demand and Wastewater Flow Projections

Year	Projected Water Demand (mgd) ⁽¹⁾		Projected Wastewater Flow (mgd) ⁽²⁾	
	AADD	MMDD	AADF	MMADF
2025	17.0	19.6	14.8	17.0
2030	18.6	21.4	15.7	18.0
2035	19.1	21.9	16.0	18.4
2040	19.4	22.3	16.4	18.8

Source: Consulting Engineer’s Report.

Notes:

⁽¹⁾ Water demand projections from the 2020 Water Master Plan (Carollo, 2020).

⁽²⁾ Wastewater flow projections based on the City’s updated anticipated population growth and flow per person per in the 2022 Wastewater Master Plan (CMA, 2022).

Abbreviations: AADD – average annual daily demand; AADF – annual average daily flow; mgd – million gallons per day; MMADF – maximum month average daily flow; MMDD – maximum month daily demand

Impact of Climate Change

Investigations and evaluations conducted at the national, regional, and local levels have reinforced the need to plan for the predicted impacts of more frequent and severe drought, increases in tidal and storm-related flooding, and rising sea levels. This section summarizes potential impacts due to climate change and more specifically potential impacts due to sea level rise, groundwater elevation, and the 100-year flood plain on the System. The Southeast Florida Regional Climate Change Compact (Compact) is a partnership between counties to collaboratively work together to build climate resilience across the Southeast Florida region. The Compact established unified sea level rise projections for the Southeast Florida region in 2011 and has subsequently updated the projections in 2015 and 2019. The most relevant impact to the City’s water supply system is saltwater intrusion into the aquifer and local water supply wells, as documented in the City’s Water Supply Facilities Work Plan, updated by the Consulting Engineer in 2020. The City currently monitors a range of parameters with respect to saltwater intrusion at its wellfields as discussed in the Consulting Engineer’s Report.

The WWMP (CMA, 2022) noted that future sea level rise will result in higher groundwater elevations and increase surface flooding. Inflow and infiltration (I/I) into the gravity system is

expected to increase, which will increase wastewater flow to the treatment plant and reduce capacity in the wastewater conveyance system. Additionally, sea level rise will result in higher groundwater elevations, thus reducing soil storage capacity. The City is addressing these impacts by implementing gravity pipeline lining projects as discussed in the Consulting Engineer’s Report and as shown in the City’s capital improvements plan (“CIP”) in the Consulting Engineer’s Report and later below under “CAPITAL IMPROVEMENTS PROGRAM.” Lift stations will be more vulnerable to increased flooding and impact pumping operations. Bottom elevations of lift station control panels must be set at or above the current 100-year flood elevation defined by FEMA, and critical lift stations should have control panels set even higher to prepare for future impacts of sea level rise.

General Regulatory Matters

The Florida Legislature enacted the Florida Safe Drinking Water Act, Section 403.850 to 403.864, Florida Statutes, and the Florida Air and Water Pollution Control Act, Section 403.021(2), Florida Statutes, to administer regulatory requirements under the Federal Safe Drinking Water Act (“SDWA”) and the Federal Clean Water Act (“CWA”). These regulations govern water and wastewater services to uphold quality standards, providing protection of public health and the environment. Oversight of these policies falls under the jurisdiction of the Florida Department of Environmental Protection (“FDEP”), which has been granted primacy by the United States Environmental Protection Agency (“USEPA”) to administer regulatory requirements under the SDWA and CWA.

While the City’s wastewater undergoes treatment at a regional wastewater treatment plant operated by Broward County Water and Wastewater Services (“BCWWS”), as described in the Consulting Engineer’s Report and described later herein under “WASTEWATER SYSTEM,” the City operates a reuse water treatment plant and sells the highly treated effluent water to some of its System customers, as described later herein. Chapter 62-610, Florida Administrative Code (“FAC”), regulates the operational parameters of the reuse treatment plant, outlining specific usage and land application requirements. Reuse water serves as an alternative water supply for outdoor irrigation, supplementing traditional sources like potable water or groundwater.

See “THE SYSTEM—General Regulatory Matters,” “THE WATER SYSTEM---Water Use Permit,’ ‘WUP Renewal, New Water Demands and WUP Modification,’ and ‘Water Regulatory Compliance and Permits’,” and “THE WASTEWATER SYSTEM---Wastewater Regulatory Compliance.”

See also “SELECTED INVESTMENT CONSIDERATIONS.”

System Condition

Water System

In May 2024, the Consulting Engineer conducted site visits to the City’s Water Treatment Facility (“WTF”) and the Indian Mound Storage Tank to assess the general condition of the aboveground facilities and identify any potential issues that could prevent the City from meeting permit requirements and capacity expectations. These assessments were limited to areas that could be visually inspected and were not comprehensive evaluations. Based on the site visits and

discussions with City staff, the Consulting Engineer's Report reflects that the City's water facilities are in comparable condition to other facilities of similar age and are operating as intended; that the City's WTF is in good condition; and that, with the planned upgrades described in the CIP, it is expected to continue operating effectively to meet future demands and requirements.

Wastewater System

The Consulting Engineer also conducted site visits to three representative wastewater lift stations in May 2024 to assess the general condition of aboveground infrastructure and to identify any circumstances that may inhibit the City from meeting permit requirements and capacity expectations. The condition assessment was limited to areas where the site could be visually inspected. Based on the site visits and discussions with City staff, the Consulting Engineer's Report reflects that the Wastewater System is in relatively good condition, the facilities are in comparable condition to facilities of similar age, and are operating as intended.

In May 2024, the Consulting Engineer conducted a site visit to the City's reuse water treatment facility ("RWTF") and evaluated the overall condition of the aboveground facilities to identify any potential issues that might prevent the City from meeting permit requirements and capacity expectations. These assessments were limited to visually accessible areas and were not comprehensive evaluations. The Consulting Engineer's Report reflects that, based on the site visit and discussions with City staff, the City's reuse facility is in similar condition to other facilities of the same age and is operating as intended, is in good condition, and is expected to continue operating effectively to meet future demands and requirements.

Agreements and Arrangements with Other Local Governments Relating to the System

Various agreements and arrangements are in place between the City and certain other local governments relating to the System as described below. See "THE WATER SYSTEM--Interlocal Agreements for Emergency Interconnections" for information about certain other agreements between the City and other local governments relating to emergency interconnects for the Water System. See also "SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—'Assumptions Regarding Agreements and Arrangements with Other Local Governments Relating to the System; Selected Matters Regarding Large User Agreement with Broward County' and 'Rates, Fees and Charges—Rates, Fees and Charges as of October 1, 2024'" for additional information about certain of the agreements and arrangements described below.

Lighthouse Point

The City supplies water to customers in a portion of the City of Lighthouse Point, Florida ("Lighthouse Point") for which the City has been granted a franchise to serve through 2042 by ordinance of Lighthouse Point (the "LHP Franchise"). The provisions of the LHP Franchise give Lighthouse Point the right to purchase the portions of the System within the boundaries of Lighthouse Point.

Additionally, the City provides reuse service to certain customers in Lighthouse Point pursuant to a written agreement, which has an original 10-year term commencing in 2017, and which provides for four automatic five-year renewal options, subject to earlier termination by either of the parties as permitted by the agreement.

Lauderdale-by-the-Sea

The City supplies water to customers in a portion of the Town of Lauderdale-by-the-Sea, Florida (“Lauderdale-by-the-Sea” or the “Town”) that were served by the City while such area was located in unincorporated Broward County and which have continued to be served by the City after such area was annexed into Lauderdale-by-the-Sea around the year 2000.

Additionally, pursuant to an agreement with Lauderdale-by-the-Sea (the “Wholesale Agreement”), the Town is a wholesale wastewater customer of the City. The Wholesale Agreement had an original 15-year term, effective date November 13, 2007, and provides that the term is automatically extended for five-year terms, unless terminated by either party within 60 days of the expiration of the then-current term. The current term of the Wholesale Agreement ends in November 2027.

Broward County

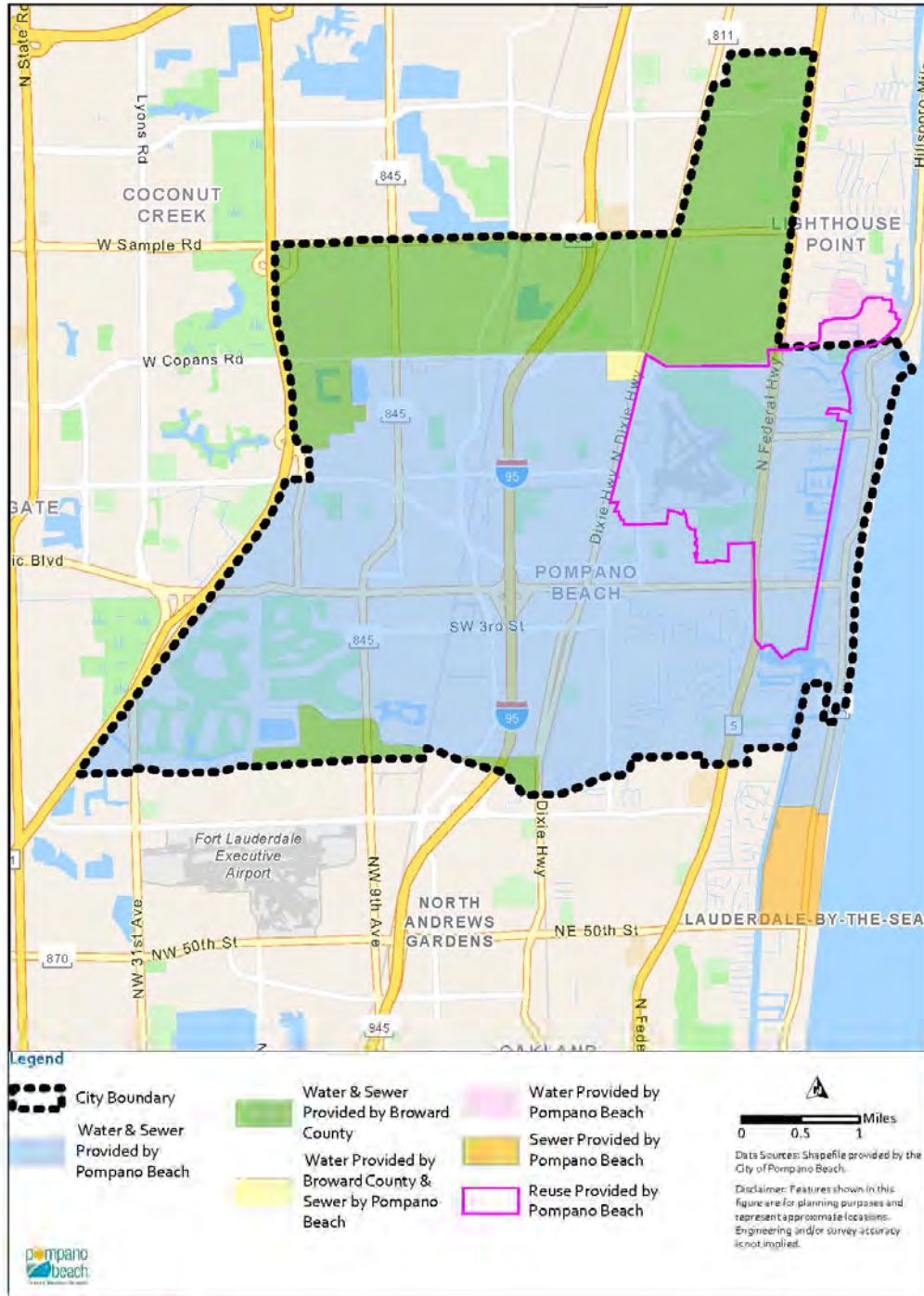
Pursuant to the Large User Agreement between the City and Broward County, to which 10 other large users are also parties, the City receives wastewater treatment service from Broward County. Under the Large User Agreement, the City pays a fixed monthly fee to the County based on its proportion of allocated debt service of the County, and pays a volumetric rate for operation and maintenance costs for each gallon of wastewater flow conveyed to Broward County.

The City also has an agreement with Broward County to supply reuse water through a master meter to customers in Pompano Highlands, located within the Broward County Water and Wastewater Services (BCWWS) service area.

System Service Areas

The City’s jurisdictional boundary differs from the System utility service areas as shown in the map below (Figure 1.1 in the Consulting Engineer’s Report), which illustrates the various service areas within the City’s boundary and outside of the City’s boundaries relating to Lighthouse Point (with respect to water service and reuse service), the Town (with respect to water and wastewater service) and a portion of unincorporated Broward County (with respect to reuse service). The Consulting Engineer’s Report includes additional maps separately depicting the City’s water service area, wastewater service area, and reuse service area, respectively, in Figure 2.1, Figure 3.1 and Figure 3.2, respectively, in the Consulting Engineer’s Report.

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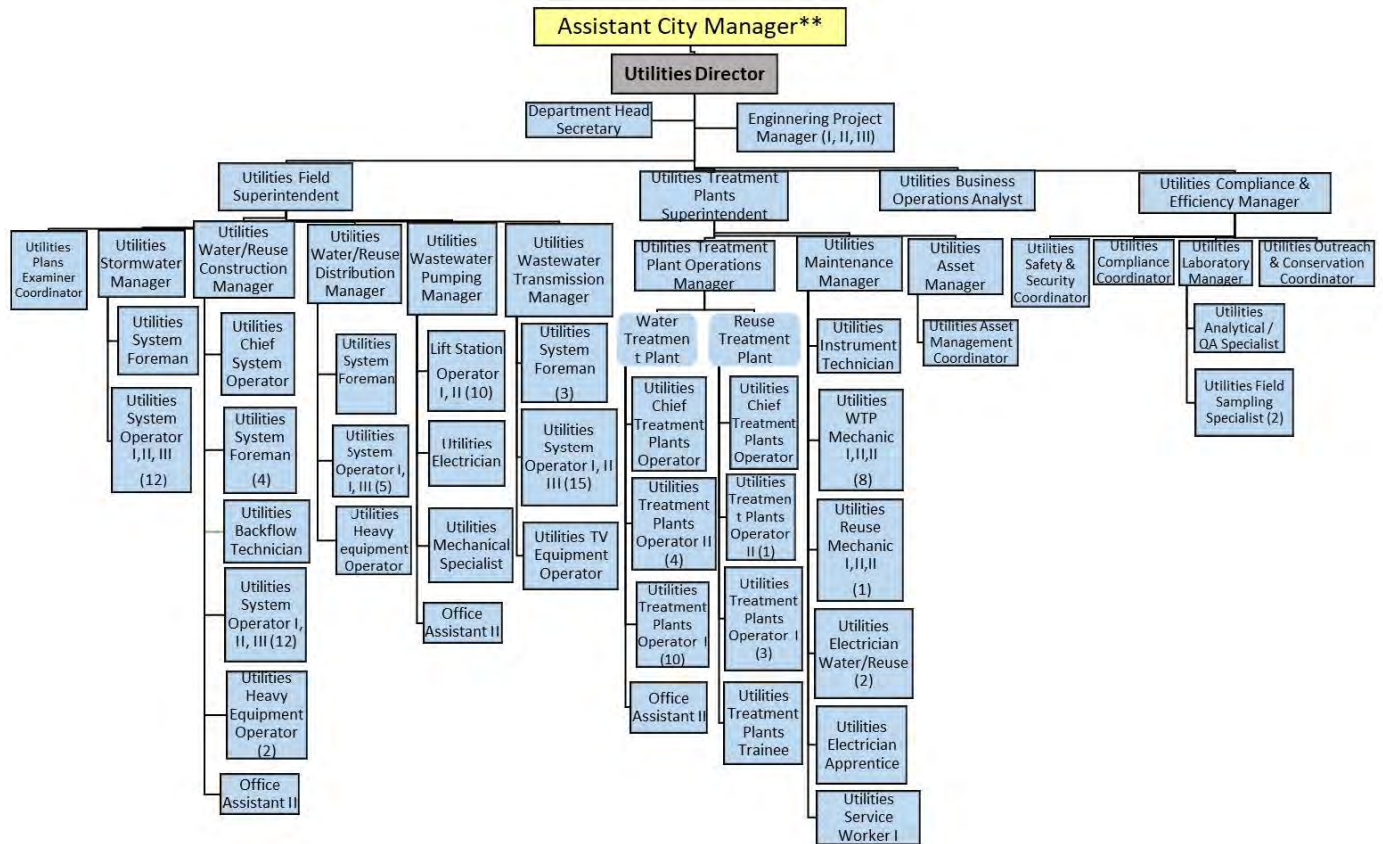
CITY OF POMPANO BEACH
 CONSULTING ENGINEER'S REPORT FOR WATER AND
 WASTEWATER REVENUE BONDS, SERIES 2024

Management of the System

Organization Chart

The organization of the City’s Utilities Department includes a Utilities Director, who reports to an Assistant City Manager of the City, and managers who report to the Utilities Director, who have experience in utility management, engineering, financing, and operations. The organization chart below shows the current department organization chart. It also contains additional positions that were approved with adoption of the City’s FY 2025 budget.

Organization Chart



Source: Consulting Engineer’s Report
 **Position budgeted in the City Manager’s Office

Biographies of Key Personnel; Principal Responsibilities

Below are brief biographies of key personnel currently involved in managing the System and the principal responsibilities associated with each organizational function within the Utilities department:

A. Randolph Brown, Utilities Director, holds a Master of Business Administration degree from William Woods University and a Bachelor of Arts degree in Business Administration from Columbia College. Mr. Brown has over 30 years of experience in local government management and leadership, specializing in regulatory compliance and public utilities operations. He has served as Utilities Director for the City since March 2004. He has led the System to multiple recognitions as a “Utility of the Future Today.”

Utilities Director’s Responsibilities: Responsible for managing, coordinating, and directing the operations of the Utilities Department (Water, Wastewater, Stormwater, Reuse), staff and business activities of the System. Develops recommendations to the City Manager regarding policies, programs, budgets, rates, capital improvement, utilities systems expansions, and operations. Makes presentations to organizations, committees, and the City Commission. Participates in the Emergency Operation Center (EOC) during disasters.

Phil Hyer, Utilities Treatment Plant Superintendent, has over 40 years of field maintenance and operations experience, primarily with the City for 39 years. He has served as Utilities Treatment Plant Superintendent for 13 years. Holding licenses for both drinking water and wastewater treatment plant Class “A” operator, and a Lean Six Sigma Green Belt certification, Mr. Hyer oversees all facets of operations, maintenance, safety, and regulatory compliance for the System.

Utilities Treatment Plants Superintendent’s Responsibilities: Administrative and technical work in the management of the operations of the water and reuse treatment plants. Plans, organizes, and directs the uninterrupted operation of the water treatment and reuse plants. Coordinates and supervises the activities of subordinate workers engaged in the operation and maintenance of the treatment plants. Develops and implements policies and procedures dealing with operational or maintenance matters and safety. Implements new initiatives in treatment processes and facilities improvements. Develops process improvement programs resulting in increased efficiency and effectiveness of the plants’ operation workflow. Prepares and monitors the water treatment plant operating budget.

Nathaniel J. Watson, Utilities Field Operations Superintendent, is pursuing a degree in Business Administration from Broward College and a Lean Six Sigma Green Belt certification from Florida Atlantic University. Holding a drinking water treatment plant Class “B” operator license with extensive experience in water, reuse treatment, distribution, wastewater transmission, and stormwater systems, Mr. Watson focuses on compliance, customer service, and operational efficiency. As the Utilities Field Operations Superintendent for the City since August 2022, he oversees the management of operation, maintenance, and construction activities for various utility systems, manages a team of employees and ensures compliance with safety regulations.

Utilities Field Superintendent’s Responsibilities: Responsible for supervisory work in planning and directing the construction and maintenance activities of water/reuse distribution, stormwater systems, and wastewater systems. Supervises field and shop operations, coordinates fieldwork of water and wastewater sections with other City departments, analyzes current operational

processes and performance, recommending solutions for improvement where necessary, implements safety policies, and prepares and monitors the Utilities Department's Field Operations operating budget.

Lawrence Teich, *Utilities Compliance and Efficiency Manager*, holds degrees in Chemistry and Biology from Florida Atlantic University, along with an MBA in Environmental Business Management. With certifications such as Certified Floodplain Manager and Project Management Professional, Mr. Teich brings over three decades of experience in environmental compliance and management to his role at the City. As Utilities Compliance and Efficiency Manager, he oversees compliance programs and supervises staff responsible for compliance-related functions, ensuring adherence to permits and regulations. Mr. Teich has served as Utilities Compliance and Efficiency Manager for approximately one year.

Utilities Compliance and Efficiency Manager's Responsibilities: Manages compliance programs and functions for the Utilities Department and supervises staff responsible for compliance-related functions (safety, water conservation, efficiency initiatives, grants, reporting, sample collection, and analysis). Manages compliance evaluations and assessment activities support department permits and programs involving utility water plants, distribution and collection systems, stormwater, consumptive use permits for water allocations, efficiency programs, and conservation programs.

Richard "Rick" Johnson, *Utilities Treatment Plants Operations Manager*, has over 30 years of comprehensive experience in public utilities management. With bachelors degrees in medical technology and biology from Florida Atlantic University, Mr. Johnson holds a Class "A" Drinking Water Treatment Plant Operator license and certifications from various emergency management institutes. In his current role at the City, he oversees the day-to-day operations and maintenance of the multiple water treatment plants and associated facilities, ensuring regulatory compliance and collaborating with stakeholders. Mr. Johnson has served as Utilities Treatment Plants Operations Manager for over 3 years.

Utilities Treatment Plants Operations Manager's Responsibilities: Assists in the administrative and technical work in the management of the operation and maintenance of the treatment plants. Plans, repair work at both the water and reuse treatment plants. Directs and supervises the day-to-day operations of the membrane plant, lime softening plant, and reuse treatment plant. Maintains relationships with regulatory agencies and ensures permit compliance with the treatment plants and UIC (underground injection control) program. Manages and schedules personnel overtime, vacation, holiday/personal days, and work assignment schedules.

Randy Rennekamp, *Utilities Treatment Plants Maintenance Manager*, has over 40 years of experience in industrial instrumentation and process control, maintenance and troubleshooting. He holds an Associates degree in Electronics Engineering Technology, NICET Level II Industrial Instrumentation Certification, ASCET Certified Member, UAW Journeyman Electrician License, as well as in Broward and Palm Beach County a GAQM Lean Six Sigma Green Belt Certification, Wayne State University Change Management Certification and FCC Licensed Radiotelephone Operator. In his role, Mr. Rennekamp oversees electrical, mechanical, instrumentation, and

process control equipment at the Water Treatment and Reuse Treatment Facilities in the City, collaborating with Asset Management to develop preventative maintenance programs and coordinating maintenance and repair work with other plant personnel. Mr. Rennekamp has served as the Utilities Treatment Plants Maintenance Manager for almost 5 years.

Utilities Maintenance Manager's Responsibilities: Assists in the administrative and technical work in the management of the maintenance of wells and treatment plants. Responsible for supervisory and manual work on the installation, maintenance, and repair of electrical equipment, mechanical equipment, instrumentation, and process control equipment. Works with the Utilities Asset Manager Coordinator and other team members to develop and implement preventative maintenance programs, job plans, scheduling, review, and closeout of work orders.

Enrique Ochoa, Utilities Laboratory Manager, has 15 years of experience in environmental compliance and laboratory management. As Utilities Laboratory Manager, he oversees laboratory operations to ensure compliance with regulatory agencies, accurate water quality compliance reports, and adherence to permits and licenses. Mr. Ochoa has held the position of Utilities Laboratory Manager for over 2 years.

Utilities Laboratory Manager's Responsibilities: Plans, organizes, directs, and participates in work for centralized laboratory operations. Supervises and directs the central sample control program to ensure that regulatory agency guidelines are followed. Maintains a computerized logging system to facilitate ready access to information on sample status, sort all samples requiring particular tests, and facilitate data manipulation in quality assurance procedures and data management. Performs and reviews all phases of chemical, physical, and biological analysis; reviews all daily analysis results; and maintains laboratory instruments and equipment. Maintains National Environmental Laboratory Accreditation Standards (NELAC standards) and Florida Department of Health regulations for compliance.

Bobby Clayton, Utilities Wastewater Pumping Manager, has completed courses in Environmental Science from Florida Gateway College and has over 30 years of experience with the City, with over 14 years in his current role as Utilities Wastewater Pumping Manager. In his role, Mr. Clayton manages an operational budget of \$3.9 million and a capital improvement budget of \$3.4 million, overseeing the daily operations of 81 lift stations and over 59 miles of pressurized force mains.

Utilities Wastewater Pumping Manager's Responsibilities: Technical and supervisory work in planning and coordinating the installation, repair, and maintenance activities of wastewater lift stations and infrastructure. Oversees and manages divisional adherence to established policies, procedures, rules, and regulations. Develops and implements safety programs. Prepares and monitors the annual wastewater budget.

Steve Almyda, Utilities Wastewater Collection Manager, has 32 years of experience in management, field operations maintenance, and supervision. In his role as Wastewater Collection Manager, he oversees all wastewater transmission services, managing a team responsible for inspecting and cleaning the gravity sewer system. Mr. Almyda has served in his current role as Utilities Wastewater Collection Manager for over 15 years.

Utilities Wastewater Collection Manager's Responsibilities: Provides day-to-day leadership and works with staff to ensure a high-performance, customer service-oriented work environment. Schedules, coordinates, and supervises the work of crews and underground contractors engaged in the construction, installation, repair, maintenance, inspection, and servicing of wastewater collection systems. Conducts smoke testing to reduce infiltration and inflow (I&I). Provides continuous operation of all sewer system facilities, which includes emergency repairs, 24 hours per day. Responds to emergency situations as necessary. Enforces safety policies and prepares and monitors the annual wastewater budget.

Aaron Lyons, Utilities Water/Reuse Construction Manager, has been with the City for 20 years, of which he has served over 7 years in his current role as Utilities Water/Reuse Construction Manager. In his role, he oversees the efficient operation of water and reuse utilities, manages substantial operational and capital budgets, and ensures regulatory compliance. He holds various certifications and licenses.

Utilities Water/Reuse Construction Manager's Responsibilities: Responsible for allocating and scheduling work assignments and supervising and inspecting repair work or new installations of water and reuse distribution equipment. Supervises and inspects the repair of existing and new installation of potable and reuse water mains, service lines, fire hydrants, and water meters. Maintains and operates potable water mains and reuse water mains and appurtenances and constructs water and reuse distribution systems to regulatory requirements of all pertinent State, local law, and City ordinances.

Elvis S. Turnbull, Utilities Water/Reuse Distribution Manager, oversees a team of 10 employees and manages both operational and capital budgets, actively participating in the Lean Six Sigma program to enhance operational efficiencies. Mr. Turnbull has held his current position as Utilities Water/Reuse Distribution Manager for approximately 6 months. He holds various certifications and licenses.

Utilities Water/Reuse Distribution Manager's Responsibilities: Responsible for allocating and scheduling work assignments and supervising and inspecting repair work or new installations of water and reuse distribution equipment. Supervises and inspects the repair of existing and new installation of potable and reuse water mains, service lines, fire hydrants, and water meters. Maintains and operates potable water mains and reuse water mains and appurtenances. Oversees the City's Cross Connection Control, valve exercising, and large meter testing and system flushing programs to regulatory requirements of all pertinent State, local law, and City ordinances.

Erica Powell, Utilities Asset Manager, is formally credentialed in computer network systems, holds a bachelor's degree in information technology and a master's degree with a concentration in project management, and is a Certified Lean Six Sigma Green Belt and Lean Practitioner. She has over nine years of experience in asset and preventative maintenance management across various sectors, with over a year in her current position as Utilities Asset Manager. Her expertise lies in information management systems and software development, with a focus on implementing geographic information system (GIS-centric) Asset Management systems.

Utilities Asset Manager's Responsibilities: Responsible for providing asset management and computerized maintenance management support for the Utility Department's asset management systems. Manages the database inclusive of planning, analyzing, designing, implementing, and maintaining a multi-system environment. Manages the planning, design, development, and implementation/deployment of the Utility Department's asset management systems, which include the Enterprise Asset Management, GIS-centric Asset Management, associated applications Service Request Management, and Mobile Work Order Management Systems. Directs asset management projects for Water, Reuse, Stormwater, and forthcoming Wastewater Pumping (Lift Stations), Reuse and Water Distribution, Sewer Transmission, and Production wells projects.

Michael Taylor, Utilities Stormwater Manager, holds various certifications and licenses, overseeing water resources for sustainable development and implementing Lean Six Sigma principles to promote environmental stewardship. He has served in his current position as Utilities Stormwater Manager for over 9 years.

Utilities Stormwater Manager's Responsibilities: Provides day-to-day leadership and works with staff to ensure a high-performance, customer service-oriented work environment. Schedules, coordinates, and supervises the work of crews and underground contractors engaged in the construction, installation, repair, maintenance, inspection, and servicing of stormwater drainage systems. Responds to emergency situations when necessary. Prepares and oversees division budget and assets to meet compliance requirements. Provides continuous operation of all drainage facilities, which includes emergency repairs, 24 hours per day. Provides excellent internal and external customer service skills. Ensures compliance with the National Pollutant Discharge Elimination System (NPDES) and the Municipal Separate Storm Sewer Systems (MS4) permits. Prepares and monitors the annual stormwater budget.

Whitney C. Walsh, Utilities Customer Service Manager, has 41 years of experience in customer service, specializing in utility billing and supervisory roles, overseeing financial and operational activities, and ensuring timely action on accounts receivables and delinquencies. Ms. Walsh has served in her current position as Utilities Customer Service Manager for over 4 years.

Utilities Customer Service Manager's Responsibilities: Manages the office and field activities of the customer service operations by training and monitoring the staff. Forecasts and reviews System revenues. Supplies monthly financial

statements and control reports. Reviews accounts receivables and delinquencies and takes appropriate action in a timely manner. Directs the accurate and timely reading of all meters to ensure accurate billing. Supervises the accurate and timely billing of all customers. Resolves customer complaints or inquiries. Projects revenues on water and sewer. Prepares, reviews, and oversees the operating budget for the customer service and billing division.

THE WATER SYSTEM

The information under this caption “THE WATER SYSTEM” represents summaries of certain information in the Consulting Engineer’s Report. References to and excerpts herein from the Consulting Engineer’s Report do not purport to be adequate summaries of such reports or to be complete in all respects. *As noted earlier, the Consulting Engineer’s Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein. See “CONSULTANTS’ REPORTS—’Consulting Engineer’s Report’ and ‘Certain Matters Relating to the Consulting Engineer’s Report and the Financial Feasibility Report’.*”

Overview

As part of the System, the City owns and maintains two wellfields and one WTF (water treatment facility), with two waste treatment plants (“WTPs”) within the same WTF site. The City also owns and maintains three ground storage tanks and three pump stations (including two located at the WTF site), and approximately 290 miles of transmission and distribution lines. These water system components are described in more detail in the Consulting Engineer’s Report and briefly described below.

The City has a water use permit (“WUP”) for the 25 groundwater wells that supply raw water to the City’s treatment plants. WUPs are issued by the South Florida Water Management District (“SFWMD”) and regulate water withdrawals from surface and groundwater supplies for a number of uses including public water supply (drinking water). See “Water Use Permit” below.

Water System Service Area

The City’s jurisdictional boundary differs from its water service area boundary. The City’s water service area, which extends over 19 square miles, includes both customers within the City limits and a portion of those in neighboring municipalities (the northern portion of Lauderdale-by-the-Sea and the southern tip of Lighthouse Point). This area spans from the Atlantic Ocean to Florida’s Turnpike, and from Copans Road to McNab Road. Areas within the City limits not covered by this service area receive water from BCWWS Districts 1 and 2. See Figure 2.1 in the Consulting Engineer’s Report for a map depicting the water service area.

In addition to serving areas within City limits, the City supplies water to areas outside the City limits consisting of parts of Lighthouse Point pursuant to the LHP Franchise and parts of Lauderdale-by-the-Sea pursuant to arrangements with the Town. See “THE SYSTEM—Agreements and Arrangements with Other Local Governments Relating to the System.”

The City has no current plans to expand its water service area. Although the Town of Hillsboro Beach's wellfield and water treatment facility are located in the City limits, they do not serve areas within the City.

Water System Components

Raw Water Supply

The City uses the Biscayne Aquifer for its public water supply under WUP No. 06 00070 W. This permit was reissued on December 8, 2020, and will expire on December 27, 2065. See "Water Use Permit" below. It regulates the City's 25 groundwater wells that provide raw water supplies to the City's WTPs as described in more detail below. The 25 wells are distributed between two Biscayne Aquifer wellfields: the Eastern Wellfield (Airport Wellfield) near the municipal airport and WTF, and the Western Wellfield (Palm Aire Wellfield) near the Palm Aire development. The original wellfields had a 66.5 mgd initial design capacity. The current active capacity is approximately 60.9 mgd.

Eastern Wellfield

The Eastern Wellfield is bounded by Dixie Highway, the City's Airport, Copans Road, and Atlantic Boulevard. The Eastern wells supply water to the lime softening WTP. The wells in the Eastern Wellfield were constructed between 1950 and 1972. There are 15 wells (Nos. 2 through 16) with an initial total design capacity of approximately 36.1 mgd. Well No. 3 has been abandoned due to its proximity to a new injection well. The total design capacity is approximately 34.0 mgd. The City plans to replace Well No. 3 with a new well in the Western Wellfield as part of the CIP.

The withdrawals from the Eastern Wellfield have been volume restricted due to the potential for saline water encroachment at the wellfield. The wellfield has a Saline Water Intrusion Monitoring Network ("SWIMN"), which focuses on collecting data and reporting on water levels and salinity samples. SWIMN data is reported quarterly to the SFWMD and generally consists of monthly water levels, monthly chloride concentration sample results, and monthly well pumpages. SFWMD uses data collected on the east coast of Florida to evaluate the extent of seawater encroachment into aquifers along the South Florida coastline and map the saltwater interface.

Western Wellfield

The Western Wellfield, located just east of Florida's Turnpike with wells both north and south of Atlantic Boulevard, comprises 10 wells (Nos. 17 through 26) with a total design capacity of 30.4 mgd. The wells north of Atlantic Boulevard were built in 1981, while those to the south were built in 2002. These wells supply water to either the lime softening WTP or the nanofiltration (NF) membrane WTP. The wellfield has a SWIMN.

Water Treatment Facility

General

The City's WTF is located north of NE 10th Street between NE 3rd Avenue and NE 5th Avenue in the City. It features two parallel treatment processes: conventional lime softening and nanofiltration membrane softening. Although the City's WTF has a combined design capacity of 50 mgd, the FDEP permit capacity for the WTF is 30 mgd.

Lime Softening Water Treatment Plant

The lime softening WTP receives raw water from both the Eastern and Western Wellfields. A majority of the lime softening treatment basins and piping were constructed in the 1970s or 1980s. Over the years, upgrades to critical systems were constructed to extend the life of the treatment components. With a rated design capacity of 40 mgd, it includes a single sludge thickener basin and vacuum filters for lime sludge thickening.

Raw water enters one of two solids contact softening clarifiers, then moves to multimedia gravity filters. Carbon dioxide is used to lower the pH following softening. The filtered water flows to a blending clearwell for 4-log disinfection with chlorine and ammonia. Depending on demand, the finished water is sent to the distribution system or on-site storage tanks. Sludge produced during the process is hauled offsite for reuse by the golf course. The conventional lime softening method used achieves approximately 97 percent production efficiency.

Nanofiltration Membrane Process The nanofiltration (NF) membrane WTP receives raw water from the Western Wellfield. It has been operational since October 2002, and has a rated design capacity of 10 mgd. It consists of prefilters, membrane units, and degasifier units, with an approximate 80 percent production efficiency. A production yield is the portion of the total raw water supply entering the process that becomes available as finished potable water for consumption. Membrane processes typically have a lower yield than conventional lime softening treatment.

This facility uses a semipermeable barrier to separate high-quality water (permeate) from dissolved and suspended solids (concentrate). The process includes cartridge filtration, nanofiltration, and degasification. The degasified permeate is post-treated with fluoride, chlorine, and ammonia. Caustic is occasionally added if pH levels drop or if the lime plant is offline.

Permeate from the membrane process is discharged to the clearwell and blended with effluent from the lime softening process to produce potable water. The non-hazardous concentrate byproduct is disposed of via a deep injection well at the WTP. Backup disposal is permitted to the Broward County NRWTP; however, it is limited to two membrane units, or trains, due to pipe size, which would temporarily reduce production to approximately 4 mgd when the backup disposal is used.

Treatment Common to Lime and Membrane Softening Processes

All disinfection occurs in a single blending clearwell/contact chamber, which provides 4-log contact time for both treatment plants. The facilities include one transfer clearwell and high service pump clearwell, as well as two 5.0 million gallons ("MG") prestressed concrete ground storage tanks. In addition, a corrosion inhibitor is injected into each water stream prior to the clearwell.

Injection Well System

The City utilizes a Class I Injection Well System (“IWS”) for disposal of brine waste for the nanofiltration process. The IWS at the WTP is permitted for 6.9 mgd (Permit No. 0167214-009-UO/1X). The permit was issued on October 25, 2022, and expires on October 25, 2027. The permit requires the City to demonstrate mechanical integrity of the IWS at least once every five years. The next mechanical integrity test must be completed by February 18, 2025. Alternative (backup) disposal is via the sanitary sewer to the NRWTP.

It is anticipated that the permit will be reissued through the ordinary permitting process. The City will be required to complete a renewal application identifying historic and projected volume for the next 10-year period, waste stream characterization analysis and processes, monitoring results, and documentation of mechanical integrity tests.

Storage Facilities and Pumping/Booster Stations

The City’s WTF has two 5 MG ground storage tanks and two high service pump (“HSP”) stations with a total of six pumps, providing a firm capacity of 37,500 gallons per minute (“gpm”) or 54 mgd. Additionally, the City has a remote storage and pumping facility at Indian Mound Park in the southeast part of the distribution system. This site includes a 1 MG ground storage tank and a pump station, with two pumps, used to meet peak hour flow and fire flow requirements.

Distribution System

The City’s potable water distribution system consists of approximately 290 miles of transmission and distribution lines, with pipes ranging from 2 to 36 inches in diameter, with 6-inch pipes being the most common. A few hundred feet of 42-inch and 12-inch pipes connect the ground storage tanks to the HSP stations.

Around 22 percent of the network is made of polyvinyl chloride or high density polyethylene pipes. A small percentage are asbestos cement pipes. Most of the remaining pipes are assumed to be made of cast iron, ductile iron, or universal metal.

Interlocal Agreements for Emergency Interconnections

The City’s Water System is connected to surrounding utility systems via six interconnections to provide potable water to each other on a temporary, as needed basis during emergencies. These connections are not part of the City’s normal operations and are not needed to meet peak demand conditions. The six interconnections are as follows:

1. City of Fort Lauderdale, Florida: In February 2020, the City and the City of Fort Lauderdale entered into an interlocal agreement to provide potable water to each other during emergencies. There are three interconnections between the City and the City of Fort Lauderdale. These interconnections were initially not metered, so the utilities could not measure or bill for the water exchanged. In 2021, a project was initiated to upgrade these interconnects with new water meters, piping, and check valves to monitor, measure, prevent unintended flow, and enable billing for the water provided.

2. City of Margate, Florida: In May 2017, the City and the City of Margate established an interlocal agreement to provide potable water to each other during emergencies. Under this agreement, either city can temporarily supply potable water to the other as needed. There is one interconnect between the City and the City of Margate; it is metered and has a check valve.

3. There are two interconnections established between Broward County and the City to supply each other with potable water during emergencies. Both of these interconnections were established with meters and check valves.

Water Use Permit

General

The City is currently operating under WUP No. 06 00070 W, which was reissued by the SFWMD on December 8, 2020. This permit will expire on December 27, 2065. The City is required to submit routine data to the SFWMD throughout the lifetime of the permit, including items such as pumping and withdrawal quantities, apply for permits prior to construction, repair or abandonment of wells, providing calibration and re-calibration data, etc. The City is also required to submit a compliance report for review and approval by the SFWMD every 10 years.

The WUP allows a total annual allocation of 7,200 MG of groundwater from the Biscayne Aquifer to supply raw water for public water supply. This corresponds to a daily average of approximately 19.7 mgd. The permit has a total maximum monthly allocation of 690 MG.

A permit condition in the WUP limits the City's annual allocation from the Biscayne Aquifer to an annual base condition allocation of 6,711.90 MG (659.69 MG maximum month), which expires on December 8, 2040. Withdrawals from the Biscayne Aquifer are limited to the base condition allocation until the City receives offset water to prevent a net increase in volume or cause a change in timing on a monthly basis of surface and groundwater withdrawn from the Lower East Coast Everglades Waterbodies. The base condition allocation permit requirement has been met through the City's participation in the C-51 Reservoir Project and the City may utilize its total annual allocation of 7,200 MG of groundwater from the Biscayne Aquifer as of December 2023. See "C-51 Reservoir Project" below.

The Consulting Engineer's Report reflects that, throughout this section, as appropriate, a conversion from the annual allocation in million gallons to a daily average in million gallons per day will be provided in parenthesis as context for the reader; however, the City's water use can fluctuate on a daily basis as long as it stays within the WUP permit requirements, which are generally stated as an annual or monthly maximum volume allocation.

The WUP further restricts withdrawals from the Biscayne Aquifer by wellfield as follows:

1. The Eastern Wellfield has a permitted annual allocation of 2,697 MG (approximately 7.4 mgd). Monthly withdrawals are limited to 186 MG during the dry season (November 1 to May 31). From June 1 through October 31 of each year, monthly withdrawals from the Eastern Wellfield cannot exceed 279 MG.

2. The Western Wellfield has a permitted annual allocation of 4,015 MG (approximately 11 mgd) and a maximum month allocation of 394.8 MG. The Western Wellfield does not have seasonal withdrawal limitations like the Eastern Wellfield. However, the C-51 Project, discussed in detail below, only applies to withdrawals from the Western Wellfield. Permit conditions have now been met that allow the annual allocation for the Western Wellfield to be increased to 4,503.0 MG annually (approximately 12.34 mgd) and with a maximum monthly allocation of 495.3 MG.

The Consulting Engineer's Report indicates that, to the Consulting Engineer's knowledge, the City fully complies with all federal and state water service regulations and operates its wellfields and water treatment facilities in accordance with permits issued by regulatory agencies and maintains an active WUP for all its wellfields.

C-51 Reservoir Project

In 2007, the SFWMD adopted the Regional Water Availability Rule ("RWA Rule") which limits Lower East Coast public supply utilities' ("LEC Utilities") withdrawals from the Lower East Coast Regional Water Supply System to 2006 levels to protect the Everglades and other environmentally sensitive water bodies. The RWA Rule required LEC Utilities (of which the System is one) to implement alternative water supply ("AWS") sources to meet post 2006 water supply demands. The C-51 Reservoir Alternative Water Supply Project ("C-51 Project") is a public-private partnership (P3) developed by Palm Beach Aggregates, LLC ("PBA"), public utilities, and water supply authorities. The C-51 Project harvests stormwater that is currently lost to tide from the C-51 drainage canal. The C-51 Reservoir was constructed on PBA property and allows long-term surface water storage to be used to recharge the groundwater system. It is estimated that the C-51 Reservoir could meet future raw water demands for portions of both Palm Beach and Broward Counties for the next 50 years.

When fully implemented, the C-51 Reservoir could store up to 61,000 acre-feet (af) of raw water. The C-51 Project has two phases: Phase 1, the initial phase which is now complete, will hold approximately 16,000 af and supply 35 mgd of raw water to participating utilities. Phase 2 will add an additional 45,000 af of storage and is currently in design.

The C-51 Project is intended for use by participating utilities as an AWS source by offsetting increased wellfield withdrawals. The term "offset" is defined by the SFWMD in the Applicants Handbook for Water Use Permit Applications (AH), June 2022, (Section 3.2.1 E) as water that, "eliminates the projected increase in volume or change in timing of withdrawals from the Waterbodies over the base condition use." Evaluation of the "base condition water use" is provided in the AH and generally includes the maximum quantity of water withdrawn from permitted sources over any consecutive 12-month period during the 5 years preceding April 1, 2006, but "in no case shall exceed the withdrawal permitted to the applicant as of April 1, 2006..."

The first phase of the C-51 Project was completed in December 2023, and the City was one of eight participating utilities. The City's WUP was modified to reflect this AWS source as a means for meeting future demands. The City's base condition water use, per their WUP, was established at approximately 659.7 MG per maximum month and 6,711.9 MG annually (18.4 mgd). The base condition allocation is in effect until the City receives offset water from the C-51 Project.

For the C-51 Project, the City has a capacity allocation of 2 mgd, which is its maximum offset available on an annual basis. The City may withdraw water above its established base condition water use up to the maximum offset from locally available water and from water stored in the C-51 Reservoir until it is fully depleted. On March 20, 2024, the City received notice from the SFWMD that WUP permit conditions have been met for the C-51 Project and it may now start withdrawals from the Western Wellfield above the established base condition water use.

As noted above, the City's base condition water use allocation will expire on December 8, 2040, unless it is renewed. Between December 8, 2040, and December 27, 2065, without renewal of the base condition water use allocation, withdrawals from the Biscayne Aquifer that are offset from the C-51 Project are limited to an annual allocation of 730 MG (2 mgd) and a maximum monthly allocation of approximately 71.7 MG.

PFAS

Per- and polyfluoroalkyl substances ("PFAS") are a large group of synthetic fluorinated organic chemicals that include perfluorooctanoic acid ("PFOA") and perfluorooctane sulfonate (PFOS). The unique characteristics of PFAS make them exceptional for consumer and industrial products, with thousands of these chemicals registered globally. However, these properties also make them highly soluble, mobile, and recalcitrant to chemical and biological treatment processes employed in drinking water, wastewater, and potable reuse. Accordingly, PFAS have been detected widely in drinking water and the environment.

In April 2024, the USEPA announced a final National Primary Drinking Water Regulation for six PFAS substances with compliance required five years after the rule appears in the Code of the Federal Register and which establishes legally enforceable maximum contaminant levels ("MCLs") for six PFAS in drinking water. The USEPA is also publishing health-based, non-enforceable Maximum Contaminant Level Goals ("MCLGs") for these six PFAS. The final rules requires public water systems to: (i) monitor for these PFAS by 2027; (ii) notify the public of the levels of these PFAS by 2027; and (iii) reduce the levels of these PFAS in drinking water if they exceed the standards by 2029.

The City is committed to delivering reliable and sustainable water services that meet the needs of its customers. The City has been proactive in the steps it has taken to address PFAS in its drinking water, including testing System facilities for some of these and other contaminants beyond the required testing to understand what steps need to be taken for current and proposed future regulations. The City is conducting research to determine the best course of technology for removal of these chemicals, and is taking part in a lawsuit against the manufacturers of these chemicals to assist with offsetting the cost of new treatment facilities to remove PFAS.

The City is planning to both expand its existing NF membrane WTP and to construct a new NF membrane WTP to replace the existing aged conventional lime softening plant. These are part of the Emerging Contaminants Treatment projects listed in the System five-year CIP.

The City's CIP currently anticipates funding costs of this project as follows: approximately \$30 million (to expand the existing NF membrane WTP) with funds from the Series 2024 Bonds, \$41.5 million from the proposed future water and wastewater revenue bonds, and the remaining

\$1.5 million with revenues from rates and/or reserve funds. See “CAPITAL IMPROVEMENTS PROGRAM” and “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—Funding Sources for the CIP, Including the Series 2024 Project.” It shall be noted, however, that SFWMD has recognized but not yet considered in its regional planning efforts the additional water supply that may be needed in the future by utilities due to the planned increase in the use of membrane technologies to address PFAS in the future.

WUP Renewal, New Water Demands and WUP Modification

The City’s base condition water use allocation expires in 2040 and the WUP expires in 2065. The WUP base allocation will need to be renewed as it expires on December 8, 2040, as described above.

At this time, it is expected that the City will seek to retain existing groundwater allocations, and additional allocations to meet future demand will be provided through alternative water supplies (AWS), such as reuse water and potentially using water from the Floridian Aquifer and adding reverse osmosis (RO) treatment as follows:

1. The City’s five-year CIP identifies reuse projects totaling nearly \$20 million, including reuse distribution system expansion and ground storage to expand its use of reuse water, thereby reducing potable water use for irrigation.
2. The City intends to construct a new NF membrane treatment plant to meet future demand and address emerging contaminants. If other measures such as conservation, offsets such as the C-51 Project, and expanded reuse are not sufficient and additional raw water allocations are needed to meet future demand, the City may need to utilize additional raw water supply from the Floridian Aquifer and pursue RO treatment as part of the emerging contaminants project included in the CIP.

However, implementation of the long-term recommendation, to replace the Lime Softening WTP with a new 10 mgd NF membrane WTP and possible RO treatment facility, will require a WUP modification to meet raw water supply needs due to lowering the production yield. The City plans pursue a modification of the WUP for additional raw water allocations from the Biscayne Aquifer and/or other AWS options such as additional offsets from the C-51 Project and expanding reuse water service area. If successful, the City may be able to avoid building the RO treatment facility. If the AWS option and additional allocations are insufficient, the City will need to utilize additional raw water supply from the Floridian Aquifer and RO treatment would be needed for the brackish water supplied. The Emerging Contaminants Treatment project, identified in the System five-year CIP, is the project that will implement the Facility Plan short-term and long-term improvements. See “CAPITAL IMPROVEMENTS PROGRAM.”

Water Regulatory Compliance and Permits

In 1974, Congress enacted the SDWA, mandating the USEPA to set minimum drinking water standards. These standards are categorized into primary regulations (necessary for public health) and secondary regulations (recommended for aesthetic qualities). Florida has adopted the secondary regulations as enforceable standards. The FDEP primarily regulates public water systems in Florida under Chapter 403, Part IV, Florida Statutes, and through the federal program

delegated by the USEPA. FDEP has established rules within FAC Chapter 62 for regulating public water supplies, and the water utility system complies with these rules.

As required by the SDWA, the City publishes and distributes an annual Consumer Confidence Water Quality Report detailing the Utility System’s adherence to USEPA’s water quality standards. The City regularly allocates funds for the annual renewal and replacement improvements to its public water system facilities.

In 2019, the City detected the presence of Total Coliform at one location in the water distribution system. City staff reported the incident to FDEP. Total Coliform was detected over the course of approximately one week at this one location.

On November 30, 2023, the USEPA proposed improvements to the lead and copper rule revisions (“LCRR”) implemented in 2021. The lead and copper rule improvements (“LCRI”) relaxed many of the deadlines previously proposed in the LCRR and clarified ambiguities in the existing rule. Comments to the updated LCRI were due February 5, 2024, and rule finalization is anticipated by October 2024. The proposed rule may impact utility budgets, staffing, or the need for consultant assistance. The City has confirmed, by the date of construction or visual confirmation (via excavation), that there are no lead lines in its system. The initial inventory has been completed and will be submitted in October in a timely manner under the current LCRR rule.

Homes that have galvanized service lines and cannot be historically verified that there was never lead on the public side may need to have the galvanized services lines replaced within ten (10) years. The replacement costs on the private property will be the homeowner’s responsibility. The City has a project in its 5-year System CIP (Galvanized Service Line Improvements) to enhance key aspects of the USEPA’s Lead and Copper Rule with a focus on transparency to inform the public. The City may incur indeterminate costs in complying with the rule. The City cannot guarantee that such rule will be finalized in its current form. However, the City does not expect the implementation of the new LCRI to materially impact the ability to pay debt service on the Series 2024 Bonds.

As noted above, on April 10, 2024, the USEPA released the national primary drinking water regulation for six PFAS substances. The City’s water sampling program has identified PFAS in its raw water supply that exceeds the MCLs for the regulated PFAS constituents. As noted above, the City has recently finalized a Facility Plan to construct improvements that will enable it to comply with the new PFAS national primary drinking water regulations in the most cost-effective manner possible. The City plans to seek an increase to its permitted WUP consumption to provide additional raw water for its WTF expansion, which is anticipated to coincide with implementation of the long-term improvements. See Section 2.6.2 of the Consulting Engineer’s Report and “Water Demand Projections” below.

Historical Water Demands and Permitted Capacity

The table below summarizes the historical raw water and finished water demands for calendar years 2019 through 2023, comparing them with the treatment permitted capacity and regulatory water allocation established in the WUP.

Water System Historical Demand and Permitted Capacity

<u>Year</u>	<u>Raw Water (mgd)⁽¹⁾</u>			<u>Finished Water (mgd)⁽¹⁾</u>		
	<u>AADD</u>	<u>MMDD</u>	<u>WUP Total Annual Allocation</u>	<u>AADD</u>	<u>MMDD</u>	<u>WTP Permitted Capacity</u>
2019	15.5	16.8	20.3 ⁽²⁾	14.7	16.1	30.0
2020	15.0	16.6	20.3 ⁽²⁾	14.0	15.5	30.0
2021	15.3	16.6	18.4 ⁽³⁾	14.3	15.9	30.0
2022	15.7	16.5	18.4 ⁽³⁾	14.7	15.4	30.0
2023	15.5	17.1	18.4 ⁽³⁾	14.7	16.0	30.0

Source: Consulting Engineer’s Report.

Notes:

- (1) Calculated from MORs.
- (2) Prior WUP total annual allocation.
- (3) Current WUP base condition allocation.

The Consulting Engineer’s Report notes that the WUP was reissued by the SFWMD on December 8, 2020; therefore, WUP Total Annual Allocation values in 2019 and 2020 were per the previous WUP. The WUP Total Annual Allocation values for 2021 through 2023 are per the current WUP using the base condition allocation. As noted above, the C-51 Reservoir Project was not completed until December 2023, and therefore, there is no offset water included in the table above for the C-51 Reservoir Project.

Water Demand Projections

This section provides water demand projections, details regarding upcoming changes to water treatment processes to address recent PFAS regulations, described above, and the need to update the WUP based on anticipated changes to the water treatment processes.

The City has recently finalized a Facility Plan by McCafferty Brinson Consulting, H2M and Hellers Electrical Engineering, Inc. (2024). The Facility Plan considers alternatives for water treatment improvements to the City’s WTF for compliance with PFAS national primary drinking water regulations in the most cost-effective manner possible. The Facility Plan recommended a phased approach to meet both short-and long-term water demands and compliance with PFAS regulations. The short-term recommendation is to construct a 10 mgd capacity expansion at the City’s existing NF membrane WTP. This would bring the NF membrane WTP capacity to 20 mgd and would allow the City to meet short-term water demands. The long-term recommendation is to replace 10 mgd of existing lime softening facility with a new NF membrane WTP and potentially reverse osmosis (RO) facility, depending on raw water availability, to meet longer-term water demands.

This shift in treatment process affects the production yield. As discussed in Section 2.3.3.2 of the Consulting Engineer’s Report, membrane treatment processes, including NF, typically have

a lower yield than conventional lime softening treatment. The Facility Plan anticipates there will be sufficient raw water allocation in the current WUP to implement the short-term recommendation to expand the existing NF membrane WTP by 10 mgd to approximately 20 mgd.

As noted above under “WUP Renewal, New Water Demands and WUP Modification,” implementation of the long-term recommendation, to replace the Lime Softening WTP with a new 10 mgd NF membrane WTP and possible RO treatment facility (as discussed in Section 2.3.2.2), will require a WUP modification to meet raw water supply needs due to lowering the production yield. Further as noted under that section, the City plans pursue a modification of the WUP for additional raw water allocations from the Biscayne Aquifer and/or other AWS options such as additional offsets from the C-51 Project and expanding reuse water service area. If successful, the City may be able to avoid building the RO treatment facility. If the AWS option and additional allocations are insufficient, the City will need to utilize additional raw water supply from the Floridan Aquifer and RO treatment would be needed for the brackish water supplied. The Emerging Contaminants Treatment project, identified in the System five-year CIP, is the project that will implement the Facility Plan short-term and long-term improvements. See “CAPITAL IMPROVEMENTS PROGRAM.”

The table below summarizes the latest water demand projections used in the renewal of the WUP (Carollo, 2021) and are consistent with the 2020 WMP updates and shows the annual average and maximum monthly demands in 5-year increments (by calendar year). The existing WUP and WTP have sufficient capacity to meet the City’s demand projections through 2040, based on current treatment processes. However, when the City implements the Facility Plan’s long-term recommendation and replaces its conventional lime softening process with a new 10 mgd NF membrane WTP and potential RO treatment facility, and as the City continues to experience population growth, the WUP will need to be modified to address both growth and lower treatment yields due to changes in its water treatment process. As noted earlier, a WUP modification is required prior to the long-term improvements being implemented and the WUP base allocation will need to be renewed as it expires on December 8, 2040.

The table below assumes that the City seeks and receives the required WUP modification in time for that modification to permit the long-term improvements to be implemented by calendar year 2030, although there is no assurance that this will be accomplished as anticipated. Additionally, the SFWMD acknowledged at the July 12, 2024 Lower East Coast Water Supply Plan Update meeting that no consideration has yet been given to PFAS, but that it understands the need (with respect to increased WUP quantities due to changing treatment processes that lower production yield to address PFAS) and will be working with utilities to address this need in future planning and permitting activities.

The water demand projections in the table below are from the 2020 WUP Renewal (Carollo, 2021). Water service area populations shown above under “THE SYSTEM—Overview of the System” were multiplied by the City’s Level of Service standard of 161 gallons of finished water per capita per day (gpcd). A large user demand, which is unrelated to population and based on the City’s existing and planned non-residential or mixed-use developments that use large volumes of bulk potable water from a single water meter, was also calculated. These two components were added together to make up the City’s AADD projection. A peaking factor was applied to calculate MMDD.

Water System Demand Projections

<u>Year</u>	<u>Projected Water Demand (mgd)⁽¹⁾</u>		<u>WUP Allocations (converted to mgd)⁽²⁾</u>		<u>Treatment Capacity (mgd)</u>
	<u>AADD</u>	<u>MMDD</u>	<u>AADD</u>	<u>MMDD</u>	
2025	17.0	19.6	19.7	22.3	50.0
2030	18.6	21.4	19.7(4)	22.3(4)	30.0 ⁽³⁾
2035	19.1	21.9	19.7(4)	22.3(4)	30.0 ⁽³⁾
2040	19.4	22.3	19.7(4)	22.3(4)	30.0 ⁽³⁾

Source: Consulting Engineer’s Report.

Notes:

- (1) Water demand projections from the 2020 WUP Renewal (Carollo, 2021).
- (2) WUP Allocations are annual or maximum monthly (assuming 31 days in month) million gallons converted to mgd. The allocations include offset water as described in Section 2.3.2 of the Consulting Engineer’s Report (and above under “Water System - Consumptive Use Permit and Certain Regulatory Matters”) and assumes the base condition allocations will be renewed.
- (3) Treatment capacity includes planned short-term improvements consisting of 10 mgd expansion of existing NF membrane WTP and long-term improvements consisting of a new 10 mgd NF/RO facility per recommendations in the Emerging Contaminants Water Treatment Plant Upgrades Facility Plan (MCCafferty Brinson, H2M, Hillers Electrical Engineering, Inc., 2024). The Lime Softening Plant will be demolished as part of the long-term improvements.
- (4) Assumes the City receives an increase the WUP allocation to account for growth and lower treatment yields due to changes in its water treatment process in time for the long-term improvements to be implemented by 2030.

WASTEWATER SYSTEM

The information under this caption “THE WASTEWATER SYSTEM” represents summaries of certain information in the Consulting Engineer’s Report. References to and excerpts herein from the Consulting Engineer’s Report do not purport to be adequate summaries of such reports or to be complete in all respects. *As noted earlier, the Consulting Engineer’s Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein. See “CONSULTANTS’ REPORTS—’Consulting Engineer’s Report’ and ‘Certain Matters Relating to the Consulting Engineer’s Report and the Financial Feasibility Report’.*”

Overview

The City’s wastewater system includes collection and transmission pipelines, lift stations, and a reuse facility. The City does not own a wastewater treatment facility. All wastewater is collected and pumped to the BCWWS NRWWTP for treatment and disposal in accordance with the LU between Broward County and the City described below. The NRWWTP is located at 2555 West Copans Road within the City limits.

The City-owned collection and transmission facilities include 82 wastewater lift stations and approximately 259 miles of collection gravity pipelines and force mains. The reuse water facilities include a 7.5 mgd reuse plant and approximately 37 miles of reuse water main pipe, distribution pumps, and 5.5 MG of ground storage. These Wastewater System components are described in more detail in the Consulting Engineer's Report and briefly described below.

Wastewater System Service Area

General

The City's wastewater service area differs from both its jurisdictional and its potable water service area boundaries. The wastewater service area generally spans from the Atlantic Ocean to Florida's Turnpike, and from Copans Road to McNab Road, as shown in Figure 3.1 in the Consulting Engineer's Report.

The City's wastewater service area covers approximately 73 percent (by land area) within the City's 25 square mile city limits. BCWWS provides wastewater collection service to the remaining 27 percent. The City's wastewater service area also includes, pursuant to the Wholesale Agreement, customers Lauderdale-by-the-Sea.

The City's Wastewater System service area is predominately sewerred with only a few pockets of non-sewerred areas that are not connected to the public sewer system and instead use septic tanks. The areas are described as Unsewerred Areas A, B, C, and E and are summarized as follows:

1. Unsewerred Area C is in the process of installing a new wastewater infrastructure system that can provide sewer service to parcels currently not connected to the City's wastewater system. Estimated flow projections for Unsewerred Area C are included in the wastewater flow projections in the Consulting Engineer's Report.
2. Unsewerred Area B has a planned redevelopment project that includes implementation of new wastewater infrastructure. Unsewerred Area B is estimated to add an estimated 0.024 mgd to the sewer system once implemented. Estimated flow projections for Unsewerred Area B are included in the wastewater flow projections.
3. Unsewerred Areas A and E do not currently have plans to install new wastewater infrastructure and/or to connect to the City's wastewater system. Unsewerred Area A is approximately 3 acres in size with two active parcels and E is 4 acres in size, also with two parcels. Unsewerred Areas A and E are estimated to add a minimal amount of sewer to the System if implemented.

Wholesale Agreement with Lauderdale-by-the-Sea

The City has entered into the Wholesale Agreement with Lauderdale-by-the-Sea to provide a method for disposing of Lauderdale-by-the-Sea's wastewater through a disposal system. The Lauderdale-by-the-Sea system includes two lift stations: LS#12 (formerly #21) at 251 North Pompano Beach Boulevard, Pompano Beach, and LS#24 (formerly LBTS Master) at

4413 Seagrape Drive, Lauderdale-by-the-Sea. The Wholesale Agreement establishes a maximum daily capacity of 1.5 mgd for the Town.

Wastewater System Components

Wastewater Collection System

The City’s wastewater collection system includes collection, pumping, and transmission facilities. According to the City of Pompano Beach GIS database, the Wastewater System service area contains about 59 miles of force mains and approximately 200 miles of gravity pipelines, both ranging from 2 to 42 inches in diameter, along with 82 wastewater lift stations. The primary backbone force main connects directly to the City’s lift stations and discharges at the NRWWT. Additionally, there are cascading force mains that discharge from smaller lift stations into the gravity sewer for another lift station, which then repumps into the primary backbone force main.

Wastewater Treatment

All wastewater is collected and transferred to the BCWWS NRWWT for treatment and disposal. The City is part of Broward County’s Large User Wastewater Agreement, currently along with 10 other users. BC’s NRWWT has been recently expanded to a permitted treatment capacity of 95 mgd, of which 87.015 has been reserved by BC and other municipalities. The City’s reserved annual average treatment capacity is 17.0 mgd, which is approximately 17.9 percent of the current NRWWT capacity. See “Wastewater Flow Projections” below and “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—Assumptions Regarding Agreements and Arrangements with Other Local Governments Relating to the System; Selected Matters Regarding Large User Agreement with Broward County.”

Historical Wastewater Flows

The table below presents historical AADF and MMADF in mgd from calendar year 2019 through calendar year 2023. Broward County sets the rates for large users under the Large User Agreement with annual adjustments that account for current costs for treatment and disposal of the wastewater. Broward County Large User Agreement rates had been relatively stable with minimal increases over the years until substantial increases commenced in FY 2019. Broward County substantially increased rates due to issuing bonds to perform required upgrades to comply with the Ocean Outfall Legislation by 2025, and to construct a large expansion to the reuse facility and reuse distribution system.

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Historical Wastewater Flows

<u>Fiscal Year</u>	<u>Annual Average Daily Flow (mgd)</u>	<u>Maximum Month Average Daily Flow (mgd)</u>
2019 ⁽¹⁾	14.6	16.2
2020 ⁽¹⁾	15.6	16.1
2021 ⁽²⁾	13.9	20.7
2022 ⁽²⁾	13.5	16.0
2023 ⁽²⁾	14.8	16.8

Source: Consulting Engineer’s Report.

Notes:

- ⁽¹⁾ Data from 2022 Wastewater Master Plan (CMA, 2022).
- ⁽²⁾ Data provided by City in gallons per month and converted to AADF and MMADF.

Wastewater Flow Projections

A summary of wastewater flow projections for calendar years 2025 through 2040 in 5-year increments is provided in the table below. The AADF flow projections were calculated based on wastewater service area population projection estimates presented in the Consulting Engineer’s Report and earlier herein under “THE SYSTEM—Overview of the System” and the average flow per person of 155.4 gallon per capita per day as documented in the City’s 2022 wastewater master plan (CMA, 2022). The MMADF was calculated using a 1.15 peaking factor, which is the average peaking factor over the past 10 years cited in the 2022 Wastewater Master Plan.

Based on the City’s population and wastewater flow projections assumed in the Consulting Engineer’s Report, the City’s 17.0 mgd average daily reserve capacity with Broward County is not anticipated to be surpassed before 2040. While the City is not projected to exceed its allocated treatment capacity before 2040, the City is currently working on two parallel efforts to continue to plan for managing its wastewater flows as discussed below.

First, the City’s Large User Agreement with Broward County for wastewater treatment and disposal has been amended five times since it was initially executed in May 1989. The amendments were all to revise future flow projections and the City’s reserve capacity. The fifth amendment projected 2025 AADF at 16.98 mgd, which is just below the City’s reserved capacity. The City has begun discussions with Broward County to discuss a potential future increase in its reserve treatment capacity allocation if and when needed. The NRWWTP has approximately 8 mgd of capacity that is not allocated, and some could potentially be allocated to the City.

Second, the City has an ongoing annual program to reduce I/I, and thereby decrease wastewater flows while allowing population to continue to grow. The City’s I/I abatement program focuses on rehabilitation of aging sewer pipes using cured-in-place pipe (“CIPP”) trenchless technology. The City’s I&I program includes smoke testing, CIPP lining of gravity sewer mains and sewer laterals, along with installing new coatings on the interior of aging manholes with significant cracking. The City is increasing the CIPP lining budget from \$1.0 million to \$1.3 million per year.

Wastewater Flow Projections

<u>Year</u>	<u>City of Pompano Beach Population</u>	<u>Wastewater Service Area Population</u>	<u>AADF (mgd)⁽¹⁾</u>	<u>MMADF⁽²⁾</u>
2025	114,701	94,976	14.8	170
2030	117,989	100,721	15.7	18.0
2035	121,190	102,981	16.0	18.4
2040	123,480	105,370	16.4	18.8

Source: Consulting Engineer’s Report Notes:

- (1) Projections from 2022 Wastewater Master Plan (CMA, 2022).
- (2) Projections using a 1.15 peaking factor developed in the 2022 Wastewater Master Plan (CMA, 2022).

Reuse System

Overview

The City has two reuse systems within its jurisdictional boundaries: one operated by the City and the other operated by BCWWS. The City’s reuse water distribution system consists of approximately 37 miles of reuse water main pipe ranging in size from 2 inches to 30 inches in diameter, 7 reuse pumps and 5.5 MG of ground storage capacity as described in more detail below. Figure 3.2 in the Consulting Engineer’s Report shows the City’s reuse water service area and major components.

Reuse Water Treatment

The City’s RWTF (Reuse Water Treatment Facility) is located at 1799 North Federal Highway in the City. This facility treats effluent from the Broward County NRWWTP. The RWTF, branded OASIS (Our Alternative Supply Irrigation System), began production in 1989 with a capacity of 2.5 mgd. In 2002, its capacity was expanded to 7.5 mgd, with future plans to increase to 12.5 mgd.

The RWTF currently receives influent from a 54-inch diameter ocean outfall line from the BC NRWWTP, located near Powerline Road and Copans Road. The City has an agreement with BCWWS, described below, to withdraw allocations from this outfall pipeline up to a maximum of 5 mgd AADF, with the option to increase as needed. The facility operates under FDEP Permit No. FLA013581, which was issued on September 14, 2005, and will expire on September 14, 2025. It also has a permit issued by Broward County, Permit WWTP-0000-22, issued on July 1, 2022 and will expire on June 30, 2025. Both of these permits are anticipated to be renewed in the ordinary course of business as long as permit requirements are met.

The secondary treated effluent is filtered through deep bed sand filters and undergoes high-level chlorine disinfection to meet public access reuse standards. The treated reuse water is stored in two ground storage tanks before being pumped to the City’s adjacent golf course, other City customers, and residential properties.

Reuse Water Storage

The City has two on-site reuse water storage tanks with a combined capacity of 5.5 MG. Demand for reuse water is highly concentrated at night, as most customers irrigate during this time. As noted above, the RWTF has a 7.5 mgd capacity, which is substantially more treatment capacity than historical demands shown in the table below. With 7.5 mgd of treatment capacity and 5.5 MG of storage capacity at the RWTF, the City's treatment and storage facilities are sufficient to meet current demands.

As part of the five-year CIP, the City plans to design and construct additional reuse storage, a pump station, and a maintenance work area to support expanding residential reuse service within the City starting in FY 2028. See below for additional information regarding reuse expansion of the transmission and distribution system.

Reuse Transmission and Distribution Facilities

The City's existing reuse water distribution system consists of high-pressure pipelines for the City Municipal Golf Course and low-pressure pipelines for other parts of the reuse distribution system. This system includes approximately 37 miles of pipe, ranging from 2 inches to 30 inches in diameter. Active users encompass a variety of land uses, including residential, commercial, institutional, city medians, parks, and more.

According to the latest Reuse Water System Master Plan, the number of users of the City's reused water system is steadily increasing. The City plans to continue expanding this service to more areas through expansion of the reuse distribution system. As a result, the City has listed a CIP project to allocate funds for the future expansion of the reuse distribution system. Currently, the largest users of the City's reuse water are the City's Municipal Golf Course, Pompano Community Park, landscaping along Federal Highway and Copans Road, city medians, and residential areas east of Dixie Highway.

The City has a planned project, currently in design, to expand the reuse distribution system in Lighthouse Point by 2026. The City's future projects will focus on expanding the reuse distribution system within City limits. The City's reuse distribution system budget is expected to increase from approximately \$425,000 in FY 2025 to approximately \$3 million per year by FY 2028.

Reuse Interlocal Agreements

Pursuant to the Reuse Agreement with Lighthouse Point, over the past few years, the City has actively expanded the system in this area. Additionally, the City provides reuse water to Lighthouse Point for irrigating medians along Federal Highway.

The City also has an agreement with BCWWS to supply reuse water through a master meter to customers in Pompano Highlands, located within the BCWWS service area. According to the agreement, the City will provide reuse water services to BCWWS at an average rate of 1 mgd.

Reuse Water Historical Flows

The table below presents the historical wastewater flow processed at the City’s RWTF from calendar years 2019 to 2023. The figures represent the annual average daily flows derived from the MORs supplied by the City.

Reuse Water Historical AADF

<u>Year</u>	<u>Filtered Influent Flow AADF (mgd)</u>	<u>Finished Reuse Water AADF (mgd)</u>
2019	2.5	2.5
2020	2.8	2.4
2022	3.0	2.6
2023	2.9	2.7

Source: Consulting Engineer’s Report.

Wastewater Regulatory Compliance

General

Wastewater regulations set forth in FAC Chapter 62 and FDEP state minimum standards and specific requirements for regulation of domestic wastewater treatment facilities. The City’s reuse system complies with the applicable regulations of FAC. The City’s collection system is in compliance and is monitoring further updates on rules and regulations from FDEP.

House Bill 1557 (the “House Bill”) was approved by the Governor on May 10, 2024. The House Bill provides that, by July 1, 2034, within a Basin Management Action Plan (“BMAP”) or Reasonable Assurance Plan (“RAP”) area, any wastewater treatment facility providing reclaimed water use for irrigation or otherwise land applied must meet standards for advanced wastewater treatment, if FDEP has determined that the use of reclaimed water is causing or contributing to the nutrient impairment being addressed in the BMAP or RAP.

The reuse system is not currently located in area with an adopted BMAP, BMAP under development, or a RAP area. The reuse system is, however, adjacent to an area under a pollutant reduction plan. It is also located in the intercoastal waterway, which is slated to have a total maximum daily load for total phosphorus with medium priority. The NRWTP provides advanced nutrient removal and while it is anticipated that at some future time, the House Bill could impact the City’s reuse system and the City may incur indeterminate costs in complying with the House Bill. The City does not anticipate such standards related to BMAP and RAP to materially impact the ability to pay debt service on the Series 2024 Bonds.

The City reports that the System has had no violations of its permits relating to the wastewater facilities within the last five years, aside from the matters discussed below.

Permit Compliance and Exceedances; Wastewater and Reuse Water Overflows

The City has no reported permit compliance issues and/or exceedances for the reuse water facility or distribution system in the past five years, except as described below

The City has experienced wastewater and reuse overflows (spills) from its wastewater system. Between January 1, 2019, and December 31, 2023, the City experienced 38 overflows amounting to discharges of 31,434,440 gallons of wastewater and 141,800 gallons of reuse water.

The City entered into an Agreed Final Order issued on June 24, 2019, by Broward County, for a collection system spill on January 2, 2019. Approximately 30.5 MG of raw sewage were discharged after a private contractor directionally drilled through the City's 42-inch force main. The City has complied with the Order and it was closed on July 30, 2020. This single event accounts for approximately 97 percent of the 31,434,440 gallons of wastewater spilled over the 5-year period between January 1, 2019, and December 31, 2023.

The City is completing repair projects and has an annual force main project to replace critical force mains. The Consulting Engineer's Report indicates that this approach should minimize overflows in the future.

CAPITAL IMPROVEMENTS PROGRAM

The information under this caption "CAPITAL IMPROVEMENTS PROGRAM" represents summaries of certain information in the Consulting Engineer's Report. References to and excerpts herein from the Consulting Engineer's Report do not purport to be adequate summaries of such reports or to be complete in all respects. *As noted earlier, the Consulting Engineer's Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein. See "CONSULTANTS' REPORTS—'Consulting Engineer's Report' and 'Certain Matters Relating to the Consulting Engineer's Report and the Financial Feasibility Report'."*

General

The City has developed a System CIP that includes a range of major additions, extensions, improvements, and rehabilitations of the System to address future needs driven by customer growth and to maintain its water, wastewater, and reuse water systems. This section of the report provides an overview of the City's System CIP. The City reviews and updates its five-year CIP as part of each annual budget process.

Current Five-Year System CIP

The current five-year CIP for FY 2025 through FY 2029 comprises 26 projects with a total estimated cost of \$175,292,000. Funding for these projects will come from capacity fees, operating revenues, proceeds from the Series 2024 Bonds, and future borrowings. Further details on the current CIP and its funding sources can be found in the Financial Feasibility Report and below under See "SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM—Funding Sources for the CIP, Including the Series 2024 Project."

Many of the projects and improvements within the current CIP are still in the planning or design phases and construction contracts have yet to be awarded. Therefore, the total cost of the CIP may vary depending on specific project scopes, changes in system needs, and economic actors.

The table below summarizes the City’s CIP, including project names, project to date budget or expenditures from FY 2024, and projected CIP funds for FY 2025 through FY 2029. Although some of the projects in the 5-year CIP may be named differently than those listed in the Series 2024 Project, the 5-year CIP includes the projects in the Series 2024 Project (as described later below). See Section 4.1.2 of the Consulting Engineer’s Report for a narrative description of the projects in the current System CIP.

Current System 5-Year CIP

<u>Project Name</u>	<u>FY2024 (\$)⁽¹⁾</u>	<u>FY2025-FY2029 CIP (\$)</u>
Potable Water System Projects		
Water Treatment Plant Electrical Rehabilitation	-	\$27,000,000
Emerging Contaminants Treatment	-	\$73,000,000
Deep Well Monitoring Well Replacement	\$100,000	\$3,950,000
Water Main Replacement Program	\$500,000	\$10,530,000
Water Meter Testing and Replacement Program	\$495,000	\$12,900,000
Water Treatment Plant Storage Building	-	\$500,000
Wellfield Performance and Relocation	-	\$1,000,000
Membrane Element Replacement	-	\$300,000
Water Treatment Plant Maintenance	\$500,000	\$2,500,000
Well Maintenance Program	\$700,000	\$950,000
Water Conservation Program	-	\$100,000
Water Treatment and Reuse Storage Tank Cleaning	\$115,000	\$120,000
Lead Service Line Improvement	-	\$80,000
Total Potable System Water 5-Year CIP		\$132,930,000
Reuse System Projects		
Reuse Treatment Plant Maintenance	\$300,000	\$1,500,000
Reuse Distribution System Expansion	-	\$9,850,000
Reuse Ground Storage	-	\$7,750,000
Reuse Connection Services	\$140,000	\$725,000
Reuse Plant Emergency Power Supply / Electric Rehab Upgrade	-	\$60,000
Total Reuse System 5-Year CIP		\$19,885,000
Wastewater System Project		
Force Main Replacement Assessment / Design / Repair	-	\$6,530,000
Lift Station Rehabilitation	\$100,000	\$6,800,000
Renewal and Replacement of Small Equipment	-	422,000
Collection Re-Lining	\$375,000	\$6,400,000
Manhole Rehabilitation	\$95,000	\$475,000
Wastewater Master Plan Update	-	\$350,000
Force Main Isolation Valve Replacement	-	\$1,000,000
Assessment/Design/Repair		
Lift Station Emergency By-pass Pump Station	\$100,000	\$500,000
Total Wastewater 5-Year CIP		\$22,477,000
Total Water/Wastewater/Reuse		\$175,292,000

Source: Consulting Engineer’s Report.
Notes on following page:

- (1) Project expenditures or budget, FY 2024.
- (2) Total project costs are estimated based on best available current information. Actual project costs could be higher or lower based on final project definition and economic factors.
- (3) Project cost is based on the City’s total programmed funds, which includes five-year project budget through fiscal year ending September 30, 2029.

Series 2024 Project

The specific projects that are anticipated to be funded with proceeds from the Series 2024 Bonds and to comprise the Series 2024 Project are summarized in the table below and are described in more detail following the table. Many of the projects and improvements within the current CIP are still in the design phases, and construction contracts have yet to be awarded. Therefore, the cost of the components of the Series 2024 Project may vary depending on specific project scopes, changes in system needs, and economic factors.

Series 2024 Project

<u>Project Name</u>	<u>Estimated Cost</u>
Water Treatment Plant Electrical System	\$27,000,000
Emerging Contaminants	\$30,000,000
Monitoring Well	\$3,950,000
Water Meter Testing and Replacement Program	\$12,200,000
Reuse Distribution System Expansion	\$850,000
Force Main Replacement	\$4,353,334
Lift Station Rehabilitation	\$3,050,000
Wastewater Collection Lines Relining	\$2,500,000
Wellfield Relocation	\$1,000,000
Water Treatment Plant Storage Building	\$500,000
Boom Truck	<u>\$422,000</u>
Total	<u>\$85,825,334</u>

Water Treatment Plant Electrical System: This project is for the renovation of all old electrical infrastructure within the water treatment plant for reliability, efficiency and an additional 25-year life cycle. This will include all new 5KV power distribution switchgear, new 2 KW generator with synchronization switchgear with existing generators and new power distribution feeders around the plant.

Emerging Contaminants: This project involves the implementation of the Facility Plan for expanding and improving processes to comply with emerging contaminants regulations. Funding is needed for constructing short- and long-term improvements to provide compliance with emerging contaminant regulations. The project will involve phased upgrades to the water treatment plant. The initial phase will focus on meeting near-term water demands by expanding the City’s existing NF facility to increase its capacity from 10 mgd to a total of 20 mgd, and the addition of a new deep well for membrane concentrate disposal.

Monitoring Well: This project involves the replacement of the lower zone monitoring well (DZMW-1R). In 2022, a study evaluated repair or replacement alternatives. As a result of that evaluation, the City has opted to replace the dual-zone monitoring well in advance of failure.

Water Meter Testing and Replacement Program: This project will update aged/obsolete meter infrastructure by replacing all meters and migrating data collection to prioritize first responder cellular services.

Reuse Distribution System Expansion: This annual project continues with the installation of the reuse distribution system in Service Areas 1 through 4, as detailed in the Reuse Water Master Plan, which represents service to over 1,000 acres. The Issuer has an interlocal agreement with the City of Lighthouse Point to construct a transmission line and piping in order to provide reuse water to City water customers in Lighthouse Point (about 500 connections).

Force Main Replacement: This project involves comprehensive force main replacement, assessment and design.

Lift Station Rehabilitation: This project allows for upgrading and rehabilitating wastewater lift stations as prioritized by the Utilities Department. A lift station rehab consists of replacement of all major components, including plumbing, mechanical, and electrical.

Wastewater Collection Lines Relining: This project allows for relining sanitary sewer gravity mains throughout the City to minimize infiltration of groundwater. Wherever possible, this is accomplished through trenchless methods. However, from time to time, open cut-point repairs are appropriate.

Wellfield Relocation: This project involves relocating and drilling a new well in the eastern wellfield of the city. A preliminary study has been conducted. Design, permitting, construction, and construction management services are required for each new well.

Water Treatment Plant Storage Building: This project involves a storage building needed to replace an existing storage building to allow for water treatment plant expansion.

Boom Truck: The purchase of the boom truck will significantly improve the efficiency, safety, and reliability of lift station maintenance operations within our utility network. The crane can lift, lower, or move pumps both horizontally and vertically, allowing for the safe and efficient removal and installation of the lift station equipment. Pompano Beach Utilities currently operates and maintains a robust network of 82 lift stations, each equipped with at least two pumps that are essential for wastewater management. Timely and effective maintenance of these lift stations is crucial to prevent environmental hazards and ensure uninterrupted service to the System's service area.

CONSULTING ENGINEER'S CONCLUSIONS

The following conclusions of the Consulting Engineer in the Consulting Engineer's Report were made based on the considerations, assumptions, review of prior study results, and analyses summarized in the Consulting Engineer's Report. It should be noted that these conclusions represent opinions based on the Consulting Engineer's Report as a whole and are judgments based exclusively on the presented information, and the Consulting Engineer's Report should be read in its entirety.

1. The City should be able to retain, renew current, and add permits for the water, wastewater, and reuse water systems so long as operations, maintenance, and permit reporting continue as demonstrated in the past five-year period.

2. To the Consulting Engineer's knowledge, other than the violations stated in the Consulting Engineer's Report, the City is in full compliance with all federal and state regulatory requirements relating to the provisions of water, wastewater, and reuse services, and there are no other outstanding orders requiring corrective actions that are issued by any regulatory agency relating to any component of the currently owned System.

3. Based on the current wellfield and water treatment facility capacities, planned facility improvements included in the City's CIP, assumed anticipated increases in the City's raw water supplies and WUP, and projected water demands documented in the Consulting Engineer's Report, the City is expected to have sufficient water supplies to meet its anticipated service needs.

4. The City is taking proactive measures to add treatment processes and capacity to meet the new PFAS regulatory standards within the required timeframes.

5. Based on the City's wastewater flow projections, the steps the City is currently taking to reduce I&I and thereby wastewater flow to the NRWWTP, a planned project in the CIP (the wastewater collection lines relining) which will reduce wastewater flows from 8,000 to 4,000 gpm, and the City's previous ability to obtain amendments to the LU agreement with BC to increase wastewater treatment capacity when needed, the City is expected to be able to continue conveying its wastewater to BC for treatment at the NRWWTP.

6. Based on above ground inspection of the City facilities, discussions with City staff, analyses of historic data, and reports filed with pertinent regulatory agencies, the existing facilities appear to be in relatively good condition overall. The facilities are in comparable condition to facilities of similar age and are operating as intended. Water treatment facilities were found to be in good condition. The wastewater system was found to be in relatively good condition. The City's reuse water system was found to be in good condition.

7. The System's facilities appear to be adequately operated and maintained, and the City is taking necessary steps to continue prudent utility practice as described throughout the Consulting Engineer's Report. Additionally, the Utilities Department has a strong asset management program for the treatment plants and field operations. Based on its demonstrated history of System management and operations, the City appears to be capable of providing sufficient and reliable water, wastewater, and reuse service to its customers through the years pertinent to the Series 2024 Bonds, which reach final maturity in 2054.

8. The City's System CIP projects are necessary and adequate to meet the current regulatory requirements and to provide reliable water, wastewater, and reuse service to the City's existing customers and to provide adequate reserve capacity for the anticipated growth in System customers discussed in the Consulting Engineer's Report.

9. The City's System CIP project cost estimates seem reasonable; however, the Consulting Engineer did not conduct cost estimation evaluations of the CIP projects as part of the Consulting Engineer's Report. Based on the aboveground site inspections of the City's facilities, it is reasonable to assume that additional significant funds will not be required within the next five years for water, wastewater, or reuse water improvements beyond what is identified in the five-year CIP presented in the Consulting Engineer's Report.

SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM

The information under this caption “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM” represents summaries of certain information in the Financial Feasibility Report. References to and excerpts herein from the Financial Feasibility Report do not purport to be adequate summaries of such reports or to be complete in all respects. *As noted earlier, the Financial Feasibility Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein. See “CONSULTANTS’ REPORTS—’Financial Feasibility Report’ and ‘Certain Matters Relating to the Consulting Engineer’s Report and the Financial Feasibility Report’.”*

Assumptions Regarding Agreements and Arrangements with Other Local Governments Relating to the System; Selected Matters Regarding Large User Agreement with Broward County

General

The Financial Feasibility Report assumes that the agreements and other arrangements for System services between the City and the other local governments described under “THE SYSTEM—Agreements and Arrangements with Other Local Governments Relating to the System” remain in effect or are renewed, as applicable, during the Forecast Period. See “SELECTED INVESTMENT CONSIDERATIONS.”

Large User Agreement with Broward County

The City receives wastewater treatment service from Broward County pursuant to the Large User Agreement between the City and Broward County. Under the Large User Agreement, the City pays a fixed monthly fee to the County based on its proportion of allocated debt service of the County, and pays a volumetric rate for operation and maintenance costs for each gallon of wastewater flow conveyed to Broward County. A summary of historical and projected changes in each fee component is provided below.

- *Fixed monthly fee* - From FY 2023 through FY 2025, the fixed component has increased on average by 4.8% per year, though there has been variability from year to year ranging from an increase of almost 16% in FY 2023 followed by average decreases of about 0.7% in FY 2024 and FY 2025. Based on the most recent projections provided from Broward County, the County’s debt service component is anticipated to decrease from FY 2026 and beyond as certain County wastewater utility system obligations mature. The County’s debt component is anticipated to decline by approximately 22% in FY 2028 and is reflected as such in the Forecast Period.
- *Volumetric rate* - From FY 2023 through FY 2025, the volumetric component has increased on average by 12.1% per year, with FY 2024 and FY 2025 increasing 15.5% and 14.8%, respectively. For the three FY years prior to FY 2023, the volumetric component had increased on average by 4.6% per year. The Financial Feasibility Report assumes the volumetric rate charged by Broward County will increase at more normal levels, by 5.0% per year, during the Forecast Period from FY 2026 through FY 2029.

- *True – Up* - The final rates paid by the City to Broward County annually also include a “true-up” for the prior year, which is based on a comparison of the actual costs to provide wastewater treatment service to the actual revenues paid by all of the County’s large users of its wastewater treatment plant. This amount varies year-to-year.

The City’s adopted CIP, including the Series 2024 Project, includes projects to reline wastewater lines which will reduce inflow and infiltration and therefore the amount of flow sent to Broward County for wastewater treatment. It is anticipated this reduction in wastewater flow will result in annual savings in the volumetric rates paid to Broward County pursuant to the Large User Agreement of about \$100,000 starting in FY 2026.

The City’s maximum month average daily wastewater flow has ranged between 16.0 MGD to 20.7 MGD from 2019 to 2023 and the City has implemented an inflow and infiltration abatement program to repair aging sewer pipes to reduce the flow sent to Broward County for treatment. While the City is having discussions with Broward County to secure additional reserved capacity to meet future demand, the City does not anticipate increasing its reserved capacity over the Forecast Period.

Rates, Fees and Charges

General

The primary sources of Gross Revenues for the enterprise fund related to the System (the “Utility Fund”) are from user rates, fees and charges. The user rates, fees and charges are designed and structured to: (i) recover the cost incurred by the Utility Fund for water, wastewater and reuse water services; (ii) pay the annual Debt Service Requirement on Outstanding Bonds and the principal and interest payments associated with outstanding Subordinated Debt; and (iii) pay for other budgeted revenue requirements of the Utility Fund including addressing the necessary minimum reserves and rate covenant requirements of the Bond Ordinance. The O&M Expenses (hereinafter defined) and minor capital costs for services and facilities are primarily recovered from user rates, fees and charges including miscellaneous income from ancillary charges and interest income.

Rate Adjustments

The City has increased rates, fees and charges for use of the System during the Historical Period as shown in the table below.

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**City Commission Approved Rate Adjustments
Historical Period**

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Water	4.25%	10.25%	0.00%	6.00%	4.25%
Wastewater	3.00%	12.50%	0.00%	9.50%	7.75%
Reuse Water	4.25%	10.25%	0.00%	6.00%	4.25%

Source: Financial Feasibility Report.

In November, 2023, the City Commission approved a series of increases to the rates, fees and charges for use of the System for the Forecast Period, as shown in the table below. These rate adjustments were determined from a rate and financial planning study conducted by Raftelis in the summer of 2023 that was based on the City’s approved Fiscal Year 2023 operating budget and CIP, and proposed County wastewater treatment rates for Fiscal Year 2022.

**City Commission Approved Rate Adjustments
Forecast Period**

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Water	0.0%	9.5%	9.5%	9.5%	9.5%	9.5%
Wastewater ⁽¹⁾	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Reuse Water	0.0%	12.0%	12.0%	12.0%	12.0%	12.0%

Source: Financial Feasibility Report.

Note:

⁽¹⁾ The wastewater rate adjustments apply to all wastewater rates and charges except the multi-family fixed monthly fees which will remain at the current rate throughout the Forecast Period.

Rates, Fees and Charges as of October 1, 2024

As previously mentioned, the City provides wholesale wastewater service to customers in a portion of the Town. As shown below, the Town was the single largest user of the Wastewater System in Fiscal Year 2023. Under the Wholesale Agreement, the Town can convey up to 1.5 MGD of its wastewater flow to the City. The City then pumps the wastewater flow to Broward County for wastewater treatment. The wastewater flow conveyed by the Town has represented on average about 3.7% of total wastewater flow sent by the City to Broward County for treatment.

Based on the Wholesale Agreement, the City annually calculates charges for wastewater service to be paid by the Town for wastewater service. The charges include both a fixed component and a variable component, a portion of which includes the Broward County fees that are assessed to the City for wastewater treatment. The charges to be paid by the Town are calculated each year and the Town pays the City on a monthly basis based on metered wastewater flows. The charges for calendar year 2024 are \$34,709 per month and \$2.661 per 1,000 gallons of wastewater flow

(which results in total anticipated revenues paid to the City in the amount of \$933,000). It should be noted the volumetric rate is assessed to the total flow conveyed to the City, which can include inflow and infiltration. While the rates and revenues paid by the Town to the City have increased by 5% per year over the last three fiscal years, to be conservative it is assumed that revenues from the Town remain at the current level through the Forecast Period.

Also, as previously mentioned, the City provides water service to customers in a portion of the Town and, pursuant to the LHP Franchise, in a portion of Lighthouse Point. These customers pay the City's water rates shown in the table below plus the 25% outside-City surcharge. Additionally, the City provides reuse service to certain customers outside of the City pursuant to the Reuse Agreements. The reuse customers in Lighthouse Point pay the reuse rates (Class II) shown in the table below and the amount paid by Broward County for wholesale reuse service is currently \$0.76 per 1,000 gallons which is based on the rate methodology specified in the reuse agreement between the City and Broward County.

As shown in the table below, the approved rate structure effective as of October 1, 2024, for the Water System consists of a fixed monthly charge per meter size regardless of the level of usage and volumetric rates per 1,000 gallons of water use based on monthly metering activities.

The rate structure for water has four customer classifications based on user characteristics with the most common being the Single-Family class generally connected through a ¾-inch water meter followed by Multi-Family, Commercial, and Irrigation. In addition, there is a fixed monthly charge for each *additional* unit for Multi-Family and Commercial customers. The water volumetric rate structure includes four inclining tiers for Single-Family, Multi-Family and Irrigation customers and two inclining tiers for Commercial customers. The allowance of water use within each tier varies based on the meter size for each customer class.

As shown in the table below, the approved rate structure for the Wastewater System effective as of October 1, 2024, consists of a fixed monthly charge per unit for Single-Family, Multi-Family, and Commercial customers regardless of water use. The wastewater rate structure also includes a uniform volumetric charge per 1,000 gallons of water use. The volumetric charge for Single-Family and Multi-Family is capped at 10,000 gallons per unit per month of water use. The volumetric charge applies to all water use for Commercial customers.

As shown in the table below, the approved rate structure for the reuse system effective as of October 1, 2024 consists of a fixed monthly charge per meter size regardless of the level of usage and volumetric rates per 1,000 gallons of water use based on monthly metering activities. The rate structure for reuse has two customer classifications based on when reuse customers connected to the system. The reuse volumetric rate structure includes three inclining tiers and the allowance of reuse within each tier varies based on the meter size.

Customers of the System outside of the City's boundaries are subject to a 25% surcharge for water, wastewater, and reuse service, unless the rates for service to such customers are otherwise set forth in an agreement between the City and another applicable governmental entity.

**Water and Wastewater Rates (Including Reuse)
Effective October 1, 2024 (1)**

	<u>RATE</u>
Water – Single Family Residential	
Monthly Base Charge Per Meter Size	
¾”	\$18.74
1”	\$24.40
1 ½”	\$34.30
2”	\$48.62
Volume Rates Per 1,000 Gallons (2)	
Block 1	\$3.25
Block 2	\$4.47
Block 3	\$6.21
Block 4	\$8.74
 Water – Multi Family Residential	
Monthly Base Charge Per Meter Size	
¾”	\$12.88
1”	\$17.31
1 ½”	\$20.72
2”	\$33.89
3”	\$129.81
4”	\$164.74
6”	\$247.71
8”	\$342.29
10”	\$518.87
Monthly Service Charge for each additional unit	\$5.92
Volume Rates Per 1,000 Gallons	
Block 1	\$3.25
Block 2	\$4.47
Block 3	\$6.21
 Water – Commercial	
Monthly Base Charge Per Meter Size	
¾”	\$21.39
1”	\$27.76
1 ½”	\$39.12
2”	\$55.48
3”	\$213.49
4”	\$271.08
6”	\$407.66
8”	\$563.49
10”	\$798.30
Monthly Service Charge for each add. unit	\$11.05

	<u>RATE</u>
Volume Rates Per 1,000 Gallons	
Block 1	\$3.25
Block 2	\$4.71
Wastewater	
Monthly Base Charge by customer class	
Single Family	\$17.49
Multi Family	\$16.10
Commercial	\$19.17
Volume Rates Per 1,000 Gallons	
Uniform rate (3)	\$4.08
Reuse Water	
Monthly Base Charge by meter size	
¾"	\$11.64
1"	\$29.11
1 ½"	\$58.24
2"	\$93.17
3"	\$174.71
4"	\$291.17
6"	\$582.30
8"	\$931.68
10"	\$1,164.60
Volume Rates Per 1,000 Gallons Class I (4)	
Block 1	\$0.91
Block 2	\$1.79
Block 3	\$2.65
Volume Rates Per 1,000 Gallons Class II (5)	
Block 1	\$1.28
Block 2	\$2.49
Block 3	\$3.72

Source: Financial Feasibility Report.

Notes:

- (1) The rates shown in this schedule represent the rates charged inside the City limits. Rates for customers located outside the City limits are charged a 25% surcharge, unless otherwise provided by agreement as described earlier.
- (2) Volume rates are the same for all meter sizes but volumetric blocks vary based on meter size.
- (3) Single Family and Multi-Family customers capped at 10,000 gallons per month per ERU.
- (4) Reuse customers connected to the System prior to July 12, 2011.
- (5) Reuse customers connected to the System subsequent to July 12, 2011.

Charges for Other Services; Enterprise Fund Policy

In addition to the schedule of user rates, fees and charges the City also charges for other, generally one-time, service charges and penalties to recover costs of certain services specifically requested by customers and address violations. This secondary source of operating revenues assists with maintaining just and equitable cost recovery, which reduces the level of expenditures funded from monthly user rates, fees and charges. These other service charges include connection fees to physically connect new development to a water or sewer line for service, Capital Recovery Fees which are assessed to new development, and miscellaneous revenues collected for establishing a new utility account or transfer, late fees, returned check charges, etc. The Utility Fund generates approximately \$575,000 to \$1,000,000 in each Fiscal Year from these charges. It should be noted that revenues from Capital Recovery Fees are **not** included in Gross Revenues for purposes of the Bond Ordinance.

Per Resolution No. 2019-199 adopted by the City Commission on June 11, 2019, the City has established an unrestricted fund balance/net asset policy for its enterprise funds (including the Utility Fund) to provide for unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services (the “Enterprise Fund Policy”). For the enterprise funds, the City has established a policy to maintain a balance of unrestricted (not committed to capital projects) net assets equal to at least 35% of the revenue requirements for the current fiscal year budget of these funds (covers operations and maintenance, debt service, capital, transfers etc.). For the purposes of the calculation, the current fiscal year shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. When calculating this amount, the City can include amounts restricted per debt covenants for renewal and replacement or rate stabilization as applicable to an enterprise fund.

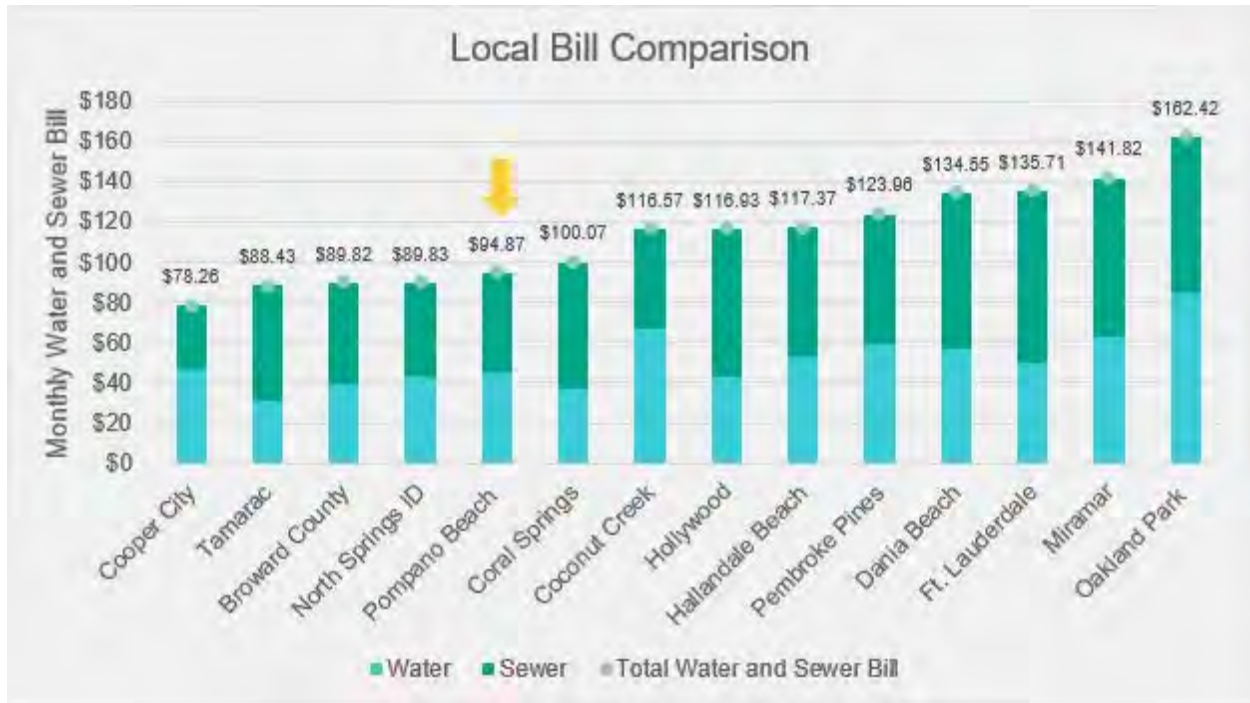
If, at the end of any Fiscal Year, with respect to an enterprise fund, the actual amount of unrestricted net assets falls below the minimum required funding level set by the City, all efforts should be made to replenish at least 25% of the shortfall from the minimum target within one fiscal year, 50% within two fiscal years, 75% within three fiscal years, and 100% within four fiscal years from the fiscal year within which the shortfall has occurred. As shown in Table 8 of the Financial Feasibility Report, based on the current Enterprise Fund Policy, the balance in the Utility Fund will fall below the targeted level due to increases in anticipated costs compared to those estimated when the current rate adjustments were adopted. Once audited information for FY 2024 is available, the City will determine the impact on the fund balance for FY 2024 and beyond and identify options to meet its target fund balance policy over the Forecast Period. See “SELECTED INVESTMENT CONSIDERATIONS” herein.

Typical Monthly Bill and Comparison With Nearby Utilities

Comparisons of typical bills for monthly water and wastewater service of 8,000 gallons for Single-Family customers of the System within the portion of the Service Area in the City, using rates, fees and charges in effect as of October 1, 2024, and typical bills for monthly water and wastewater service of 8,000 gallons for Single-Family customers of certain nearby utilities are provided in Figure 1. The rates used to calculate bills issued by other nearby utilities were current as of October 2024 and are exclusive of local taxes, franchise fees or other rate adjustments unless otherwise noted. This comparison is for illustrative purposes only and should not be interpreted as

an indication of anything other than Single-Family monthly service of 8,000 gallons. [TO BE UPDATED]

Comparison of Single-Family Residential Bills (Inside-City) with Other Communities (8,000 Gallons)



Source: Financial Feasibility Report.

Ten Largest Customers of the System

Data from the Utilities Department billing system for the fiscal year ending September 30, 2023, was used to identify the ten largest customers of the System in terms of Revenues. The results of the query including annual usage and corresponding Revenues are summarized in the table below. The ten largest water customers represent approximately 5.5% of the total billable water flow and 4.0% of the total Revenues generated through the user fees, rates and charges for the System. The ten largest wastewater customers represent approximately 12.8% of the total billable wastewater flow and 4.6% of the total Revenues generated through the user fees, rates and charges for the System. The largest wastewater customer is the Town. Several of the other largest customers are either multi-family or governmental agencies that (together with the Town) are historically stable and generally not affected by conditions that reduce or discontinue usage over a long period of time.

**Ten Largest Customers
Fiscal Year 2023 (Audited)**

<u>Customer</u>	<u>Class</u>	<u>Annual Water Usage (gallons)</u>	<u>Water Revenues</u>	<u>% of Total Water Revenues</u>	<u>Annual Wastewater Flow (gallons)</u>	<u>Wastewater Revenues</u>	<u>% of Total Wastewater Revenues</u>
Town ⁽¹⁾	Wholesale				199,096,000	\$919,438	3.5%
Broward County Detention Center	Commercial	50,183,000	\$218,735	0.8%	50,183,000	\$207,858	0.8%
Pomp Bus Park Owners Association	Commercial	36,810,000	\$164,452	0.6%	36,810,000	\$151,601	0.6%
Florida Textile Services LLC	Commercial	23,334,000	\$101,024	0.4%	23,334,000	\$91,294	0.3%
Golden Acres Redev LTD	Multi-Family	22,709,000	\$103,440	0.4%	22,709,000	\$122,956	0.5%
Broward Sheriff's Office	Commercial	21,613,000	\$96,677	0.3%	21,613,000	\$84,670	0.3%
West Atlantic Blvd Owner LLC	Multi-Family	21,161,000	\$96,773	0.3%	21,161,000	\$160,794	0.6%
Captiva Associates, LLC	Multi-Family	19,225,000	\$93,128	0.3%	19,225,000	\$125,731	0.5%
SNH/LTA Properties Trust	Multi-Family	18,827,000	\$76,121	0.3%	18,827,000	\$121,973	0.5%
Golf View Mobile Home Park	Multi-Family	18,185,000	\$78,904	0.3%	18,185,000	\$140,152	0.5%
Palm Aire	Multi-Family	18,006,000	\$92,550	0.3%			
Subtotal: Largest Customers		250,053,000	\$1,121,803		431,143,000	\$1,207,029	
Total System		4,569,377,000	\$27,917,026		3,364,144,000	\$26,213,733	
% of Total System		5.5%	4.0%		12.8%	4.6%	

Source: Financial Feasibility Report.

Note:

⁽¹⁾ The City provides wastewater service to customers in a portion of the Town pursuant to the Wholesale Agreement, and also provides water service to customers in a portion of the Town that was annexed into the Town's boundaries, subject to a 25% surcharge.

Historical and Projected Demand

General

The Utility Fund as an enterprise fund is required to generate Gross Revenues sufficient to annually cash fund the Cost of Operation and Maintenance (sometimes referred to herein as “O&M Expenses”).

Historical Period

A five-year historical summary of service connections and corresponding billable flows for the Historical Period is provided in the table below. An account represents a single connection regardless of size, where a unit represents the number of dwelling units serviced by that connection. For example, a single-family connection is equivalent to 1 account and 1 unit, whereas a multi-family duplex is equivalent to 1 account and 2 dwelling units.

Historical Customers and Usage Historical Period

<u>Description</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Active Water Customers	18,650	18,701	18,854	18,868	18,913
Active Sewer Customers	16,913	16,957	17,105	17,113	17,146
Active Reuse Water Customers	1,187	1,251	1,276	1,360	1,449
Active Water Units	59,908	60,476	61,202	61,236	61,302
Active Sewer Units	57,819	58,230	58,830	59,209	59,427
Active Reuse Water Units	1,299	1,612	1,649	1,819	1,996
Change in Water Units		569	726	34	66
<i>% change</i>		<i>0.9%</i>	<i>1.2%</i>	<i>0.1%</i>	<i>0.1%</i>
Change in Sewer Units		411	600	379	218
<i>% change</i>		<i>0.7%</i>	<i>1.0%</i>	<i>0.6%</i>	<i>0.4%</i>
Change in Reuse Units		313	37	170	177
<i>% change</i>		<i>24.1%</i>	<i>2.3%</i>	<i>10.3%</i>	<i>9.7%</i>
Total Water Sold (1,000 gallons)	4,754,315	4,584,619	4,514,066	4,502,738	4,569,377
<i>% change</i>		<i>-3.6%</i>	<i>-1.5%</i>	<i>-0.3%</i>	<i>1.5%</i>
Total Billable Sewer Flow (1,000 gallons)	3,397,523	3,341,152	3,332,600	3,365,332	3,364,144
<i>% change</i>		<i>-1.7%</i>	<i>-0.3%</i>	<i>1.0%</i>	<i>0.0%</i>
Reuse Water Sold (gallons)	879,499	873,362	814,483	832,649	802,613
		<i>-0.7%</i>	<i>-6.7%</i>	<i>2.2%</i>	<i>-3.6%</i>

Source: Financial Feasibility Report.

Forecast Period

The historical customers and usage presented above were derived from historic billing data as provided by the Utilities Department customer service staff. The data provided is reasonably in line with detailed customer billing frequency analysis completed by Raftelis from time to time during the same period. As shown, the growth levels for water and sewer accounts and units have been modest. The Service Area is built out and most growth in water and sewer customers is attributed to redevelopment, particularly the conversion to multi-family developments. As a result, water and wastewater billable usage over the last five years has typically declined due to price elasticity (as explained above, the City has increased its rates over the last several years), the impact of more water efficient fixtures installed in new developments, and the availability of reuse service. The City has continued to reflect the expansion of its reuse distribution system in its five-year capital improvement plan, as this system is currently only available in certain parts of the City's Service Area. Total water reuse consumption has varied over the last several years mainly due to the variability in one large user (the City's municipal golf course that has undergone renovations).

The projected growth in System accounts for the Forecast Period, shown together with the annual percentage increases, in the table below represent an annual growth rate of approximately 0.2 percent each for water and wastewater accounts, and 1.0 percent for reuse accounts. Over the last three Fiscal Years, while the number of accounts has increased, water use has declined on average by 0.3 percent per year and sewer use has remained flat. As demonstrated in the table below, it is anticipated that water usage will continue to decline each year while sewer usage is estimated to remain flat throughout the Forecast Period. As mentioned, reuse demand has fluctuated due to the variability in use from the City's municipal golf course. As the City continues to connect residential customers to the reuse system, the continued variability in use from large reuse customers is anticipated to temper any increase in reuse consumption. Therefore, reuse is anticipated to remain at current levels over the Forecast Period.

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**Projected Customers and Usage
Forecast Period**

<u>Description</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Accounts Water	18,940	18,969	18,997	19,026	19,054	19,083
Increase	28	28	28	28	29	29
% Increase	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Wastewater	17,184	17,218	17,252	17,287	17,323	17,358
Increase	37	34	35	35	35	36
% Increase	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Reclaimed	2,082	2,103	2,124	2,145	2,166	2,188
Increase	86	21	21	21	21	22
% Increase	4.3%	1.0%	1.0%	1.0%	1.0%	1.0%
Units						
Water	61,425	61,548	61,672	61,796	61,920	62,045
Increase	123	123	124	124	124	125
% Increase	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Wastewater	59,857	60,257	60,661	61,069	61,481	61,897
Increase	430	400	404	408	412	416
% Increase	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Reclaimed	2,082	2,103	2,124	2,145	2,166	2,188
Increase	86	21	21	21	21	22
% Increase	4.3%	1.0%	1.0%	1.0%	1.0%	1.0%
Billable Flow						
Water	4,523,460	4,484,308	4,446,053	4,408,667	4,370,320	4,332,843
% Increase	-1.0%	-0.9%	-0.9%	-0.8%	-0.9%	-0.9%
Wastewater	3,367,241	3,367,241	3,367,241	3,367,241	3,367,241	3,367,241
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reclaimed	807,971	807,971	807,971	807,971	807,971	807,971
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Financial Feasibility Report

Funding Sources for the CIP, Including the Series 2024 Project

The City Commission adopts an ongoing CIP for the System. The CIP is used to plan for and address expansions, upgrades, regulatory requirements, and refurbishment needs to continue providing high quality services to existing and future customers. The current adopted CIP covers the period from FY 2025 to FY 2029. See “CAPITAL IMPROVEMENTS PROGRAM.”

Funding for the CIP will be provided from a combination of: (i) reserves/revenues from user rates, fees and charges; (ii) proceeds of the Series 2024 Bonds; and (iii) proceeds of other proposed Additional Parity Obligations, consisting of the City’s proposed Water and Wastewater Revenue Bonds, Series 2026 (the “Series 2026 Bonds”) and proposed Water and Wastewater Revenue Bonds, Series 2028 (the “Series 2028 Bonds”). There is no assurance that the City will be able to issue the Series 2026 Bonds and/or the Series 2028 Bonds in the future, based on market conditions or other factors, including its ability to meet the requirements under the Master Bond Ordinance for the issuance of Additional Parity Obligation. The City Commission has not yet authorized the issuance of the Series 2026 Bonds or the Series 2028 Bonds.

The assumptions as provided by the City’s Municipal Advisor with respect to the Series 2026 Bonds and the Series 2028 Bonds are as follows:

- Proposed Series 2026 Bonds - Assume a par amount of \$56,685,000, 30 years to maturity, and an all-in true interest cost per annum of 4.621%.
- Proposed Series 2028 Bonds – Assume a par amount of \$40,520,000, 30 years to maturity, and an all-in true interest cost per annum of 4.621%.

A summary of the current System CIP and the anticipated funding sources is provided in the table below. Descriptions for each project in the CIP are provided within the Consulting Engineer’s Report. See also “CAPITAL IMPROVEMENTS PROGRAM.” It should be noted that the City is also working on a sanitary sewer capital improvement project that is currently under construction and will be funded, through reimbursement to the City, by a state revolving fund loan (previously described as Loan Agreement WW062470 with a principal amount of \$2,939,760). See “SECURITY FOR THE SERIES 2024 BONDS—Outstanding Bonds and Existing Subordinated Debt.” The Financial Feasibility Report assumes that the City does not incur any additional Subordinated Debt during the Forecast Period.

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Summary of System CIP and Funding Sources

Capital Improvement

<u>Plan⁽¹⁾</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>5-Year Total</u>
Potable Water System Projects	\$2,410,000	\$48,890,000	\$28,360,000	\$43,110,000	\$5,120,000	\$7,450,000	\$132,930,000
Reuse System Projects	\$440,000	\$930,000	\$870,000	\$3,445,000	\$4,945,000	\$9,695,000	\$19,885,000
Wastewater System Projects	\$670,000	\$5,793,667	\$7,921,667	\$5,271,667	\$3,245,000	\$3,245,000	\$22,477,000
	\$3,520,000	\$55,613,667	\$34,151,667	\$51,826,667	\$13,310,000	\$20,390,000	\$175,292,000

Funding Sources for CIP

Series 2024 Bonds		\$55,573,667	\$32,251,667				\$85,825,333
Proposed Series 2026 Bonds				\$49,226,667	\$11,050,000		\$60,276,667
Proposed Series 2028 Bonds ⁽²⁾						\$17,100,000	\$17,100,000
Revenues from rates/Surplus Fund	<u>\$3,520,000</u>	<u>\$2,040,000</u>	<u>\$1,900,000</u>	<u>\$2,260,000</u>	<u>\$2,260,000</u>	<u>\$3,290,000</u>	<u>\$12,090,000</u>
TOTAL:	<u>\$3,520,000</u>	<u>\$55,613,667</u>	<u>\$34,151,667</u>	<u>\$51,826,667</u>	<u>\$13,310,000</u>	<u>\$20,390,000</u>	<u>\$175,292,000</u>

Source: Financial Feasibility Report.

Notes:

- (1) The CIP shown above includes the replacement of a boom truck (that has an estimated service life of 19 years) and is part of the City’s renewal and replacement of equipment that is captured in capital outlay as opposed to the City’s CIP. However, the City plans to include it as part of the Series 2024 Project, therefore it has been added to the City approved CIP.
- (2) The City has identified approximately \$24.85 million of capital projects in FY 2030 and FY 2031 that will also need to be funded with the proposed Series 2028 Bonds, bringing the total to \$41.95 million (\$17.1 million + \$24.85 million).

Historical Results of Operations

Historical financial results were reviewed and compiled from audited information contained in the City’s Annual Comprehensive Financial Report (“ACFR”) for the Historical Period, consisting of Fiscal Years ending September 30, 2019, 2020, 2021, 2022, and 2023. A summary of the Utility Fund’s historical financial results for the Historical Period showing Gross Revenues, Net Revenues and the Cost of Operation and Maintenance, determined using the definitions of those terms in the City’s Bond Ordinance (also referred to in the Financial Feasibility Report as the “Master Bond Ordinance”), are provided in the table below. Note that during portions of the Historical Period the City had outstanding (i) its Water and Sewer Refunding Revenue Bonds, Series 2014 (the “Series 2014 Bond”), which were issued under a bond ordinance that is no longer in effect, were secured by a pledge of revenues of the System and matured and were paid in full on July 1, 2020, and (ii) the Series 2021 Bond, which was issued on June 24, 2021 pursuant to the Bond Ordinance, as supplemented. The table below shows the applicable Debt Service Requirement for the Series 2014 Bond and the Series 2021 Bond during the Historical Period, with debt service coverage calculated in accordance with the Bond Ordinance, notwithstanding that that the Series 2014 Bonds were not issued under the Bond Ordinance.

Like most other utilities across Florida and the country, operations and maintenance costs increased significantly in the last several years resulting from inflationary pressures in most items but especially related to chemicals, electricity, personnel, and insurance costs. In addition, the fees paid to Broward County for wastewater treatment increased significantly in FY 2023 due to a combination of increased rates charged by Broward County (specifically the fixed component described above under “Assumptions Regarding Agreements and Arrangements with Other Local Governments Relating to the System; Selected Matters Regarding Large User Agreement with Broward County”) and variability in the wastewater flow sent to Broward County.

Summary of Historical Financial Results
Historical Period ⁽¹⁾

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Gross Revenues ⁽²⁾	\$45,745,931	\$48,167,930	\$49,533,894	\$53,544,183	\$57,016,176
Cost of Operation and Maintenance ⁽³⁾	30,918,627	31,022,005	32,154,542	34,164,186	39,768,981
Net Revenues	<u>\$14,827,304</u>	<u>\$17,145,925</u>	<u>\$17,379,352</u>	<u>\$19,379,997</u>	<u>\$17,247,195</u>
Debt Service Requirement ⁽⁴⁾					
Series 2014 Bond	\$3,034,540	\$3,040,232			
Series 2021 Bond			\$190,294	\$624,774	\$679,687
Total Debt Service Requirement	<u>\$3,034,540</u>	<u>\$3,040,232</u>	<u>\$190,294</u>	<u>\$624,774</u>	<u>\$679,687</u>
Calculated Debt Service Coverage ⁽⁵⁾	4.89x	5.64x	91.33x	31.0x	25.38x
Debt Service Coverage Requirement	1.20x	1.20x	1.20x	1.20x	1.20x

Source: Financial Feasibility Report.

Notes:

- (1) Information is from the City of Pompano Beach Annual Comprehensive Financial Reports for fiscal years ending 2019, 2020, 2021, 2022, and 2023.
- (2) Per the Bond Ordinance, Gross Revenues exclude Contributions in Aid of Construction and impact fees, sometimes also referred to as “Capital Recovery Fees.”
- (3) Per the Bond Ordinance, Cost of Operation and Maintenance exclude any general administrative charges payable to the general fund.
- (4) The Debt Service Requirement in FY 2019 and FY 2020 includes the Series 2014 Bond which matured in FY 2020. The Debt Service Requirement in FY 2021 through FY 2023 includes the Debt Service Requirement associated with the Series 2021 Bond.
- (5) The debt service coverage calculation is calculated according to the Bond Ordinance for FY 2019 through FY 2023.

Additional Parity Obligations Test

As described above under “SECURITY FOR THE SERIES 2024 BONDS—Additional Parity Obligations and Subordinated Debt,” the Bond Ordinance provides that Additional Parity Obligations can be issued on parity with Outstanding Bonds, provided the applicable requirements of Section 20(Q) of the Bond Ordinance are met. Section 20(Q)(1) of the Bond Ordinance provides that one of the requirements that must be met is as follows:

“There shall have been obtained and filed with the City Clerk a certificate of the Finance Director stating: (a) that the books and records of the Issuer relative to the System and the Net Revenues have been reviewed by the Finance Director; and (b) that the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24)

months preceding the date of issuance of the proposed Additional Parity Obligations (the “Test Period”) adjusted as provided in paragraphs (2), (3), (4), (5) and/or (6) below is equal to not less than one hundred twenty percent (120%) of the Maximum Debt Service Requirement becoming due in any Bond Year thereafter on (a) all Bonds issued under this Ordinance, if any, then Outstanding, and (b) on the Additional Parity Obligations with respect to which such certificate is made.”

Paragraphs (2), (3), (4), (5), and (6) of Section 20(Q) allow for various adjustments to Net Revenues in the Test Period. As shown in the table below, the Test Period for the Series 2024 Bonds is for the twelve months beginning November 1, 2022 and ending on October 31, 2023. For the purposes of the following calculation, the Net Revenues do not include any adjustments as allowed by Subsection 20(Q).

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**Additional Parity Obligations Test
Series 2024 Bonds***

	11/1/22- 10/31/23 ⁽¹⁾
Gross Revenues ⁽²⁾	\$56,973,437
Cost of Operation and Maintenance ⁽³⁾	38,993,900
Net Revenues	\$17,979,537
Debt Service Requirement ⁽⁴⁾	
Series 2021 Bond	\$679,687
Total Debt Service Requirement	\$679,687
Calculated Debt Service Coverage ⁽⁵⁾	26.45
Debt Service Coverage Requirement	1.20x
Additional Parity Obligations Test	
Maximum Debt Service Requirement with Additional Parity Obligations ⁽⁵⁾	\$5,735,555
Calculated Debt Service Coverage for Additional Parity Obligations	3.13
Debt Service Coverage Requirement for Additional Parity Obligations	1.20x

Source: Financial Feasibility Report.

Notes:

- (1) Information was provided by City staff and represents the period from November 1, 2022 to October 31, 2023.
- (2) Per the Bond Ordinance, Gross Revenues exclude Contributions in Aid of Construction and impact fees, also referred to as Capital Recovery Fees.
- (3) Per the Bond Ordinance, Cost of Operations and Maintenance excludes any general administrative charges payable to the general fund.
- (4) The Debt Service Requirement for this period includes the debt service associated with the Series 2021 Bond.
- (5) Additional Parity Obligations for purposes of the table above consist of the Series 2024 Bonds. The Maximum Debt Service Requirement includes the Series 2021 Bond and the Series 2024 Bonds. The Series 2024 Bonds are assumed to (i) have an original par amount of \$85.8 million and an all-in true interest cost per annum of 4.62%, and (ii) be issued on or about December 1, 2024, with a final maturity of September 1, 2054. The Maximum Debt Service Requirement includes the Series 2021 Bond and the Series 2024 Bonds. The Maximum Debt Service Requirement occurs in FY 2041.

*Preliminary, subject to change based on the final pricing details of the Series 2024 Bonds.

Feasibility Consultant’s Conclusions

The Financial Feasibility Report states that, based upon the principal considerations and assumptions and the results of the Feasibility Consultant’s studies and analyses, as summarized in the Financial Feasibility Report, which should be read in its entirety in conjunction with the following, the Feasibility Consultant is of the opinion that:

1. The Gross Revenues for the Forecast Period (Fiscal Years ending September 30, 2024 through and including 2029) should be sufficient to pay all projected Cost of Operation and

Maintenance of the System and the Net Revenues for such Forecast Period should be sufficient to pay the estimated Debt Service Requirement on all Bonds (including the Series 2021 Bond, the Series 2024 Bonds, the proposed Series 2026 Bonds and the proposed Series 2028 Bonds), the existing Subordinated Debt and to make all additional deposits (if any) as required by the Bond Ordinance, and meet the rate covenant of the Bond Ordinance.

2. Once audited information for FY 2024 is available, the City will have to determine the impact on the fund balance for FY 2024 and beyond and identify options to meet its target fund balance policy over the Forecast Period.

3. The projected debt service coverage as presented in the Financial Feasibility Report is in accordance with the rate covenant contained in the Bond Ordinance. The forecast of projected operating results is considered by the Feasibility Consultant to be reasonable and attainable and provides a basis for the City to meet the rate covenant as delineated in the Bond Ordinance. A summary of the assumptions and considerations relied upon in the development of the forecast of projected operating results are included in the Financial Feasibility Report.

4. The City is able to meet the test set forth in the Bond Ordinance for issuing the Series 2024 Bonds as Additional Parity Obligations.

SELECTED INVESTMENT CONSIDERATIONS

This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2024 Bonds and prospective purchasers are advised to read this Official Statement in its entirety for a more complete description of investment considerations relating to the Series 2024 Bonds.

The City's ability to derive Pledged Revenues from its operation of the System in amounts sufficient to pay debt service on the Series 2024 Bonds and the Additional Parity Obligations Outstanding from time to time and any Subordinated Debt incurred from time to time depends upon many factors, many of which are beyond the control of the City. The future financial condition of the System could be affected adversely by, among other things, legislation, environmental and regulatory actions, changes in demand for services, unexpected maintenance issues, climate change, natural disasters, economic conditions, demographic changes, and litigation. In addition to those items listed in the preceding sentence, some of the possible changes in the future may include, but not be limited to, the following. See also "OTHER INFORMATION—Ratings."

Regulation; Large User Agreement

The facilities comprising the System are subject to regulation and control by numerous federal and State governmental agencies, as more fully described in the Consulting Engineer's Report and herein under the captions "THE SYSTEM—General Regulatory Matters," "THE WATER SYSTEM—'Water Use Permit,' 'WUP Renewal, New Water Demands and WUP Modification,' and 'Water Regulatory Compliance and Permits'," and "THE WASTEWATER SYSTEM—Wastewater Regulatory Compliance." The City is unable to predict with certainty the future regulations and policies such agencies may adopt, including with respect to environmental policies. Future changes in regulations and policies could result in the City having to discontinue

operations at certain facilities, reduce capacity of the System, incur additional operating expenditures or make significant capital expenditures, and any of these may result in a reduction in the revenue received by the System and/or increase expenses incurred.

There is no assurance that permits for operation of major components of the System will be renewed or can be renewed with the expenditure of Gross Revenues of the System available for that purpose or the issuance of Additional Parity Obligations or Subordinated Debt. Further, there is no assurance that the requirements for renewal of the permits will remain the same prior to the time that renewal is required and any change in requirements could require additional significant capital expenditures. See “THE SYSTEM—General Regulatory Matters,” “THE WATER SYSTEM—Water Use Permit,’ ‘WUP Renewal, New Water Demands and WUP Modification,’ and ‘Water Regulatory Compliance and Permits’,” and “THE WASTEWATER SYSTEM—Wastewater Regulatory Compliance.”

The SFWMD regulates water withdrawals for potable water providers such as the City. The City is further subject to federal and State water treatment and wastewater disposal requirements which, among other things, limit raw water withdrawals, control contaminants in finished water, limit discharges of pollutants into surface and ground waters, regulate the quality of effluent discharged from sewage treatment facilities, and limit the nature of waste materials discharged into the collection facilities. The City is also subject to federal, state and local waste disposal requirements, which control the means of disposal of solids generated by sewage treatment plants. There are no assurances that these agencies will not increase their present environmental or other regulatory standards. Environmental requirements in general are becoming more stringent, and further or new requirements may substantially increase the cost of water or wastewater service by requiring changes in the design or operation of existing or new facilities. Future changes in policy could result in discontinued operation, reduced capacity of the System, additional operations or capital expenditures, or a reduction in the revenue received by the City. Further, while the City undertakes to operate the System in a professional manner and in compliance with all regulatory requirements, there is no assurance that the System facilities now or in the future will always be maintained in compliance with current or future regulatory requirements. Failure to comply with those requirements could result in enforcement action against those facilities not in compliance which, under Federal and Florida law, can include the imposition of civil and criminal penalties.

As noted earlier, on November 30, 2023, the USEPA proposed improvements to the lead and copper rule revisions (“LCRR”) implemented in 2021. The lead and copper rule improvements (“LCRI”) relaxed many of the deadlines previously proposed in the LCRR and clarified ambiguities in the existing rule. Comments to the updated LCRI were due February 5, 2024, and rule finalization is anticipated by October 2024. The proposed rule may impact utility budgets, staffing, or the need for consultant assistance. The City has confirmed, by the date of construction or visual confirmation (via excavation), that there are no lead lines in its system. The initial inventory has been completed and will be submitted in October in a timely manner under the current LCRR rule. Although the City has a project in its 5-year System CIP (Galvanized Service Line Improvements) to enhance key aspects of the USEPA’s Lead and Copper Rule with a focus on transparency to inform the public, the City may incur indeterminate costs in complying with the rule. The City cannot guarantee that such rule will be finalized in its current form. However,

the City does not expect the implementation of the new LCRI to materially impact the ability to pay debt service on the Series 2024 Bonds.

House Bill 1557 (the “House Bill”) was approved by the Florida Governor on May 10, 2024. The House Bill provides that, by July 1, 2034, within a Basin Management Action Plan (“BMAP”) or Reasonable Assurance Plan (“RAP”) area, any wastewater treatment facility providing reclaimed water use for irrigation or otherwise land applied must meet standards for advanced wastewater treatment, if FDEP has determined that the use of reclaimed water is causing or contributing to the nutrient impairment being addressed in the BMAP or RAP. The House Bill could impact the City’s Wastewater System. The City may incur indeterminate costs in complying with the House Bill. The City does not expect such standards related to BMAP and RAP to materially impact the ability to pay debt service on the Series 2024 Bonds.

As described in the Consulting Engineer’s Report and summarized under “THE WATER SYSTEM ---‘Water Use Permit’ and ‘WUP Renewal, New Water Demands and WUP Modification’,” the City will be required to obtain modifications to the WUP from SFWMD in order to implement its longer-term CIP projects relating to emerging contaminants by 2030 and to renew its base condition allocations under the WUP by 2040.

Further, as described in the Consulting Engineer’s Report and summarized under “THE WASTEWATER SYSTEM—Wastewater Flow Projections,” the City is expected to need additional wastewater treatment capacity from the County pursuant to the Large User Agreement by 2040. The City does not control the County, and it is possible that the City could be required to seek an alternative method to obtain wastewater treatment service while the Series 2024 Bonds are Outstanding.

Finally, the various agreements and arrangements between the City and other governmental entities relating to the System, in addition to the Large User Agreement, as described in the Consulting Engineer’s Report and the Financial Feasibility Report, and summarized herein, including under “THE SYSTEM---Agreements and Arrangements with Other Local Governments Relating to the System” (including the Wholesale Agreement, the LHP Franchise and the agreements with Lighthouse Point and Broward County relating to reuse service), are subject to termination by their respective terms and there is no assurance that any of these agreements will remain in effect through the final maturity of the Series 2024 Bonds.

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities such as the City. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the System, including the Series 2024 Project, or the local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and substantial recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially

impair the financial condition of the System or the City. See “THE SYSTEM—Climate Impacts” and “APPENDIX E—Consulting Engineer’s Report—Climate Impacts.”

The City has an established emergency management process in place to ensure that it is poised to address disasters which may potentially impact the system. The City’s Emergency Management Administrator has been with the City for 17.5 years and works closely with staff throughout the year to ensure assigned tasks are executed pre-disaster, during and post disaster. Following a storm declared by the President of the United States as a major disaster, and assuming such declaration includes public assistance and impacts the City, it is the City’s current policy to assess the damage to its properties and file a notice claim with the State Division of Emergency Management (“FDEM”). This notice of claim is used by the Federal Emergency Management Agency (“FEMA”) and FDEM to encumber funds and begin the process of analyzing their liability. The City would also file a claim with its insurance carrier. Following examination and approval of the claim, the City’s insurance carrier is expected to pay to the City the insured value of the claim. The City then must complete the repairs. Following completion of the repairs, the City must file its formal claim for the uninsured portion with FDEM. FEMA and FDEM do not always concur in the damage or repair estimates used by the insurance carrier in processing claims. Accordingly, FEMA and FDEM may take the position in a particular claim that their responsibility should be based on an amount that differs from the amount used by the insurance carrier as a basis for paying a claim. This, along with other complexities, typically causes delays and uncertainty about any reimbursements due but not yet paid by FEMA and FDEM. There is no assurance that any insurer will pay a claim by the City on a timely basis or that the foregoing description of FEMA and/or FDEM policies will not change or that such agencies will remain in existence through the final maturity of the Series 2024 Bonds.

Cybersecurity Matters

The City, like many other governmental entities, relies on a technological environment to conduct its operations. The City, its agents and third parties with which it does business, or otherwise relies upon, are subject to cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties’ digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

During the 2022 Florida Legislative session, CS/HB 7055 was passed which created Section 282.3185, Florida Statutes entitled the “Local Government Cybersecurity Act.” Among other matters, Section 282.3185, Florida Statutes requires State agencies and local governments, such as the City, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center (“CSOC”) and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report to the sheriff. It also requires State agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. Section 282.3185, Florida Statutes requires the CSOC to notify the Florida Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard

the local government's data, information technology ("IT"), and IT resources. The effective date of CS/HB 7055 was July 1, 2022.

The City has made cybersecurity a priority by investing funds into personnel and technology in order to comply with current cybersecurity mandates and develop capabilities to react to emerging cybersecurity threats. The City uses a multi-layered approach to cybersecurity, also known as "defense in depth," which is a security strategy that uses multiple layers of protection to safeguard an organization's data and IT environment from cyber attacks. As part of the foregoing, the City Commission has approved an incident response plan, which it updates annually, to prepare the City to quickly and effectively contain a cyber threat while continuing its normal business operations. The City has also adopted cybersecurity standards to safeguard its data, IT and resources and ensure availability, confidentiality, and integrity. The cybersecurity standard is the National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST), as mandated by Section 282.3185, Florida Statutes.

There can be no assurance that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. No assurances can be given that any such attacks will not materially adversely impact the operations or finances of the City and/or the System, which could adversely impact the timely payment of debt service on the Series 2024 Bonds and any Outstanding Additional Parity Obligations and Subordinated Debt.

Infectious Disease Outbreaks

The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 had a disruptive financial impact on local, state and national economies around the country, including, without limitation, by fueling inflation and creating supply chain issues. The United States, the State, the County and the City have all previously imposed certain health and public safety restrictions in response to COVID-19, which have now been rescinded. However, another major outbreak of COVID-19 or an outbreak of another highly contagious or epidemic or pandemic disease may alter the future behavior of businesses and people in a manner which could have negative impacts on the global, United States, State and local economies. These impacts may, in turn, adversely affect the residents and businesses in the City and could have potential adverse impacts on the financial condition, performance and credit ratings of the City and/or the System.

Additional Costs; Inflation; Supply Chain Issues

The Series 2024 Bonds will finance only a portion of the costs of the Series 2024 Project. In some instances, the construction cost estimates for Series 2024 Project components are based on preliminary design estimates for which for which construction bids have not yet been received. Unforeseen events could result in increases in construction costs and delays in completion of construction. The System may also need additional repairs and improvements beyond those projected by the City in the CIP.

Senate Bill 674 (the "Senate Bill") was signed into law by the Florida Governor and became effective on July 1, 2024. The Senate Bill requires governmental entities to include a

requirement in certain contracts that certain iron or steel products be produced in the United States. Under the Senate Bill, capital projects that use state funds must use American made steel and iron products. The City may incur indeterminate costs in complying with the Senate Bill. The City does not expect such requirement to materially impact its ability to pay debt service on the Series 2024 Bonds.

The United States continues to experience high levels of inflation, which has an impact on the cost of goods, including construction material and goods needed by the City. As a result, the actual costs of the capital projects included in the CIP for the System and other City capital projects may be significantly greater than current estimates. Additionally, the City has encountered adverse effects resulting from current supply chain issues, specifically related to delays in the delivery of goods and construction materials, which, in turn has a potential to delay or otherwise impact the completion of projects. It is not possible to predict with certainty the duration of the current high inflation and supply chain issues or their impact on the City or the operations of the System.

Potential Rate Increases

Increased costs not contemplated by the CIP, including those related to the Series 2024 Project, such as those resulting from cost overruns, delays in construction or additional repairs not currently contemplated would have to be paid from amounts on deposit in the Renewal and Replacement Account, from Net Revenues from or Additional Parity Obligations and/or Subordinated Debt. The City anticipates using proceeds from Additional Parity Obligations and surplus Gross Revenues available under the Bond Ordinance to fund portions of the System CIP in addition to the Series 2024 Project. No assurance can be made that such additional sources of funds will be readily available and the City may be required to raise rates, fees and charges for use of the System in connection with funding the CIP, including portions of the Series 2024 Project, if any, not funded by the Series 2024 Bonds. The City may also be required to increase rates, fees and charges for use of the System from time to time to comply with its target fund balance policy applicable to the Utility Fund.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the Issuer with certain tax covenants, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Bond Counsel are subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for interest on the Series 2024 Bonds to be excludable from gross

income for federal income tax purposes. The Issuer has covenanted to comply with such requirements.

The scope of the foregoing opinions of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024 Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the Issuer with respect to matters affecting the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the Issuer with the applicable requirements of the Code as to such tax matters and certain procedures, agreements and covenants that must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excludable from gross income for federal income tax purposes.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the Issuer to comply with such requirements may cause the interest on the Series 2024 Bonds to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Series 2024 Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (the "IRS") or the courts. See also "OTHER INFORMATION—Legal Matters" herein.

Prospective purchasers of the Series 2024 Bonds should also be aware that ownership of the Series 2024 Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Series 2024 Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "APPENDIX B—Form of Bond Counsel's Opinion" for the complete text thereof.

Certain Collateral Federal Income Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2024 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Series 2024 Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with “excess net passive income” and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain circumstances, will be subject to “backup withholding” with respect to payments on the Series 2024 Bonds and proceeds from the sale of the Series 2024 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2024 Bonds. This withholding generally applies if the owner of the Series 2024 Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding.

Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

Original Issue Premium

The Series 2024 Bonds maturing on September 1 in the years 20[___] through and including 20[___] (collectively, the “Premium Bond[s]”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be

required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated. Purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of, Premium Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Original Issue Discount

The Series 2024 Bonds maturing on September 1 in the years 20[___] through and including 20[___] (collectively, the "Discount Bond[s]") were sold at prices less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2024 Bonds. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond.

Purchasers of Discount Bonds should consult their own tax advisors regarding the treatment for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds, including various special rules relating thereto, and the state and

local tax consequences, in connection with the acquisition, ownership, accrual of discount on, sale, exchange or other disposition of, Discount Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Miscellaneous

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or that otherwise become effective, will not cause the interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Bondholders from realizing the full current benefit of the tax status of the interest on the Series 2024 Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced that, if enacted, could change the federal tax consequences of owning the Series 2024 Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2024 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The Bond Ordinance does not require the Issuer to redeem the Series 2024 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2024 Bonds becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 2024 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Series 2024 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

General

The City has two single employer defined benefit plans, namely, the General Employees Retirement System (the “GERS”) and the Police and Firefighters Retirement System (the “PFRS”). The following summarizes only certain information regarding the GERS, PFRS and the City’s

other post-employment benefits. Reference is made to “APPENDIX A—Annual Comprehensive Financial Report for Year Ended September 30, 2023,” including Note I (P) and (Q), Note II (J) and Note III (A) through (D), for more complete information regarding the GERS, PFRS and the City’s other post-employment benefits.

The City also provides an optional defined contribution pension plan created in accordance with Section 401(a) of the Code for certain employees and an optional deferred compensation plan created in accordance with Section 457 of the Code. The 401(a) and 457 plan assets have been placed in trust accounts with third-party plan administrators for the exclusive benefit, and under the control, of participants and their beneficiaries and not considered assets of the City. Accordingly, the 401(a) and 457 plan assets and liabilities are not included in the City’s financial statements. The City has no required contributions to these plans.

At September 30, 2023, the City recorded a net pension liability related to the GERS Plan (hereinafter defined) and a net pension liability related to the PFRS Plan (hereinafter defined) in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the enterprise funds will be responsible for liquidating that component of the City’s net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries.

GERS

The GERS is a single employee defined benefit pension plan (the “GERS Plan”) established by ordinance of the City on December 8, 1972. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the GERS Plan’s actuary. In August 1999, the City also contracted with the Broward County Sheriff’s Office (“BSO”) whereby the BSO would provide policing services in the City in return for a specified annual payment by the City (the “BSO Agreement”). As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the GERS Plan or switch to the BSO’s retirement plan.

The GERS is administered by a seven-member Board of Trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the GERS. Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City’s annual comprehensive financial report, as part of the City’s financial reporting entity.

All GERS Plan members are required to contribute 10% of their earnings to the Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year. The City is required to contribute such amounts as are necessary to maintain the actuarial soundness of the GERS Plan and to provide the GERS Plan with assets sufficient to meet the benefits to be paid to the participants. Broward County is to contribute such amounts as determined by the actuary to cover BSO's employees. For the fiscal year ended September 30, 2023, the GERS Plan's actuary determined that the required City lump-sum total contribution was \$17,331,437.

PFRS

The PFRS is a single employer defined benefit pension plan (the "PFRS Plan") established by ordinance of the City on August 15, 1972 (effective October 1972). All full-time employees of the City's police and fire departments, who are classified as sworn police officers and firefighters are covered by the PFRS Plan. As a result of the BSO Agreement described above, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the PFRS Plan or switch to the BSO's retirement plan and the PFRS Plan was closed to new police officers.

The PFRS is administered by a nine-member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the firefighter members, and three members elected by/from the police members. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements.

Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary. Pursuant to Chapters 175 and 185, Florida Statutes, a premium tax on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the City for the PFRS. The City and BSO are required to contribute the remaining amounts necessary to fund the benefits through periodic contributions at actuarially determined rates. Administrative costs are funded through investment earnings. Since the City initiated its relationship with BSO to provide policing services in 1999, BSO has made the annual required employer contribution to the PFRS for the police officers assigned by BSO to the City. However, the City is ultimately obligated to ensure that the PFRS Plan is funded each year, despite the BSO Agreement. In fiscal year 2024, the City started paying the police pension contributions directly to the PFRS upon the retirement of the last BSO employee. The amount contributed was \$4,890,981 directly to the PFRS. For the fiscal year ended September 30, 2023, the PFRS Plan's actuary determined that the City's required total fire and police contribution was \$16,589,148.

Other Post Employment Benefits

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage (medical & dental) is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City does not pay any out of pocket costs as it relates to its retirees post retirement costs for medical/dental coverage. The City currently provides these benefits in accordance with the vesting and retirement requirements for its GERS and PFRS plans.

The City is financing other post employee benefits (“OPEB”) on a pay as you go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its proprietary and government wide financial statements related to the implicit subsidy.

The City’s total OPEB liability of \$12,418,748 was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2021.

OTHER INFORMATION

Ratings

The Series 2024 Bonds have received underlying ratings of “[____]” from Moody’s Investors Service, Inc. and “[____]” ([____] outlook) from S&P Global Ratings, a division of S&P Global Inc.]

If there are any Insured Series 2024 Bonds, such Insured Series 2024 Bonds will have additional rating(s) as a result of the Insurance Policy. See “SECURITY FOR THE SERIES 2024 BONDS — Insurance Policy Option.”

An explanation of the significance of such ratings may be obtained from the applicable rating agency. The ratings reflect only the view of the applicable rating agency and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the applicable rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings on the Series 2024 Bonds may have an adverse effect on the market price and/or liquidity of the Series 2024 Bonds.

Except as expressly required by the Continuing Disclosure Certificate described below under “Continuing Disclosure of Information,” the City and the Underwriter have not undertaken any responsibility to bring to the attention of the registered owners of the Series 2024 Bonds any proposed change in or withdrawals of such ratings or to oppose any such revision or withdrawal.

Competitive Sale

The Series 2024 Bonds are being purchased pursuant to a competitive sale by [_____] as successful bidder [and the representative of the syndicate listed in the successful bid] for the Series 2024 Bonds pursuant to the Official Notice of Sale relating to the Series 2024 Bonds ([collectively,] the “Underwriter”).

The Underwriter has submitted a winning bid to purchase the Series 2024 Bonds at an aggregate purchase price of \$[_____] (representing the original principal amount of \$[_____] [plus][less][net] original issue [premium][discount] of \$[_____] , and less a Underwriter’s discount of \$_____).

The Underwriter’s obligation to purchase the Series 2024 Bonds are subject to certain conditions precedent described in the Official Notice of Sale and the Underwriter will be obligated to purchase all of the Series 2024 Bonds, if any are purchased. The yields set forth on the inside cover of this Official Statement, which reflect the initial public offering prices of the Series 2024 Bonds, were provided by the Underwriter and may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 Bonds into investments trusts) and others at prices to produce yields lower or higher than the yields set forth on the inside cover of this Official Statement.

In the ordinary course of their various business activities, the entities comprising the Underwriter and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Municipal Advisor

PFM Financial Advisors LLC, Coral Gables, Florida, is serving as municipal advisor to the City with respect to the issuance and sale of the Series 2024 Bonds. The municipal advisor has advised the City in matters relating to the planning, structuring and issuance of the Series 2024 Bonds. The municipal advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Litigation

The City is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, it is the opinion of the City Attorney and City staff that any ultimate liability in excess of applicable insurance coverage resulting therefrom will not materially adversely affect the financial position or results of operations of the City. At the closing of the Series 2024 Bonds, the City Attorney will render a legal opinion to the effect that, among

other matters, there is no litigation or proceeding pending, or to its knowledge, threatened, challenging the creation, organization or existence of the City or the validity of the Series 2024 Bonds or the Ordinance, or seeking to enjoin or restrain any of the transactions referred to therein or contemplated thereby.

Registration and Qualification of Series 2024 Bonds For Sale

The sale of the Series 2024 Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), nor have the Series 2024 Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2024 Bonds under the securities laws of any jurisdiction in which the Series 2024 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2024 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the Series 2024 Bonds by the City and with regard to the tax-exempt status of the Series 2024 Bonds are subject to the approving opinion of Holland & Knight LLP, Fort Lauderdale, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2024 Bonds. Holland & Knight LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel in connection with the Series 2024 Bonds. Certain legal matters in connection with the issuance of the Series 2024 Bonds will be passed upon for the City by Mark E. Berman, Esq., City Attorney.

The proposed text of the approving legal opinion of Bond Counsel to be delivered concurrently with the delivery of the Series 2024 Bonds is set forth as APPENDIX B to this Official Statement. The actual legal opinion to be delivered may vary from the text of APPENDIX B, if necessary, to reflect facts and law on the date of delivery of the Series 2024 Bonds.

The legal opinions to be delivered by Bond Counsel, Disclosure Counsel and the City Attorney concurrently with the delivery of the Series 2024 Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made as of the date thereof. The attorneys rendering legal opinions concurrently with the delivery of the Series 2024 Bonds assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

In addition, such legal opinions express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed in such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The fees of Bond Counsel and Disclosure Counsel, and payment of the Underwriter's discount, are contingent upon the issuance of the Series 2024 Bonds.

The firm serving as Bond Counsel and Disclosure Counsel may, from time to time, serve as counsel to the Underwriter in transactions unrelated to the Series 2024 Bonds. The Underwriter has not identified any additional potential or actual material conflicts arising from such representation that require disclosure.

Financial Statements and Annual Audit

The City of Pompano Beach's audited Annual Comprehensive Financial Report for Year Ended September 30, 2023 is included herein as APPENDIX A and is an integral part of this Official Statement. Such audited Annual Comprehensive Financial Report, including the auditor's report, has been included in this Official Statement as a public document and consent from the auditor was not requested. The auditor has not performed any services relating to the inclusion of such audited Annual Comprehensive Financial Report in this Official Statement.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. The summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Continuing Disclosure of Information

The City will execute a Continuing Disclosure Certificate in the form attached as APPENDIX D for the benefit of the Holders of the Series 2024 Bonds and agrees to provide certain financial information and operating data annually commencing with the Fiscal Year ending September 30, 2024 and to provide notices of the occurrence of certain enumerated events, as described in the Continuing Disclosure Certificate. Such covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission (the "Rule"). The specific nature of the matters to be provided is set forth in APPENDIX D. A failure by the City to comply with the requirements of the Continuing Disclosure Certificate will not constitute a default under the Ordinance. In the event of a failure by the City to comply with any provision of the Continuing Disclosure Certificate, the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2024 Bonds or any Beneficial Owner of a Series 2024 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations. Digital Assurance Certification, L.L.C. is expected to serve as the initial dissemination agent in connection with the Continuing Disclosure Certificate. See "APPENDIX D – Form of Continuing Disclosure Certificate."

Compliance with Prior Undertakings

The City has previously undertaken continuing disclosure obligations relating to certain of its outstanding bonds and certificates of participation, certain of which obligations are no longer in effect (collectively, the "Prior Undertakings"). As of the date hereof, the City has not materially

failed to comply with such Prior Undertakings during the past five years; however, to the extent certain of the Prior Undertakings require the City to file a material event notice upon incurring certain “financial obligations” if “material” (as such terms are defined in the applicable Prior Undertakings), the City filed one such notice 362 days late and a second notice 144 days late, in each case relating to a related subject to annual appropriation equipment lease financing.

Disclosure Required by Florida Blue Sky Regulations

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal and interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer such as industrial development bonds or private activity bonds issued on behalf of private businesses). The City is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. The City’s actual results could differ materially from those discussed in such forward-looking statements. All forward-looking statements included herein are based on information available on the date hereof, and the City assumes no obligation to update any such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Actual results could differ materially from those discussed in such forward-looking statements and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

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Authorization and Approval

The Series Ordinance authorizing the issuance of the Series 2024 Bonds confirms the use of this Official Statement in connection with the public offering for sale of the Series 2024 Bonds and authorizes the use of this Official Statement in the offering of the Series 2024 Bonds by the Underwriter.

CITY OF POMPANO BEACH, FLORIDA

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPENDIX A
ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED
SEPTEMBER 30, 2023

APPENDIX B
FORM OF BOND COUNSEL'S OPINION

APPENDIX C
COPY OF THE ORDINANCE

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E
CONSULTING ENGINEER'S REPORT

APPENDIX F
FINANCIAL FEASIBILITY REPORT

EXHIBIT C

FORMS OF OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE

Draft #5

\$90,000,000*
CITY OF POMPANO BEACH, FLORIDA
Water and Wastewater Revenue Bonds, Series 2024

OFFICIAL NOTICE OF SALE

City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) are being offered for sale in accordance with this Official Notice of Sale. Bids for the purchase of the Series 2024 Bonds will be received on behalf of the City of Pompano Beach, Florida electronically via IHS Markit’s PARITY/BiDCOMP Competitive Bidding System (“Parity®”) on [November 12], 2024 between 9:30 a.m. and 10:00 a.m. Eastern Time.

[October 29], 2024

*Preliminary, subject to change

OFFICIAL NOTICE OF SALE

\$90,000,000*

CITY OF POMPANO BEACH, FLORIDA Water and Wastewater Revenue Bonds, Series 2024

Notice is given that all-or-none bids will be received by the City of Pompano Beach, Florida (the “Issuer”), for the purchase of not exceeding \$90,000,000* City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). All bids must be submitted electronically via Parity® (hereinafter defined) between 9:30 A.M. and 10:00 a.m. (but not later than 10:00 a.m.) Eastern Time on [November 12], 2024. To bid on the Series 2024 Bonds, a bidder must be a contracted customer of IHS Markit’s PARITY/BIDCOMP Competitive Bidding System (Parity®). Prospective bidders that do not have a contract with Parity® should call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. For further information about Parity®, potential bidders may contact IHS Markit at telephone number (212) 849-5021. The use of Parity® shall be at the bidder’s risk and expense and the Issuer shall have no liability with respect thereto. Only bids submitted through Parity® will be considered. To the extent any instructions or directions set forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

THE BIDDING PROCESS, CURRENTLY SCHEDULED FOR [NOVEMBER 12], 2024 BETWEEN 9:30 A.M. AND 10:00 A.M. EASTERN TIME, MAY BE CANCELLED OR POSTPONED OR THE PRINCIPAL AMOUNT AND AMORTIZATION OF THE SERIES 2024 BONDS MAY BE CHANGED OR ANY OTHER PROVISION OF THIS OFFICIAL NOTICE OF SALE MAY BE AMENDED BY THE ISSUER UPON NO LESS THAN EIGHTEEN (18) HOURS PRIOR NOTICE COMMUNICATED THROUGH THOMSON MUNICIPAL MARKET MONITOR. IF SUCH A POSTPONEMENT, CHANGE OR AMENDMENT OCCURS, BIDS WILL BE RECEIVED IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE, AS MODIFIED BY SUCH NOTICE.

DETAILS OF THE SERIES 2024 BONDS

The Series 2024 Bonds will be issued initially as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2024 Bonds. Individual purchases of beneficial interests in the Series 2024 Bonds may be made only in book-entry-only form in denominations of \$5,000 or integral multiples of \$5,000. Purchasers of beneficial interests in the Series 2024 Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the Series 2024 Bonds, payments of principal and interest with respect to the Series 2024 Bonds will be made to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners. The Issuer will not be responsible for payments to Beneficial Owners.

The Series 2024 Bonds will be dated the date of their original issuance and delivery and bear interest from such date, payable commencing March 1, 2025, and on each September 1 and March 1 thereafter until maturity or prior redemption, at the rate or rates specified in the proposal

of the successful bidder. The schedule of maturities and principal amounts to be paid are as follows:

**INITIAL MATURITY SCHEDULE
SERIES 2024 BONDS**

<u>Maturity*</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity*</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount*</u>
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(NOTE: The Issuer reserves the right to modify the initial maturity schedule shown above (the “Initial Maturity Schedule”). See “BOND DETAILS — Adjustment of Principal Amounts” and “TERMS OF BID AND BASIS OF AWARD” below.)

Term Bond Option — Bidders may designate the principal amounts of the Series 2024 Bonds set forth in the Initial Maturity Schedule for any two (2) or more consecutive years after September 1, 2034 as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Bidders may designate no more than four (4) term maturities in such manner, and only one (1) term maturity may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Series 2024 Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on September 1, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Adjustment of Principal Amounts — The Initial Maturity Schedule for the Series 2024 Bonds represents an estimate of the principal amounts and maturities of Series 2024 Bonds which will be sold. The Issuer reserves the right to change the Initial Maturity Schedule by announcing any such change not later than eighteen (18) hours prior to the date and time established for the receipt of bids, through Thomson Municipal Market Monitor. If such a change is announced, then the changes, when incorporated into the Initial Maturity Schedule, shall become part of a revised maturity schedule (the “Revised Maturity Schedule”). The Revised Maturity Schedule shall be

deemed the principal amounts and maturities for the bid submitted via Parity®. If no such change is announced, then the Initial Maturity Schedule will be deemed the principal amounts and maturities for the bid submitted via Parity®.

In addition, if after the final computation of the bids the Issuer determines, in its sole discretion and without the consent of the successful bidder, that the principal amount of any of the maturities in the Initial Maturity Schedule or the Revised Maturity Schedule needs to be adjusted, the Issuer reserves the right either to increase or decrease: (i) the aggregate principal amount by no more than fifteen percent (15%) of the aggregate principal amount stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the receipt of bids for the Series 2024 Bonds, and (ii) the principal amount by no more than twenty percent (20%) within a given maturity of the Series 2024 Bonds (to be rounded to the nearest \$5,000).

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the Series 2024 Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified in the proposal of the successful bidder. With the consent of the successful bidder, the aggregate principal amount of the Series 2024 Bonds may be increased or decreased by an amount exceeding fifteen percent (15%) of the aggregate principal amount stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the receipt of bids for the Series 2024 Bonds and by an amount exceeding twenty percent (20%) within any maturity.

Should any adjustment to the principal amount of the Series 2024 Bonds be made pursuant to the immediately preceding paragraph, the dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2024 Bonds to the public and the price to be paid to the Issuer, less any bond insurance premium to be paid by the successful bidder, by (ii) the principal amount of the Series 2024 Bonds) does not increase or decrease from what it would have been if no such adjustment was made to the principal amounts of the Series 2024 Bonds. To facilitate any such adjustment in the principal amounts, the apparent successful bidder is required to indicate by facsimile transmission to the Issuer's Finance Department, at fax no. (954)786-4687 and PFM Financial Advisors LLC, as the Issuer's financial advisor (the "Financial Advisor"), at fax no. (786) 671-7489 or at the email addresses for the Issuer and the Financial Advisor provided in "ADDITIONAL INFORMATION" of this Official Notice of Sale, within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the Series 2024 Bonds, the amount received from the sale of the Series 2024 Bonds to the public that will be retained by such bidder as its compensation and, in the case of a bid submitted with bond insurance, the cost of the insurance premium. A bidder who intends to cause the Series 2024 Bonds to be insured also shall state in that facsimile or email transmission whether the amount of the insurance premium will change as a result of changes in the principal amount of the Series 2024 Bonds or the amount of the principal maturing in any year, and the method used to calculate any such change in the insurance premium.

Optional Redemption Provisions —The Series 2024 Bonds maturing on or prior to September 1, 2034 are not subject to redemption at the option of the Issuer prior to their respective dates of maturity. The Series 2024 Bonds maturing on or after September 1, 2035 are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after

September 1, 2034, in whole or in part at any time, and if in part, in accordance with the procedures described in this section below under “Partial Redemption,” at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2024 Bonds or portion of the Series 2024 Bonds to be redeemed, together with accrued interest from the most recent interest payment date as of which interest has been paid to the date fixed for redemption.

Partial Redemption —If less than all of the Series 2024 Bonds shall be called for redemption, the particular maturity or maturities of Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall be selected by the Issuer and the particular Series 2024 Bonds of like maturity to be redeemed shall be selected by the Registrar by such method as the Registrar in its sole discretion deems fair and appropriate. So long as the Series 2024 Bonds are in book-entry-only form held by DTC, the Registrar shall select such Series 2024 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided that so long as such Series 2024 Bonds are held in book-entry-only form, the selection for redemption of such Series 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 2024 Bonds shall be selected for redemption within each such maturity in such manner as the Registrar shall determine and in accordance with DTC procedures. In any event, the portion of the Series 2024 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the Issuer’s intent that redemption allocations made by DTC, its Participants or such other intermediaries that may exist between the Issuer and the Beneficial Owners be made pro rata. However, the Issuer can provide no assurance that DTC, its Participants or any other intermediaries will allocate redemptions of Series 2024 Bonds on a pro rata basis.

In the event that the obligations of DTC under the Letter of Representations are terminated because the Issuer shall determine that it is in the best interests of the beneficial owners of the Series 2024 Bonds that the Series 2024 Bonds no longer be held in book-entry only form and that they obtain certificated Series 2024 Bonds, the Issuer shall notify DTC of the availability through DTC of Series 2024 Bond certificates and the Issuer shall request from DTC that the Series 2024 Bonds shall no longer be restricted to being registered on the registration books in the name of Cede & Co., as nominee of DTC. If DTC grants a withdrawal request, the Issuer may determine that the Series 2024 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository’s agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2024 Bonds may be registered in whatever name or names Registered Owners of Series 2024 Bonds transferring or changing Series 2024 Bonds designate, in accordance with the provisions of the Ordinance.

PAYING AGENT AND REGISTRAR

UMB Bank, N.A. will serve as the Paying Agent and Registrar for the Series 2024 Bonds.

AUTHORIZATION

The Issuer will issue the Series 2024 Bonds under the authority of, and in full compliance with the Constitution of the State of Florida, Chapter 166, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law and pursuant to the terms and conditions of Ordinance No. 2021-62 (the “Bond Ordinance”) enacted by the City Commission of the Issuer (the “City Commission”) on June 22, 2021, as amended and supplemented from time to time (the “Bond Ordinance”), and particularly as supplemented as supplemented by Ordinance No. 2025-01 (the “Series Ordinance”) enacted by the City Commission on October 22, 2024 (the Series Ordinance and the Bond Ordinance being referred to collectively as the “Ordinance”). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Ordinance or in the Preliminary Official Statement dated [November 4], 2024 relating to the Series 2024 Bonds (the “Preliminary Official Statement”).

PURPOSE

The proceeds of the Series 2024 Bonds will be used to: (i) finance (including through reimbursement) a Project consisting of the acquisition, construction and equipping of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A to the Series Ordinance, subject to modification as permitted by the Series Ordinance; and (ii) pay costs of issuance of the Series 2024 Bonds.

SECURITY FOR THE SERIES 2024 BONDS

The Series 2024 Bonds are special limited obligations of the City, payable, both as to principal and interest, solely from, and secured by a first lien on and a pledge of, the Pledged Revenues, which consist of the Net Revenues derived from the operation of the System and monies on deposit in certain funds, accounts and subaccounts held under the Ordinance and pledged to the Series 2024 Bonds, to the extent and manner provided in the Ordinance.

The Series 2024 Bonds are being issued as Additional Parity Obligations on a parity with the Issuer’s Outstanding Series 2021 Bond and any Additional Parity Obligations issued and Outstanding under the Bond Ordinance subsequent to the issuance of the Series 2024 Bonds. The Issuer has incurred, and may in the future incur, Subordinated Debt. For further information, see “SECURITY FOR THE SERIES 2024 BONDS” in the Preliminary Official Statement.

The Series 2024 Bonds will not be secured by the Reserve Account or any subaccount therein and the Reserve Account Requirement for the Series 2024 Bonds is \$0.00.

BOND INSURANCE OPTION

Bidders may, at their option, obtain a policy of municipal bond insurance guaranteeing payment of the principal of and interest on all or any designated maturities of the Series 2024 Bonds. The responsibility for obtaining such policy and payment of the premium for such policy shall rest with the successful bidder and the Issuer will not be obligated to enter into any covenants or agreements with the related insurer. Each bidder should indicate whether municipal bond insurance has been purchased and provide the name of the insurer.

The Issuer will provide reasonably requested and otherwise publicly available information to municipal bond insurance companies, if such companies wish to consider the qualification of the Series 2024 Bonds for bond insurance. Announcements regarding the availability of such municipal bond insurance may be made by the applicable insurer on the Parity® website prior to the sale date or bidders may contact individual bond insurers to ascertain the availability and cost of such insurance. However, the Issuer does not guarantee the availability of such insurance or the delivery or receipt of such information. Any failure in the availability of such insurance or the delivery or receipt of such information will not be regarded as a basis for contesting the award of the Series 2024 Bonds to the successful bidder. Each bidder should indicate whether a municipal bond insurance policy has been purchased. If the Series 2024 Bonds are delivered on an insured basis, reference to such policy shall appear on the Series 2024 Bonds and in the final Official Statement for the Series 2024 Bonds (the “Official Statement”).

FAILURE OF AN INSURER TO ISSUE ITS MUNICIPAL BOND INSURANCE POLICY SHALL NOT CONSTITUTE CAUSE FOR A FAILURE OR REFUSAL BY THE SUCCESSFUL BIDDER TO ACCEPT DELIVERY OF OR PAY FOR THE SERIES 2024 BONDS. IN THE EVENT OF SUCH FAILURE, THE ISSUER SHALL SUPPLEMENT OR AMEND THE OFFICIAL STATEMENT AND THE RESPONSIBILITY FOR PAYING THE COST OF PRINTING AND MAILING SUCH SUPPLEMENT OR AMENDMENT SHALL BE BORNE SOLELY BY THE SUCCESSFUL BIDDER.

If any maturities of the Series 2024 Bonds are delivered on an insured basis, at the time the Issuer delivers the Series 2024 Bonds, the successful bidder shall furnish to the Issuer a certificate acceptable to Bond Counsel (hereinafter defined) verifying information as to the premium paid for the municipal bond insurance policy and the present value of the interest reasonably expected to be saved as a result of the issuance of such policy. Such certificate shall be substantially in the form of Exhibit A to this Official Notice of Sale.

A municipal bond insurance policy insuring the Series 2024 Bonds or any maturities thereof shall be a “Bond Insurance Policy” within the meaning of the Bond Ordinance and the related insurer shall be an “Insurer” within the meaning of the Bond Ordinance, with the rights set forth in the Bond Ordinance with respect to the maturities of the Series 2024 Bonds secured by such policy, including, without limitation, the consent rights of an Insurer as set forth in the Bond Ordinance.

RATINGS

Moody’s Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., have assigned municipal bond ratings to the Series 2024 Bonds of “[_____]” and “[_____]” ([_____] outlook) respectively, without regard to whether a municipal bond insurance policy is obtained for

the Series 2024 Bonds. The rating reports of such rating agencies will be made available upon request to the Issuer's Finance Director, 100 West Atlantic Boulevard, Pompano Beach, Florida, 33060 telephone: (954) 786-4501, email: Allison.Feurtado@copbfl.com or to the Issuer's Municipal Advisor, PFM Financial Advisors LLC, 2222 Ponce De Leon Boulevard, Coral Gables, Florida 33134, Attention: Sergio Masvidal, Managing Director, telephone: (786) 671-7480, email: masvidals@pfm.com.

If there are any Insured Series 2024 Bonds, such Insured Series 2024 Bonds will have additional rating(s) as a result of the Insurance Policy.

Such ratings, including any related outlook with respect to potential changes in such ratings, reflect the views of the respective rating agencies. An explanation of the significance of such ratings and outlook may be obtained only from the rating agencies. There is no assurance that such ratings and outlook will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect upon the market price of the Series 2024 Bonds.

CONTINUING DISCLOSURE

In the Series Ordinance, the Issuer has authorized the execution and delivery of a Continuing Disclosure Certificate, under which the Issuer commits to provide certain annual information and notices of certain enumerated events, as required by Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"). In order to assist bidders in complying with the Rule, the Issuer will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain events, if material. Such information will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (EMMA). Notices of material events will be filed with the Municipal Securities Rulemaking Board through EMMA. The form of such Continuing Disclosure Certificate is included as Appendix D to the Preliminary Official Statement and is described in the Preliminary Official Statement under the caption "OTHER INFORMATION — Continuing Disclosure of Information."

LEGAL OPINIONS

The opinion of Holland & Knight LLP, Fort Lauderdale, Florida, Bond Counsel to the Issuer ("Bond Counsel"), will approve the legality of the Series 2024 Bonds and state other matters relating to the treatment of interest on the Series 2024 Bonds for federal income tax purposes. For a further discussion of certain federal income tax matters relating to the Series 2024 Bonds, see the information under the caption "TAX MATTERS" in the Preliminary Official Statement. The opinion of Bond Counsel will be furnished to the successful bidder, without charge, together with the closing documents customarily delivered by the Issuer for the issuance of water and wastewater revenue bonds.

The proposed text of the legal opinion of Bond Counsel is set forth in Appendix B to the Preliminary Official Statement. The actual legal opinion to be delivered may vary from the text of Appendix B, if necessary, to reflect facts and law on the date of delivery of the Series 2024 Bonds.

The opinion will speak only as of its date and Bond Counsel will not assume any duty to update or supplement its opinion to reflect any change in facts or circumstances, including changes in law that may thereafter occur or become effective.

Holland & Knight LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel to the Issuer (“Disclosure Counsel”) and has advised the Issuer on certain matters relating to disclosure for the issuance of the Series 2024 Bonds and in connection with the preparation of the Preliminary Official Statement and the Official Statement. A reliance letter with respect to the customary opinion of Disclosure Counsel will be furnished to the successful bidder, without charge. The opinion will speak only as of its date and Disclosure Counsel will not assume any duty to update or supplement its opinion to reflect any change in facts or circumstances, including changes in law that may thereafter occur or become effective.

The foregoing legal opinions will be furnished together with the closing documents customarily delivered by the Issuer for the issuance of its Bonds, including as required pursuant to the Bond Ordinance.

GOOD FAITH DEPOSIT

The successful bidder is required to provide, by wire transfer to the Issuer prior to the award of the Series 2024 Bonds, a good faith deposit in the amount of \$900,000, representing approximately one percent (1%) of the preliminary principal amount of the Series 2024 Bonds indicated on the cover of the Preliminary Official Statement (the “Good Faith Deposit”). Please see “BIDDING PROCEDURES” and “TERMS OF BID AND BASIS OF AWARD” for further details.

The proceeds of the Good Faith Deposit of the successful bidder shall be held as security for the performance of the successful bidder’s obligation to comply with the terms of its bid. At the time of the delivery of and payment for the Series 2024 Bonds, the amount of the Good Faith Deposit shall be credited against the purchase price due from the successful bidder for the Series 2024 Bonds. In the event the successful bidder should fail to comply with the terms of its bid, the proceeds of the Good Faith Deposit shall be retained by the Issuer. The retention of such proceeds by the Issuer will constitute full liquidated damages and the successful bidder shall have no further liability. If the Series 2024 Bonds are not issued for any reason other than the successful bidder failing to comply with its bid, the Issuer shall promptly deliver the proceeds of the Good Faith Deposit to the successful bidder, in immediately shall have no further liability to the successful bidder. No interest shall be paid or credited to the successful bidder on the proceeds of the Good Faith Deposit.

BIDDING PROCEDURES

All bids must be unconditional and submitted electronically via Parity®. **No telephone, facsimile, mail, courier delivery or personal delivery bids will be accepted.** To participate, a bidder must be a contracted customer of Parity®. If the prospective bidder does not have a contract with Parity®, such bidder should contact Parity® at (212) 849-5021 to become a customer and obtain a list of the bidding rules and procedures. To the extent any instructions or directions set

forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost rate on the Series 2024 Bonds ("TIC"), when compared to the immediately preceding bid of such bidder. The last bid submitted by a bidder before the end of the auction will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

After the receipt of bids is closed and prior to the award, the apparent successful bidder indicated on Parity® must submit the Good Faith Deposit to the Issuer by wire transfer. Award to the apparent successful bidder is contingent upon receipt of the Good Faith Deposit. The Series 2024 Bonds will not be awarded by or on behalf of the Issuer to such bidder until the Issuer has confirmed receipt of the Good Faith Deposit. Wiring instructions for the Good Faith Deposit will be provided to the successful bidder on the sale date. Please email Allison.Feurtado@copbfl.com, with a copy to masvidals @pfm.com to confirm amount wired and time the wire was sent.

Each bidder will be solely responsible for making the necessary arrangements to access Parity® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. IHS Markit will not have any duty or obligation to provide or assure such access to any bidder, and neither the Issuer nor IHS Markit will be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, Parity®. The Issuer is authorizing the use of Parity® as a communications mechanism to conduct the electronic bidding for the Series 2024 Bonds; the owners of such service are not agents of the Issuer. None of IHS Markit, the Issuer, Bond Counsel, Disclosure Counsel or the Financial Advisor shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted by such bidder, including, without limitation, incomplete, inaccurate or untimely bids caused by reason of garbled transmissions, mechanical failure, slow or engaged telephone or telecommunications lines or any other cause.

The Issuer is not bound by any advice and determination of IHS Markit to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the specifications set forth in this Official Notice of Sale, including under "TERMS OF BID AND BASIS OF AWARD" below. All costs and expenses incurred by bidders in connection with their registration and submission of bids via Parity® are the sole responsibility of such bidders; the Issuer is not responsible for any of such costs or expenses.

TERMS OF BID AND BASIS OF AWARD

Bids must be unconditional and for the purchase of all, but not less than all, of the Series 2024 Bonds. **THE PURCHASE PRICE FOR THE SERIES 2024 BONDS SHALL BE NO LESS THAN 98.00% OF THE PAR AMOUNT OF THE SERIES 2024 BONDS.** In addition, the reoffering price of any individual maturity of the Series 2024 Bonds may not be less than 98.00% of the par amount of that maturity (calculated to the date of delivery of the Series 2024 Bonds). In addition, for maturities occurring after the optional call date of September 1, 2034, the minimum coupon shall be 5.00%. The Series 2024 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one per centum.

The Series 2024 Bonds will be awarded to the bidder offering to purchase the Series 2024 Bonds at the lowest annual interest cost rate computed on a TIC basis, but not exceeding 5.50%. The annual TIC will be determined by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Series 2024 Bonds from the payment dates to the dated date of the Series 2024 Bonds and to the aggregate purchase price of the Series 2024 Bonds. For purposes of this Official Notice of Sale, Amortization Installments for any Series 2024 Term Bonds shall be considered as serial maturities. The TIC must be calculated to [six (6)] decimal places. If two (2) or more bids provide the lowest TIC, the Issuer shall determine by lot which bid shall be accepted. Such determination by the Issuer shall be final.

BIDDERS MUST INCLUDE IN THEIR BIDS A LIST OF THE MEMBERS OF THEIR SYNDICATE. Award or rejection of bids will be made by the Issuer on or prior to 2:00 p.m., Eastern Time on the date of receipt of bids. **ALL BIDS SHALL REMAIN FIRM UNTIL 2:00 P.M., EASTERN TIME ON THE DATE OF RECEIPT OF BIDS. Award is subject to the timely receipt of the Good Faith Deposit, as described above.**

EACH BIDDER MUST SPECIFY IN ITS BID THE INTEREST RATE FOR THE SERIES 2024 BONDS OF EACH MATURITY. **ALL SERIES 2024 BONDS MATURING ON THE SAME DATE MUST BEAR INTEREST AT THE SAME RATE.** NO BIDS FOR LESS THAN ALL OF THE SERIES 2024 BONDS OFFERED WILL BE ENTERTAINED. THE ISSUER RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE ISSUER ALSO RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE ISSUER SHALL NOT REJECT ANY CONFORMING BID UNLESS ALL CONFORMING BIDS ARE REJECTED.

COMPLIANCE WITH SEC, MSRB AND SIFMA RULES AND REQUIREMENTS

The successful bidder agrees to take any and all other actions necessary to comply with applicable SEC and Municipal Securities Rulemaking Board (the “MSRB”) rules governing the offering, sale and delivery of the Series 2024 Bonds, including, without limitation, the payment of any fees or charges required to be paid by the MSRB and/or the Securities Industry and Financial Market Association in connection with the purchase or sale of the Series 2024 Bonds and making the standard filings and maintaining the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36.

CUSIP NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series 2024 Bonds in accordance with its agreement to purchase the Series 2024 Bonds. Bond Counsel will not review or express any opinion as to the correctness of such CUSIP numbers. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2024 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2024 Bonds will be paid for by the Issuer. The Issuer’s Municipal Advisor will request the assignment of CUSIP numbers in accordance with MSRB Rule G-34.

SETTLEMENT OF THE SERIES 2024 BONDS

It is expected that closing for the Series 2024 Bonds will occur in Pompano Beach, Florida on or about [December 3], 2024, or such other date as shall be appropriate or necessary to ensure compliance with the Rule or applicable rules of the MSRB (the “Closing Date”). On the Closing Date, the Series 2024 Bonds will be delivered to DTC, as securities depository, and registered in the name of Cede & Co., as nominee of DTC.

[The successful bidder shall advise the underwriting department of DTC, not less than four (4) business days prior to the Closing Date, of the interest rates borne by the Series 2024 Bonds, the CUSIP identification numbers and the Closing Date. Any delay, error or omission with respect to the CUSIP numbers shall not constitute a cause for failure or refusal by the successful bidder to accept delivery of, and pay for, the Series 2024 Bonds in accordance with the terms of this Official Notice of Sale.]

FULL PAYMENT OF THE PURCHASE PRICE (MINUS THE AMOUNT OF THE GOOD FAITH DEPOSIT) MUST BE MADE TO THE ISSUER BY 1:00 P.M. EASTERN TIME ON THE CLOSING DATE BY THE SUCCESSFUL BIDDER IN FEDERAL RESERVE FUNDS OR IMMEDIATELY AVAILABLE FUNDS, WITHOUT COST TO THE ISSUER.

BLUE SKY LAWS

The successful bidder will be responsible for the clearance or exemption with respect to the status of the Series 2024 Bonds for sale under the securities or “Blue Sky” laws of the several states and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

CLOSING DOCUMENTS

In addition to the opinions of Bond Counsel and Disclosure Counsel referred to above, at the time of payment for and delivery of the Series 2024 Bonds, the Issuer will furnish the successful bidder with the following documents, all to be dated as of the date of delivery:

1. ***No Litigation Opinion*** — An opinion of the City Attorney to the effect that, except as described in the Official Statement, there is no litigation pending or, to its knowledge, threatened which, if determined adversely, would materially adversely affect the validity of the Series 2024 Bonds.
2. ***General Certificate*** — A certificate or certificates of the appropriate officers of the Issuer to the effect that (1) to the best of such officer’s knowledge and belief, and after reasonable investigation, (a) neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) since the date of the Official Statement, no materially adverse change has occurred in the financial position or results of operation of the Issuer, except as set forth in or contemplated by the Official Statement; (2) the Series 2024 Bonds have been executed by manual or facsimile signature of the appropriate City officials who

were duly authorized to execute the same; and (3) on the basis of the facts, estimates and circumstances relied upon at the time of delivery of the Series 2024 Bonds, it is not expected that the proceeds of the Series 2024 Bonds will be used in a manner that will cause the Series 2024 Bonds to be arbitrage bonds.

3. ***Finance Director's Receipt*** — The receipt of the Finance Director showing that the purchase price of the Series 2024 Bonds has been received and deposited in the appropriate funds and accounts.

The successful bidder will also be required to execute certain closing documents required by Florida law or by Bond Counsel in connection with the delivery of the Series 2024 Bonds or the delivery of the opinion of Bond Counsel described in this Official Notice of Sale.

PRELIMINARY OFFICIAL STATEMENT; FINAL OFFICIAL STATEMENT

The Issuer has authorized the distribution of the Preliminary Official Statement, which it deemed final (except for permitted omissions) for purposes of the Rule. The Preliminary Official Statement describes the Series 2024 Bonds and contains information with respect to the Issuer. The Preliminary Official Statement may be obtained electronically from “www.munios.com,” or from the Issuer or the Financial Advisor as provided under “ADDITIONAL INFORMATION” below.

This Official Notice of Sale is not intended to be a disclosure document. All bidders must review the Preliminary Official Statement and will be required to certify that they have done so prior to participating in the bidding. In the event of any conflict between the statements contained in the Preliminary Official Statement and in this Official Notice of Sale, the statements contained in the Preliminary Official Statement shall prevail.

Upon the sale of the Series 2024 Bonds, the Issuer will deliver a final Official Statement substantially in the same form as the Preliminary Official Statement, subject to such amendments as are necessary, to the successful bidder within the earlier of seven (7) business days following the sale of the Series 2024 Bonds or to accompany the successful bidder's confirmation that requests payment for the Series 2024 Bonds. Up to two hundred (200) copies of the Official Statement (and any supplement to the Official Statement) will be made available to the successful bidder at the expense of the Issuer. Additional copies may be obtained at the expense of the successful bidder.

MANDATORY STATE FILING

Section 218.38(1)(b)1, Florida Statutes, as amended, requires that the Issuer file, within one hundred twenty (120) days after the delivery of the Series 2024 Bonds, an information statement with the Division of Bond Finance of the Board of Administration of the State of Florida (the “Division of Bond Finance”) containing the following information: (a) the name and address of the managing underwriter, if any, connected with the bond issue; (b) the name and address of any attorney or financial consultant who advised the Issuer with respect to the bond issue; (c) any fee, bonus, or gratuity paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant; and (d) any other fee paid by the Issuer with respect to the bond issue, including any fee paid to attorneys

or financial consultants. The successful bidder shall provide to the Issuer the information mentioned in (a) and (c) above when the Series 2024 Bonds are delivered. Such information provided pursuant to the cited statute shall be maintained by the Division of Bond Finance and by the Issuer as a public record.

TRUTH-IN-BONDING STATEMENT AND AFFIDAVIT

Each bidder will be required to complete and sign the Truth-in-Bonding Statement and the affidavit required pursuant to Section 787.06(13), Florida Statutes set forth in Exhibit B to this Official Notice of Sale and submit such statement to the Issuer's Finance Director (which submission may be by facsimile transmission at (954) 786-4687 or by email transmission to the email address for the Issuer or the Financial Advisor provided in "ADDITIONAL INFORMATION" of this Official Notice of Sale) on the date bids are due and prior to award of the Series 2024 Bonds by the Issuer.

PUBLIC ENTITY CRIMES

Section 287.133, Florida Statutes, provides, among other things, that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO (currently \$25,000) for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.

COLLUSION

By submitting a proposal to purchase the Series 2024 Bonds, the bidder certifies to the Issuer that (i) its bid is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not named in such bid; (ii) it has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm, or corporation to refrain from bidding; and (iii) it has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

PURCHASER'S CERTIFICATION REGARDING ISSUE PRICE

The winning bidder shall assist the Issuer in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the Issuer on the Closing Date an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2024 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form of Exhibit C-1 or Exhibit C-2 to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All communications under this Official Notice of Sale relating to the issue price of the Series 2024 Bonds may be taken on behalf of the Issuer by the Financial Advisor and any notice or report to be provided to the Issuer relating to issue price may be provided to the Financial Advisor.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2024 Bonds) will apply to the initial sale of the Series 2024 Bonds (the “competitive sale requirements”) because: (i) the Issuer shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an equal opportunity to bid; (iii) the Issuer may receive bids from at least three (3) purchasers or underwriters of municipal bonds who have established industry reputations for purchasing or underwriting new issuances of municipal bonds; and (iv) the Issuer anticipates awarding the sale of the Series 2024 Bonds to the bidder who submits a firm offer to purchase the Series 2024 Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Series 2024 Bonds, as specified in the bid. By submitting a bid each bidder represents that it has an established industry reputation for purchasing or underwriting new issuances of municipal bonds such as the Series 2024 Bonds.

In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a maturity of the Series 2024 Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2024 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Series 2024 Bonds satisfies the 10% test as of the date and time of the award of the Series 2024 Bonds. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Series 2024 Bonds, which maturities of the Series 2024 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Series 2024 Bonds.

Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2024 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2024 Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2024 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2024 Bonds, that the underwriters will neither offer nor sell unsold Series 2024 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (A) the close of the fifth (5th) business day after the sale date; or (B) the date on which the underwriters have sold at least ten percent (10%) of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold ten percent (10%) of that maturity of the Series 2024 Bonds to the public at a price that is no higher

than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2024 Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Series 2024 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or until all Series 2024 Bonds of that maturity have been sold.

The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2024 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or all Series 2024 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2024 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or all Series 2024 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2024 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale: (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public), (iii) a purchaser of any of the Series 2024 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than fifty percent (50%) common ownership of their capital interests or profits interests if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) “sale date” means the date that the Series 2024 Bonds are awarded by the Issuer to the winning bidder.

CHOICE OF LAW

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

NO PERSONAL LIABILITY

No covenant, stipulation, obligation or agreement contained in the Ordinance shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the City Commission or of any agent, officer or employee of the Issuer in the individual capacity of such agent, officer or employee, and neither the members of the City Commission of the Issuer nor any agent, officer or employee of the Issuer nor any official executing the Series 2024 Bonds shall be liable personally on the Series 2024 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

ADDITIONAL INFORMATION

The Preliminary Official Statement and this Official Notice of Sale may be obtained electronically from “www.munios.com.” In addition, copies of the Preliminary Official Statement and this Official Notice of Sale will be furnished, in limited quantities, upon application to the Issuer’s Finance Director, 100 West Atlantic Boulevard, Pompano Beach, Florida, 33060 telephone: (954) 786-4501, email: Allison.Feurtado@copbfl.com or to the Municipal Advisor at PFM Financial Advisors LLC, 2222 Ponce De Leon Boulevard, Coral Gables, Florida 33134,

Attention: Sergio Masvidal, Managing Director, telephone: (786) 671-7480, email: masvidals@pfm.com.

CITY OF POMPANO BEACH, FLORIDA

By: /s/ Greg Harrison
City Manager

Dated: [October 29], 2024

EXHIBIT A

UNDERWRITERS' CERTIFICATE REGARDING BOND INSURANCE

The undersigned duly authorized officer of [_____], [senior managing underwriter, as representative of the syndicate] ([collectively,] the “Underwriter[s]”) listed in the response submitted in the successful bid for the \$[_____] City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”), HEREBY CERTIFIES that:

1. The Series 2024 Bonds [maturing on September 1, 20[___] through September 1, 20[___]], inclusive (the “Insured Series 2024 Bonds”) will be secured by a municipal bond insurance policy (the “Policy”) provided by [_____] (the “Insurer”), for which the Insurer will be paid a premium by the Underwriters of \$[_____] on the date of issuance of the Series 2024 Bonds.

2. In connection with the sale of the [Insured] Series 2024 Bonds, we compared the debt service on the [Insured] Series 2024 Bonds secured by the Policy with the debt service on the Series 2024 Bonds that would have existed if the [Insured] Series 2024 Bonds had not been insured by the Insurer, as estimated by us based on similar issues marketed at the same time and on our marketing experience in connection with the marketing of similar municipal bonds.

3. We then calculated the present value of the interest reasonably expected to be saved as a result of the Policy on the issuance of the [Insured] Series 2024 Bonds. In determining the present value of the interest savings, we used the yield on the [Insured] Series 2024 Bonds (determined with regard to the premium paid to the Insurer), as the discount rate. As used in this Certificate, the term “yield” means the discount rate that, as of the date of issuance of the Series 2024 Bonds, produces a present value of all the unconditionally payable payments of principal and interest equal to the initial offering price of the [Insured] Series 2024 Bonds to the public, as reflected on the inside cover page of the Official Statement for the Series 2024 Bonds, treating the premium paid to the Insurer for the Policy as additional interest paid on the [Insured] Series 2024 Bonds on the date of issuance of the Series 2024 Bonds.

4. The present value of the premium payable to the Insurer is less than the present value of the interest reasonably expected to be saved as a result of the issuance of the Policy, using the yield on the [Insured] Series 2024 Bonds as the discount rate in computing such present value. Based on our experience with similar transactions, the premium paid to the Insurer does not exceed a reasonable arm’s-length charge for the transfer of credit risk to the Insurer resulting from the issuance by the Insurer of the Policy securing the [Insured] Series 2024 Bonds.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, on its behalf and on behalf of the Underwriter[s], by its duly authorized officer this [3rd] day of [December], 2024.

Name of [Senior Managing] Underwriter

By: _____
Name and Title:

EXHIBIT B

TRUTH-IN-BONDING STATEMENT

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the Issuer of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”), on behalf of itself [and the other members of its syndicate/underwriting group] ([collectively,] the “Underwriter[s]”) (NOTE: For information purposes only and not a part of the bid):

The Issuer of Pompano Beach, Florida (the “City”) is proposing to issue \$[_____] of Series 2024 Bonds for the principal purpose of providing funds, together with other legally available funds of the Issuer, to (i) finance (including through reimbursement) the cost of acquisition, construction and equipping of all or a portion of the Series 2024 Project (as defined in the Series Ordinance), and (ii) pay certain costs and expenses relating to the issuance of the Series 2024 Bonds.

The Series 2024 Bonds are expected to be repaid over a period of approximately [_____] ([_____]) years. At a forecasted interest rate of [_____]%, total interest paid over the life of the Series 2024 Bonds will be \$[_____].

The source of repayment or security for the Series 2024 Bonds is a pledge of the Pledged Revenues, as more fully described in the Preliminary Official Statement and the Official Notice of Sale relating to the Series 2024 Bonds. Authorizing the Series 2024 Bonds will result in a maximum of approximately \$[_____] of Pledged Revenues not being available to finance other services of the Issuer during the life of the Series 2024 Bonds.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself [and all other members of its syndicate/underwriting group] hereby certifies that [neither]it [nor any members of its syndicate/underwriting group] have paid any “finder’s fees” as defined in Section 218.386, Florida Statutes, or any bonus, fee or gratuity in connection with the sale of the Series 2024 Bonds.

The foregoing is provided for informational purposes only and shall not affect or control the actual terms and conditions of the Series 2024 Bonds.

Name of [Senior Managing] Underwriter

By: _____
Name and Title:

Date: _____
(Date of Award of Series 2024 Bonds)

**NONGOVERNMENTAL ENTITY
HUMAN TRAFFICKING AFFIDAVIT
Section 787.06(13), Florida Statutes**

THIS AFFIDAVIT MUST BE SIGNED AND NOTARIZED

I, the undersigned, am an officer or representative of [_____] and attest that said entity does not use coercion for labor or services as defined in section 787.06, Florida Statutes. Under penalty of perjury, I hereby declare and affirm, to the best of my knowledge and belief, that the above stated facts are true and correct.

Name of [Senior Managing] Underwriter

By: _____
Name and Title:

Date: _____
(Date of Award of Series 2024 Bonds)

STATE OF FLORIDA

COUNTY OF [_____]

The foregoing instrument was acknowledged before me by means of physical presence online notarization, this [_____] day of [_____], 2024, by [_____], as an [_____] of [_____]. He/She is personally known to me or has produced _____ (Type of Identification) as identification.

Signature of Notary Public

(Notary Seal)

Print, Type or Stamp Name of Notary

Notary Public

Serial Number, if any

EXHIBIT C-1

[COMPETITIVE SALE-
AT LEAST THREE (3) BIDS]

ISSUE PRICE CERTIFICATE

The undersigned duly authorized officer of [_____], [senior managing underwriter], [as representative of the syndicate (collectively), the “Underwriter”] listed in the response submitted in the successful bid to purchase the \$[_____] City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) issued by the Issuer of Pompano Beach, Florida (the “City”), HEREBY CERTIFIES that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2024 Bonds to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2024 Bonds used by the Underwriter in formulating its bid to purchase the Series 2024 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Series 2024 Bonds. A copy of the pricing wire or equivalent communication for the Series 2024 Bonds is attached to this Certificate as Schedule C.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid to purchase the Series 2024 Bonds.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Series 2024 Bonds.

(d) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) “Maturity” means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two (2) or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [November 12], 2024.

(d) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Issuer’s Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Holland & Knight LLP, Fort Lauderdale, Florida, as bond counsel to the Issuer, in connection with (i) rendering its opinion that interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, (ii) the preparation of the Internal Revenue Service Form 8038-G, and (iii) other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2024 Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, and on behalf of the Underwriter, by its duly authorized officer this [3rd] day of [December], 2024.

[Name of [Senior Managing] Underwriter]

By:_____

Name:

Title:

SCHEDULE A

EXPECTED OFFERING PRICES

SCHEDULE B

COPY OF BID PROVIDED BY UNDERWRITER
TO PURCHASE SERIES 2024 BONDS

SCHEDULE C

COPY OF PRICING WIRE OR EQUIVALENT COMMUNICATION

FOR PURCHASE OF SERIES 2024 BONDS

EXHIBIT C-2

[COMBINING ACTUAL SALES AND HOLD-THE-OFFERING-PRICE MATURITIES FEWER THAN THREE (3) BIDS]

ISSUE PRICE CERTIFICATE

The undersigned duly authorized officer of [_____], [senior managing underwriter, [as representative of the syndicate (collectively,) the “Underwriter”] listed in the response submitted in the successful bid to purchase the \$ [_____] City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) issued by the Issuer of Pompano Beach, Florida (the “City”), HEREBY CERTIFIES that:

1. Sale of the General Rule Maturities. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2024 Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2024 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2024 Bonds during the Holding Period.

(c) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

3. Defined Terms.

(a) “General Rule Maturities” means those Maturities of the Series 2024 Bonds listed in Schedule A to this Certificate as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Series 2024 Bonds listed in Schedule A to this Certificate as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Maturity” means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two (2) or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(f) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [November 12], 2024.

(g) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Issuer’s Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Holland & Knight LLP, Fort Lauderdale, Florida, as bond counsel to the Issuer, in connection with (i) rendering its opinion that interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, (ii) the preparation of the Internal Revenue Service Form 8038-G, and (iii) other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2024 Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, and on behalf of the Underwriter, by its duly authorized officer this [3rd] day of [December], 2024.

[Name of [Senior Managing] Underwriter]

By:_____

Name:

Title:

SCHEDULE A

INITIAL OFFERING PRICES

SCHEDULE B

COPY OF PRICING WIRE OR EQUIVALENT COMMUNICATION

FOR PURCHASE OF SERIES 2024 BONDS

Draft #3

SUMMARY NOTICE OF SALE

\$_[_____]*

**CITY OF POMPANO BEACH, FLORIDA
WATER AND WASTEWATER REVENUE BONDS, SERIES 2024**

Bids for the City of Pompano Beach, Florida Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) will be received by the City of Pompano Beach, Florida (the “Issuer”) via IHS Markit’s PARITY/BiDCOMP Competitive Bidding System (“Parity®”) between 9:30 A.M. and 10:00 a.m. (the “Submittal Deadline”), Eastern Time, on [November 12], 2024 or on such other date as may be established by the Issuer and communicated by Thomson Municipal Market Monitor no less than eighteen (18) hours prior to the time bids are received (the “Bid Date”).

Such bids for the purchase of the Series 2024 Bonds are to be opened in public as soon as practical after the Submittal Deadline on the Bid Date and award will be made by 2:00 p.m. Eastern Time on the Bid Date. The Series 2024 Bonds will mature as specified in the Official Notice of Sale relating to the Series 2024 Bonds. The principal amount and amortization of the Series 2024 Bonds may be changed or any other provision of the Official Notice of Sale relating to the Series 2024 Bonds (the “Official Notice of Sale”) may be amended by the City upon no less than eighteen (18) hours prior notice communicated by Thomson Municipal Market Monitor. Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Official Notice of Sale.

The proceeds of the Series 2024 Bonds will be used to: (i) finance (including through reimbursement) a Project consisting of the acquisition, construction and equipping of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A to the Series Ordinance, subject to modification as permitted by the Series Ordinance; and (ii) pay costs of issuance of the Series 2024 Bonds.

The approving opinion of Holland & Knight LLP, Bond Counsel, will be furnished to the successful bidder at the expense of the Issuer.

Copies of the Preliminary Official Statement relating to the Series 2024 Bonds and the Official Notice of Sale may be obtained electronically from www.munios.com.

CITY OF POMPANO BEACH, FLORIDA
/s/ Greg Harrison, City Manager

Dated: [October 29], 2024

*Preliminary, subject to change.

EXHIBIT D
FORM OF AWARD CERTIFICATE

Draft #4

**CITY OF POMPANO BEACH, FLORIDA
AWARD CERTIFICATE**

The undersigned City Manager (the “City Manager”) of the City of Pompano Beach, Florida (the “City”) HEREBY CERTIFIES as follows (all capitalized terms not otherwise defined herein having the meaning ascribed thereto in the hereinafter defined Ordinance):

1. Pursuant to Ordinance No. 2021-62 of the City enacted on June 22, 2021 (the “Bond Ordinance”), as supplemented by Ordinance No. 2025-01 of the City enacted on October 22, 2024 (the “Series Ordinance” and collectively with the Bond Ordinance, the “Ordinance”), the City authorized the public sale of its not exceeding \$[_____] Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). The Ordinance delegated to the City Manager, in consultation with the City’s Municipal Advisor, the authority, subject to certain “Parameters” set forth in the Series Ordinance to award the Series 2024 Bonds to the bidder or bidders offering to purchase the Series 2024 Bonds at the lowest annual interest cost rate per annum computed on a true interest cost (“TIC”) basis, but not exceeding [_____] %.

2. The City caused notice of the competitive sale of the Series 2024 Bonds to be given in the manner required by Section 218.385(1), Florida Statutes. Bids were received on [November 12], 2024 between 9:30 a.m. and 10:00 a.m., Eastern Time, and in accordance with the Official Notice of Sale relating to the Series 2024 Bonds (the “Series 2024 Official Notice of Sale”), it has been determined that the bidder offering the lowest annual interest cost rate per annum computed on a TIC basis, but not exceeding [_____] % per annum, with respect to the Series 2024 Bonds is as shown on the bid tabulation attached hereto as Exhibit A (the “2024 Successful Bidder”). The Official Bid Form of the 2024 Successful Bidder is attached hereto as Exhibit B (the “2024 Successful Bidder’s Bid Form”).

3. The terms and details of the Series 2024 Bonds are within the Parameters established in the Series Ordinance, as certified by the City’s Municipal Advisor, a copy of which certification is attached hereto as Exhibit C.

4. The maturities, principal amounts, interest rates and yields of the Series 2024 Bonds are set forth on Exhibit D attached hereto.

5. The optional redemption provisions for the Series 2024 Bonds are as set forth in the Series 2024 Official Notice of Sale. [The Amortization Installments for the Series 2024 Bonds issued as Term Bonds are as set forth on Exhibit D attached hereto.]

6. The Series 2024 Bonds will be issued and delivered to the 2024 Successful Bidder on [December 3], 2024.

7. The undersigned confirms and ratifies the information set forth in the Series 2024 Official Notice of Sale, including the matters required and/or permitted to be set forth therein by the Ordinance with respect to the Series 2024 Bonds.

8. The City hereby accepts the bid of the 2024 Successful Bidder and awards the Series 2024 Bonds to the 2024 Successful Bidder, [consisting of the syndicate/selling underwriting group whose representative is as] reflected on the 2024 Successful Bidder's Bid Form attached hereto as Exhibit B, on the terms and conditions contained in the Series 2024 Official Notice of Sale.

[9. The sale of the Series 2024 Bonds maturing on September 1 in the years 20[___] through 20[___], inclusive, at an original issue premium is based on market conditions prevailing at the time of pricing of the Series 2024 Bonds and not for the purpose of generating additional proceeds of the Series 2024 Bonds.]

[Signature Page Follows]

Dated as of the _____ day of November, 2024.

(SEAL)

**CITY OF POMPANO BEACH,
FLORIDA**

Greg Harrison, City Manager

[Signature Page to Award Certificate]

EXHIBIT A
SERIES 2024 BONDS BID TABULATION

EXHIBIT B

2024 SUCCESSFUL BIDDER'S BID FORM

EXHIBIT C

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned, the duly authorized representative of **PFM FINANCIAL ADVISORS LLC**, as the Municipal Advisor (the “Municipal Advisor”) to the City of Pompano Beach, Florida (the “City”), does hereby certify that:

1. The Municipal Advisor has been retained as Municipal Advisor to the City in connection with the issuance by the City of its Water and Wastewater Revenue Bonds, Series 2024 (the “Series 2024 Bonds”).

2. The City caused to be prepared an Official Notice of Sale relating to the Series 2024 Bonds dated [October 29], 2024 (the “Series 2024 Official Notice of Sale”) which specified certain of the terms of the Series 2024 Bonds. The Series 2024 Official Notice of Sale was distributed to potential bidders electronically through IHS Markit’s BiDCOMP/Parity Competitive Bidding System (“Parity®”). This method of distribution of the Series 2024 Official Notice of Sale is regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

3. To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid to purchase the Series 2024 Bonds, so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive “last-look”).

4. The City received bids from at least three bidders for the Series 2024 Bonds. The Series 2024 Official Notice of Sale states that, by submitting a bid, bidders are deemed to represent that they have established industry reputations for underwriting new issuances of municipal bonds. Based upon the fact that [____] of the [____] bidders were ranked in the top 10 of Senior Managers for the first [half] of 2024 pursuant to the Thomson Reuter’s ATI league table as of [____], 2024 and the Municipal Advisor’s knowledge and experience in acting as the Municipal Advisor for other municipal issues, nothing has come to the attention of the Municipal Advisor that would call into question the accuracy of such representations made by the bidders. Copies of the bids received are attached to this certificate as Attachment 1.

5. In accordance with the Series 2024 Official Notice of Sale, and as shown in the bid comparison attached as Attachment 2 to this certificate, it has been determined that the bidder offering to purchase the Series 2024 Bonds at the lowest annual interest cost rate per annum computed on a true interest cost (“TIC”) basis, but not exceeding [____]% per annum, is [____], [as representative (the “Representative”) of a syndicate/selling underwriting group consisting of the entities listed on Attachment 3] ([collectively, inclusive of the Representative,] the “2024 Underwriter”), [whose identities were provided by the Representative].

6. The TIC applicable to the Series 2024 Bonds is [____]% per annum. The terms and details of the Series 2024 Bonds, including the TIC set forth in the preceding sentence, are

within the Parameters set forth in Ordinance No. 2025-[_____] of the City enacted on [October 22], 2024 in connection with the Series 2024 Bonds.

7. We have been advised by Holland & Knight LLP, Bond Counsel to the City (“Bond Counsel”) that the issue price of the Series 2024 Bonds is equal to the aggregate of the initial offering prices of each maturity of such Series 2024 Bonds to the public (the “Initial Offering Prices”) as represented by the 2024 Underwriter, \$[_____]. Assuming that the issue price of the Series 2024 Bonds is \$[_____] and, except as provided below, that the Series 2024 Bonds will be paid on their scheduled maturity dates, the yield on the Series 2024 Bonds calculated in the manner described in this paragraph is [_____]%. For purposes hereof, yield has been calculated on a 360-day basis with interest compounded semi-annually. [Certain maturities of the Series 2024 Bonds (20[___]-20[___]) (the “Yield to Call Premium Bonds”) are issued at an Initial Offering Price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the Series 2024 Bonds. The Yield to Call Premium Bonds are subject to optional early redemption. In calculating the yield on the Series 2024 Bonds the Yield to Call Premium Bonds have been treated as redeemed at their stated redemption prices on the optional redemption date that would produce the lowest yield on the Series 2024 Bonds.]

8. We have been advised by Bond Counsel that the weighted average maturity of an issue of tax-exempt bonds is the sum of the products of the issue price of each maturity which is a part of the issue and the years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue. Assuming that the Initial Offering Prices are the issue price of the Series 2024 Bonds and that the entire issue price of the Series 2024 Bonds is \$[_____], the weighted average maturity of the Series 2024 Bonds is [_____] years.

[9. The sale of the Series 2024 Bonds maturing on September 1 in the years 20[___] through 20[___], inclusive, at an original issue premium is based on market conditions prevailing at the time of pricing of the Series 2024 Bonds and not for the purpose of generating additional proceeds of the Series 2024 Bonds.]

10. Based on our experience as Municipal Advisor in connection with the competitive sale of municipal bonds in Florida, we are of the opinion that any advance advertising of the sale of the Series 2024 Bonds in addition to the advance advertising of the sale of the Series 2024 Bonds undertaken by the City pursuant to state law would not, in and of itself, have resulted in any change in the TIC applicable to the Series 2024 Bonds set forth above.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Municipal Advisor’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation

of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2024 Bonds. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Municipal Advisor.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand for and on behalf of the City's Municipal Advisor as of the [12th] day of [November], 2024.

PFM FINANCIAL ADVISORS LLC

By: _____
Title: _____

ATTACHMENT 1

ATTACHMENT 2

[ATTACHMENT 3]

EXHIBIT D

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

EXHIBIT E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Draft #4

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated as of December [____], 2024 is executed and delivered by the City of Pompano Beach, Florida (the “Issuer”) and joined in by Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC,” as more fully defined herein) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Certificate solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Certificate shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Certificate shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Disclosure Report” means an Annual Disclosure Report described in and consistent with Section 3 of this Disclosure Certificate.

“Annual Filing Date” means the date, set in Section 2(a) and Section 2(f), by which the Annual Disclosure Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Certificate.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Certificate.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Disclosure Report, Audited Financial Statements,

Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Disclosure Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Certificate. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the person then serving as the Finance Director of the Issuer, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Disclosure Report on or before the Annual Filing Date.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the SEC.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Certificate.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Disclosure Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any successor thereto.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Certificate.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Certificate that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Certificate.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Certificate that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Certificate.

SECTION 2. Provision of Annual Disclosure Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Disclosure Report and Certification to the Disclosure Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Disclosure Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Disclosure Report to the MSRB not later than 210 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending September 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Certificate.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Disclosure Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Disclosure Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Disclosure Report and the Certification no later than two (2) business days prior to the Annual

Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Disclosure Report within the time required under this Disclosure Certificate, state the date by which the Annual Disclosure Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Disclosure Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Disclosure Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Disclosure Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Disclosure Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Certificate:
 1. “Principal and interest payment delinquencies;”
 2. “Non-Payment related defaults, if material;”
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”

5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
 7. “Modifications to rights of securities holders, if material;”
 8. “Bond calls, if material;”
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Tender offers;”
 13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 14. “Merger, consolidation, or acquisition of the obligated person, if material;” and
 15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
 16. “Incurrence of a Financial Obligation of the Issuer or other Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;” and
 17. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or other Obligated Person, any of which reflect financial difficulties.”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Certificate, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Certificate with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Certificate;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the

Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Certificate:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Certificate:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and

9. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Certificate.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Certificate to the contrary notwithstanding, Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Certificate and that is accompanied by a Certification and all other information required by the terms of this Disclosure Certificate will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Disclosure Reports.

(a) Each Annual Disclosure Report shall contain an update, as of the end of the immediately preceding Fiscal Year for which Audit Financial Statements of the Issuer are available, (1) of the financial information and operating data contained in the Official Statement in the tables under the subheadings under the caption “SELECTED FINANCIAL INFORMATION REGARDING THE SYSTEM” as follows: (i) under the subheading “Historical Results of Operations,” the table entitled “Summary of Historical Financial Results Historical Period;” (ii) under the subheading “Historical and Projected Demand—Historical Period,” the table entitled “Historical Customers and Usage Historical Period;” (iii) under the subheading “Rates, Fees and Charges—Rates, Fees and Charges as of October 1, 2024,” the table entitled “Water and Wastewater Rates (Including Reuse) Effective October 1, 2024;” and (iv) under the subheading “Rates, Fees and Charges—Ten Largest Customers of the System,” the table entitled “Ten Largest Customers Fiscal Year 2023 (Audited);” and (2) any other financial information or operating data of the type included in the Official Statement which the Issuer (in its sole discretion) determines to be material to a Bondholder or prospective Bondholders.

(b) Each Annual Disclosure Report shall contain Audited Financial Statements of the Issuer prepared in accordance with generally accepted accounting principles (“GAAP”) as described in the Official Statement will be included in the Annual Disclosure Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Disclosure Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an

Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;[*]
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

[*The Series 2024 Bonds have no credit enhancement.]

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person; and

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. “Incurrence of a Financial Obligation of the Issuer or other Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;” and
15. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or other Obligated Person, any of which reflect financial difficulties.”

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice

Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof, but such filing shall be made not later than the tenth business day after the occurrence of the Notice Event. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Disclosure Reports, documents incorporated by reference to the Annual Disclosure Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates. While this Disclosure Certificate is in effect, the Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) any future bonds issued for the benefit of the Issuer at such time as they are issued or otherwise become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds; provided a failure to do so shall not be a breach by the Issuer of this Disclosure Certificate.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Certificate. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Certificate and do not extend to providing legal advice relating to the laws mentioned in the immediately preceding sentence.

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer

desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Certificate to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Certificate or including any other information in any Annual Disclosure Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Disclosure Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Disclosure Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Certificate shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Certificate. The Issuer may, upon thirty days written notice to the Disclosure

Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Certificate for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Certificate, the Holders' of 25% or more in aggregate principal amount of Bonds shall have the right to enforce the provisions of this Disclosure Certificate, which rights shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Certificate. Any failure by a party to perform in accordance with this Disclosure Certificate shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Certificate. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Certificate shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the Underwriter of the Bonds, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Certificate 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.

[Remainder of page intentionally left blank.]

The Issuer has caused this Disclosure Certificate to be executed, and the Disclosure Dissemination Agent has executed this Joinder to Disclosure Certificate, as of the date first written above, by their respective officers duly authorized.

CITY OF POMPANO BEACH, FLORIDA

Attest:

Kervin Alfred, City Clerk

By: _____
[____], Mayor

[SEAL]

JOINDER

The undersigned hereby joins in this Disclosure Certificate in its capacity as Disclosure Dissemination Agent.

**DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Disclosure Dissemination Agent**

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	City of Pompano Beach, Florida
Obligated Person(s)	City of Pompano Beach, Florida
Name of Bond Issue:	[\$_____] City of Pompano Beach, Florida Water and Wastewater Bonds, Series 2024
Date of Issuance:	[December] [____], 2024
Date of Official Statement:	[November] [____], 2024
CUSIP Numbers/Series 2024 Bonds:	

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Obligor's and/or Other Obligated Person's Name:

Obligor's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

- 1. _____ "Principal and interest payment delinquencies;"
- 2. _____ "Non-Payment related defaults, if material;"
- 3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
- 4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
- 5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
- 6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
- 7. _____ "Modifications to rights of securities holders, if material;"
- 8. _____ "Bond calls, if material;"
- 9. _____ "Defeasances;"
- 10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
- 11. _____ "Rating changes;"
- 12. _____ "Tender offers;"
- 13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- 14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
- 15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material,
- 16. _____ "Incurrence of a Financial Obligation of the Issuer or other Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;"
- 17. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or other Obligated Person, any of which reflect financial difficulties."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated [December] [___], 2024 executed by the Issuer and joined in by DAC.

Obligor’s and/or Other Obligated Person’s Name:

Obligor’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

- 1. _____ “amendment to continuing disclosure undertaking;”
- 2. _____ “change in obligated person;”
- 3. _____ “notice to investors pursuant to bond documents;”
- 4. _____ “certain communications from the Internal Revenue Service;”
- 5. _____ “secondary market purchases;”
- 6. _____ “bid for auction rate or other securities;”
- 7. _____ “capital or other financing plan;”
- 8. _____ “litigation/enforcement action;”
- 9. _____ “change of tender agent, remarketing agent, or other on-going party;”
- 10. _____ “derivative or other similar transaction;” and
- 11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated [December] [____], 2024 executed by the Issuer and joined in by DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

- 1. _____ “quarterly/monthly financial information;”
- 2. _____ “change in fiscal year/timing of annual disclosure;”
- 3. _____ “change in accounting standard;”
- 4. _____ “interim/additional financial information/operating data;”
- 5. _____ “budget;”
- 6. _____ “investment/debt/financial policy;”
- 7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
- 8. _____ “consultant reports;” and
- 9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT F

FORM OF SERIES 2024 BONDS

No. R-[_____]

\$[_____]

**CITY OF POMPANO BEACH, FLORIDA
WATER AND WASTEWATER REVENUE BONDS, SERIES 2024**

<u>MATURITY DATE:</u>	<u>INTEREST RATE:</u>	<u>DATED DATE:</u>	<u>INITIAL CUSIP:</u>
September [___], 20[___]	[___]%	[____], 2024	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [_____] MILLION DOLLARS

The City of Pompano Beach, Florida (hereinafter called the “Issuer”) for value received, hereby promises to pay to the order of the Registered Owner identified above or registered assigns, as herein provided, on the Maturity Date identified above (unless this Bond shall have been duly called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for) upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, N.A., Kansas City, Missouri, as Registrar, from the sources hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the Registered Owner hereof by wire transfer or check transmitted to the Registered Owner at his address as it appears on the Bond registration books of the Issuer as it appears on the 15th day of the calendar month preceding the applicable interest payment date, interest on said Principal Amount at the Interest Rate per annum identified above on each March 1 and September 1 commencing March 1, 2025. Notwithstanding the foregoing, presentation shall not be required when this Bond is held in a book-entry system of registration.

This Bond is one of an authorized issue of Bonds of the Issuer designated as its Water and Wastewater Revenue Bonds Series 2024 and issued in the aggregate principal amount of \$[_____] (the “Series 2024 Bonds”) of like date, tenor and effect, except as to number, principal amount, maturity, redemption provisions and interest rate, issued to (i) finance (including through reimbursement) a Project consisting of the acquisition, construction and equipping of various public improvements to the System included in the current five-year capital improvement plan adopted by the Issuer, as such Project is more fully described in Exhibit A to the Series Ordinance, subject to modification as permitted by the Series Ordinance; and (ii) pay costs of issuance of the Series 2024 Bonds. The Series 2024 Bonds are issued in full compliance with Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the City of Pompano Beach, Florida, and other applicable provisions of law and Ordinance No. 2021-62 enacted by the City Commission of the Issuer (the “City Commission”) on June 22, 2021, as amended from time to time (the “Bond Ordinance”), and particularly as supplemented by Ordinance No. 2025-01 duly enacted by the City Commission on October 22, 2024 (the “Series Ordinance” and,

collectively with the Bond Ordinance, the “Ordinance”) and is subject to all the terms and conditions of such Ordinance. All capitalized undefined terms used herein shall have the meanings set forth in the Ordinance. Modifications or alterations of the Ordinance or any ordinances or resolutions supplemental thereto may be made only to the extent and in the circumstances permitted by the Ordinance.

This Bond is payable solely from and secured by the Pledged Revenues in the manner and to the extent provided in the Ordinance on a parity with the Issuer’s Water and Wastewater Revenue Bond, Series 2021 issued, and Outstanding under the Bond Ordinance, as supplemented (the “Series 2021 Bond”). The Issuer may issue Additional Parity Obligations on a parity with the Outstanding Series 2024 Bonds and the Outstanding Series 2021 Bond from time to time upon the conditions and within the limitations and in the manner provided in the Ordinance. In addition, the Issuer has incurred, and may in the future incur, Subordinated Debt upon the conditions and within the limitations and in the manner provided in the Ordinance.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory, or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of, premium if any, and interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the Issuer and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues, all in the manner provided in the Ordinance.

The Issuer has entered into certain covenants with the Holders of the Series 2024 Bonds for the terms of which reference is made to the Ordinance.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Ordinance, or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Ordinance, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Ordinance.

The initial Registered Owner, and each successive Registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York (“DTC”), which shall act a securities depository for the Series 2024 Bonds, with no physical distribution of Series 2024 Bonds to be made. Any provisions of the Ordinance or this Bond requiring physical delivery of Series 2024 Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of beneficial ownership interests of DTC participants. Beneficial ownership interests in this Bond may be transferred in accordance with the book-entry-only system maintained by DTC.

2. This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the Registered Owner for all purposes hereof. Payment to DTC participants shall be the responsibility of DTC. Payments by DTC participants to individual beneficial owners shall be the responsibility of DTC participants and not of DTC, the Registrar, or the Issuer. By purchase and acceptance of a Bond or portion thereof in book-entry-only form, the beneficial owner agrees that the Issuer shall have no responsibility for the action or inaction of DTC or other registered depository or any of its participants, nominees, or successors as depository in connection with this Bond.

3. This Bond shall be registered as to both principal and interest and shall not be registered to “bearer.”

4. The Registrar shall keep books for the registration of this Bond and for the registration of transfers of this Bond as provided in the Ordinance. This Bond may be transferred only upon the books of the Issuer kept by the Registrar under the Ordinance upon surrender thereof at the principal office of the Registrar by the Registered Owner thereof in person or by his duly authorized attorney in writing, but only in the manner, subject to the limitations and upon payment of a sum sufficient to cover any charge that may be imposed in connection with such transfer, as provided in the Ordinance, together with a written instrument of transfer duly executed by the Registered Owner or his duly authorized attorney. Upon any such transfer, there shall be executed in the name of the transferee, and the Registrar shall authenticate and deliver, a new registered Series 2024 Bond in authorized denominations, in the same aggregate principal amount and of the same series, maturity and interest rate as the surrendered bond.

5. In like manner, subject to such conditions and upon the payment of a sum sufficient to cover any tax, fee, or governmental charge, if any, that may be imposed in connection with such exchange, as provided in the Ordinance, the Registered Owner of this Bond may surrender this Bond (together with a written authorization for exchange satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney) and upon such surrender the Registrar shall authenticate and deliver a new registered Series 2024 Bond in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations of the same series, maturity and interest rate as this Bond.

6. The Issuer and the Registrar may treat the Registered Owner of any Series 2024 Bond as the absolute owner of such Series 2024 Bond for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2024 Bond as the same becomes due, and for all other purposes, whether or not such Bond shall be overdue. All such payments so made to any Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond to the extent of the sums so paid. The person in whose name any Series 2024 Bond is registered may be deemed the owner thereof by the Issuer and the Registrar, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Optional Redemption of Series 2024 Bonds. The Series 2024 Bonds maturing on or prior to September 1, 2034, are not subject to redemption at the option of the Issuer prior to their

respective dates of maturity. The Series 2024 Bonds maturing on or after September 1, 2035, are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after September 1, 2034, in whole or in part at any time, and if in part, in accordance with the procedures described in this section below under “Partial Redemption,” at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2024 Bonds or portion of the Series 2024 Bonds to be redeemed, together with accrued interest from the most recent interest payment date as of which interest has been paid to the date fixed for redemption.

[Mandatory Sinking Fund Redemption of Series 2024 Bonds. The Series 2024 Bonds maturing on September 1, 20[___] are Term Bonds subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Redemption Account established under the Ordinance in satisfaction of applicable Amortization Installments at the redemption price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on September 1 of the years and in the principal amounts set forth below:

<u>Redemption Date</u>	<u>Amortization Installment</u>
*	

*Final maturity]

Partial Redemption. If less than all of the Series 2024 Bonds shall be called for redemption, the particular maturity or maturities of Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall be selected by the Issuer, and the particular Series 2024 Bonds of like maturity to be redeemed shall be selected by the Registrar by such method as the Registrar in its sole discretion deems fair and appropriate. So long as the Series 2024 Bonds are in book-entry-only form held by DTC, the Registrar shall select such Series 2024 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that so long as such Series 2024 Bonds are held in book-entry-only form, the selection for redemption of such Series 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 2024 Bonds shall be selected for redemption within each such maturity in such manner as the Registrar shall determine and in accordance with DTC procedures. In any event, the portion of the Series 2024 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the Issuer’s intent that redemption allocations made by DTC, its Participants, or such other intermediaries that may exist between the Issuer and the Beneficial Owners be made pro rata. However, the Issuer can provide no assurance that DTC, its Participants or any other intermediaries will allocate redemptions of Series 2024 Bonds on a pro rata basis.

In the event that the obligations of DTC are terminated, the Issuer may determine that the Series 2024 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2024 Bonds may be registered in whatever name or names Registered Owners of Series 2024 Bonds transferring or changing Series 2024 Bonds designate, in accordance with the provisions of the Ordinance.

Notice of redemption of this Bond shall be given in the manner required by the Ordinance. Notwithstanding any other provision of the Ordinance to the contrary, so long as the Series 2024 Bond are held in book-entry only form, all payments with respect to principal of, premium, if any, and interest on such Series 2024 Bonds and all notices with respect to such Series 2024 Bonds shall be made and given, respectively, in accordance with the procedures of the applicable securities depository.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

The transfer of this Bond is registrable by the Bondholder hereof in Person or by his attorney or legal representative at the designated corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond and of the issue of the Series 2024 Bonds of which this Bond is one, is authorized by and is in conformity with, and does not violate, any constitutional, statutory or charter limitation or provision.

IN WITNESS WHEREOF, the City of Pompano Beach, Florida, has issued this bond and has caused the same to be executed by the manual signature of its Mayor, attested by the manual signature of its City Clerk, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the [____] day of [_____], 2024.

CITY OF POMPANO BEACH, FLORIDA

(SEAL)

Mayor

ATTESTED:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2024 Bonds described in the within-mentioned Ordinance.

DATE OF AUTHENTICATION:

[____], 2024

Registrar

By: _____
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received, the undersigned hereby sells, assigns, and transfers unto _____
_____(Please insert Social Security or other identifying number of transferee) _____
_____ the attached bond of the City of Pompano Beach, Florida, and does hereby
constitute and appoint, _____, attorney, to transfer the said Bond on the
books kept for Registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed by _____
[member firm of the New York Stock
Exchange or a commercial bank or a trust
company.]

By: (manual or facsimile)
Authorized Officer

NOTICE: No transfer will be registered, and
no new Bonds will be issued in the name of the
transferee, unless the signature to this
assignment corresponds with the name as it
appears upon the face of the within Bond in
every particular, without alteration or
enlargement or any change whatever and the
Social Security or Federal Employer
Identification Number of the transferee is
supplied.

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